



EVALUATION OF BRAND LOTALTY IN AVIATION INDUSTRY

Arpit Khurana

Research Scholar, Chandigarh University

Abstract

The main focus of this paper is to explore the airline brand loyalty. The primary objective of this study is to explore the nature of consumer loyalty and its major determinants with respect to Air India Flying Reuters Card; analyze the data concerning relationships between consumers' attitude, habit, satisfaction and loyalty among Air India customers. Further, it confirms various constructs extracted from the review of literature.

Keywords: *Customer loyalty, attitude, habit, satisfaction, loyalty, service, safety, comfort, luggage allowance, bonus, Flying Reuters Card, Air India.*



Scholarly Research Journal's is licensed Based on a work at www.srjis.com

INTRODUCTION & BACKGROUND

Customer loyalty plays a big role for modern-day business for two key reasons. The first reason customers are a scare resource- it is not difficult to obtain a purchase from an old customer than from a new customer. The second reason customer loyalty has a positive effect on the profitability and profits of the company, as demonstrated empirically. Customer loyalty translates into profits, which includes a rise in profits from cross-selling and up-selling, the gaining of new customers by word of mouth, cost reduction, and price insensitivity in the customer (Castañeda, 2011).

For few years, loyalty marketing has specifically become a poignant subject for research in services. In the face of overpopulated and hypercompetitive markets, service providers have shifted the emphasis in marketing strategies from customer acquisition to customer loyalty in a number of industries. To give an example of the airline industry, it is certain that the cost of frequent flyer programs is often higher than advertising spending. In fact, frequent traveler programs are just one tactic to try to increase loyalty (Shoemaker and Lewis, 1999). The theme of loyalty has not only been one of most discussed themes of marketing research, but also it has been discoursed in tourism research. In addition, tourism and hospitality researchers have highlighted “loyalty” as a subject of special practical significance for

research. Customer loyalty is also a driver of the long term success of a company (Tax, brown, and Chandrashekar, 1998). Therefore, the theme of customer loyalty is quite interesting for me to write in this study.

BACKGROUND AND HISTORY OF AIR INDIA

Air India, the premier flight carrier of India is one of the most extensive flight service provider in India. Air India is the flag carrier airline of India owned by Air India Limited (AIL), a Government of India enterprise. It is the largest airline in India in domestic market share, and operates a fleet of Airbus and Boeing aircraft serving various domestic and international airports.

Air India flying returns



As an Air India passenger one benefits from the greatest destination network in India and abroad, choice of flights and fares, and also the finest and most experienced crew. But as a member of Flying Returns, one gets even more. Because whenever one flies Air India as a member of Flying Returns he/she earn mileage points. And the passenger can redeem them for award travel faster when they fly on higher fares like full fare economy or Business/First Class.

Membership Privileges include more award tickets on lesser flights, seamless redemption online, miles on tickets purchased in any currency and in any country, across the counter redemption and retro credit facility, separate check in counter for members at select domestic airports, Tele-check-in facility for members traveling with only hand baggage in Executive or Economy class at Delhi, Mumbai, Kolkata, Chennai, Hyderabad and Bangalore airports, additional free baggage allowance, priority for waitlist confirmation and a wide range of special offers.

Passengers can also get more out of the frequent flyer programme by upgrading from Air India Flying Returns (Base tier) to higher levels

1. Silver Edge Club (SEC)
2. Golden Edge Club (GEC) or
3. The Maharaja Club (TMC) on qualifying status miles in preceding 365 days.

Automatic Recording of FR miles

Members must quote their Flying Returns membership number when making bookings of Air India flights and with other programme partners; present the membership card at check-in to ensure that the activities are recorded automatically. Members must ensure the name in the booking is exactly as it appears on the Flying Returns membership card.

Miles Redemption:

Flying Returns offers unmatched opportunities to redeem miles for award, on the vast combined domestic and international network of Air India. One can also redeem mileage points on Air India's partner airline's networks.

Elite Clubs (Tiers):

Air India Flying Returns (FR) offers 4 membership Tiers:

- ✎ Air India flying returns (Base Tier): Three elite tiers – Silver Edge Club (SEC), and The Maharaja Club (TMC) –created specially for our frequent flyers.
- ✎ **Elite Club Eligibility and Procedure:** On enrollment a member enters the base level of flying returns membership. On accrual of qualifying status miles in any preceding 365 days, the membership is upgraded to the higher levels- Silver Edge Club (SEC), Golden Edge Club (GEC) or The Maharaja Club (TMC).

Miles required for upgrade to tier/renewal.

Tier	Miles for upgrade/renewal
Flying returns member (base)	Default at Enrolment
Silver Edge Club (SEC)	25,000 status miles
Golden edge club (GEC)	50,000 status miles
The maharaja club (TMC)	75,000 status miles

Flying returns benefits and privileges:

1. Earn miles on e-services
2. Personalized web access:
3. Tele check in:
4. Complimentary upgrade vouchers:
5. Lounge access:
6. Additional baggage allowance on air India:
7. Check in at FR counters:
8. Priority baggage tagging:

AIR INDIA CARDS

THE MAHARAJA CLUB

Privileges: There was a host of benefits attached to the maharaja club membership of flying returns.

Personalized Membership card: The first thing you receive along with your membership on invitation is a Spedal Kit, containing a personalized the maharaja club' membership card, an announcement of your privileged status.

Bonus mileage points on flying returns membership: 30% bonus mileage points over and above the normal accruals on both domestic and international sectors (based on the applicable flights/fares/class)- which means you earn additional mileage points and get award tickets faster.

Increased check-in baggage allowance: A generous 20 kgs additional baggage allowance which is over and above the normal ticketed baggage allowance on both domestic and international sectors. For travel to from the USA, Canada and Japan one additional check in piece (as per cabin class) is permitted. So you can pack in more each time you fly.

Personalized check in: At select airports we have set up a dedicated check-in counter especially for you. You're the maharaja club membership card puts you upfront, where you belong.

Lounges: Use of lounge for + 1 guest traveling on AI designated flights and star alliance member carriers

Upgrade vouchers: On entry into the club you shall be issued 3 upgrade vouchers that can be used for upgrades on AI domestic flights.

GOLDEN EDGE CLUB

There are a host of benefits attached to the golden edge club membership or flying returns.

Personalized membership card: The first thing you receive along with your membership on invitation is a spedal kit, containing a personalized the golden edge club membership card, an announcement of your privileged status.

Bonus mileage points on flying returns membership: 25% bonus mileage points over and above the normal accruals on both domestic and international sectors (based on the applicable flights/fares/class) which means you earn additional mileage points and get award tickets faster.

Increased check-in baggage allowance: A generous 20 kgs additional baggage allowance which is over and above the normal ticketed baggage allowance on both domestic and

international sectors. For travel to from the USA, Canada and Japan- on additional check in piece (as per cabin class) is permitted. So you can pack in more each time you fly.

Personalized check in: At select airports we have set up a dedicated check-in counter especially for you. You're the golden edge club membership card puts you upfront, where you belong.

Lounges: Use of lounge for self + 1 guest traveling on AI designated flights and star alliance member carriers.

Upgrade vouchers: On entry into the club you shall be issued 2 upgrade vouchers that can be used for upgrades on AI domestic flights.

SILVER EDGE CLUB

There are a host of benefits attached to the silver edge club membership or flying returns.

Personalized membership card: The first thing you receive along with your membership on invitation is a special kit, containing a personalized the silver edge club membership card, an announcement of your privileged status.

Bonus mileage points on flying returns membership: 10% bonus mileage points over and above the normal accruals on both domestic and international sectors (based on the applicable flights/fares/class) which means you earn additional mileage points and get award tickets faster.

Increased check-in baggage allowance: A generous 10 kgs additional baggage allowance which is over and above the normal ticketed baggage allowance on both domestic and international sectors.

Personalized check in: At select airports we have set up a dedicated check-in counter especially for you.

Upgrade vouchers: On entry into the club you shall be issued 1 upgrade vouchers that can be used for upgrades on AI domestic flights.

RESEARCH OBJECTIVES

This paper examines the perspective of the consumer through quantitative research involving the survey questionnaire with a sample of experienced tourists from Alta airport. The specific objectives of this study are to:

1. Explore the nature of consumer loyalty and its major determinants with respect to the Air India
2. Analyze the data concerning relationships between consumers' attitude, habit, satisfaction and loyalty; and

FACTORS AFFECTING CUSTOMER LOYALTY

Nambisan and Sawhney (2007) explain that there are lots of important factors within consumer behavior influence the degree of loyalty, which consumers show to an airline brand. For instance, the impact of brand awareness has been established by a study examining the airline industry. It has indicated that consumers were in the belief that the ones they did not recognize, even after the consumers were given information about poor reputation poor safety records among the well-known airlines.

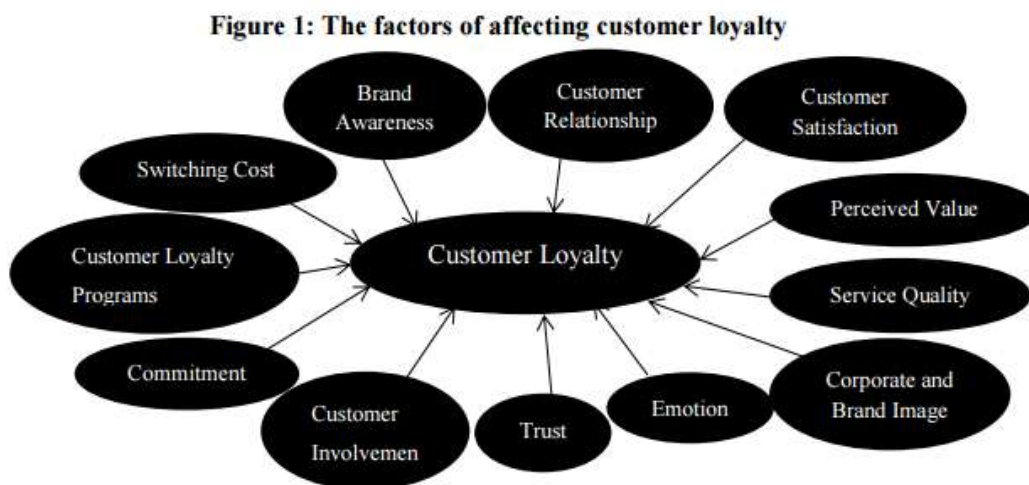
Kumar et al. (2011) found that the development of good relationships with customers plays a vital role in creating customer loyalty. They also reported that marketing concerns have progressively shifted from developing, selling and providing products/services to increasing and preserving a satisfying long-term relationship with customers. Additionally, Kang and Ridgway (1996) note that the aspect of relationship is important as the consumer is likely to feel obligated to pay off a retailer's investments in the consumer-retailer relationship by increasing his or her loyalty to that retailer, which implies that increased consumer relationship efforts result in increased loyalty.

Zhaohua, Yaobin, Kwok, and Jinlong (2010) explain that customer satisfaction is considered as an important determinant of repurchase intention and customer loyalty. Jung and Yoon (2013) noted that customer satisfaction positively affects customer loyalty. They also noted that higher satisfaction increases customer loyalty. That's why a number of the studies on this matter have concluded that customer satisfaction is the most fundamental determinants of customer loyalty (Lin and Wang, 2006).

Furthermore, Forgas et al. (2010) claimed that perceive value significantly and directly influences customer loyalty. Perceived value articulated as the ratio of perceived benefits to perceived costs, which is also considered as a determinant of customer loyalty as noted by (Lam, Shankar, Erramilli, and Murthy, 2004). Customers enhance loyalty towards a specific company when there is a feeling that the customers accept greater value in comparison to competitor companies (Kumar et al.; 2011). Lam et al. (2004) found that customer value positively correlates with customer satisfaction and customer loyalty.

As stated by Bielen and Demoulin (2007), waiting time has a significant influence on customer loyalty, especially in service industries. Customer satisfaction with waiting time was used as a construct to denote customer post-experience and judgmental evaluation associated with cognitive aspects and affective aspects of waiting. By measuring the extent to which perceived waiting time period matches customers' expectations for a particular transaction. Further, Bielen and Demoulin (2007) identified that long waiting time negatively

affects customers' perception of service delivery that reflects negatively on loyalty. In summary, the various factors affecting customer loyalty can be conceptualized as shown in figure 1.



ANALYSIS & FINDINGS

Demographic profiles

The detailed demographic profiles are shown in Table below.

Age

Table 5: Age composition of travelers (%)

	AIR INDIA
25 and under	35
26-45	32
46-55	15
56-65	13
66 and over	5
Total	100
N	(119)

Regarding the age of the travelers, the age group of traveler was '25 and under' who preferred to choose **AIR INDIA**

Gender

Table: Gender composition of travelers (%)

	AIR INDIA
Male	64
Female	36
Total	100
N	(118)

There were 197 travelers involved (1 missing). The male travelers were predominated by **AIR INDIA** while females amount to **AIR INDIA** (36%),

Current education level

Table: Educational level of travelers (%)

	AIR INDIA
Secondary school or below	3
High school	30
College and university	64
Graduate school or above	3
Total	100
N	(119)

AIR INDIA had got more than half of the travelers who answered the question indicated education as ‘college and university’.

Current occupation

Table: Occupational status of travelers (%)

	AIR INDIA
Student	22
Full time employed	46
Part time employed	13
Unemployed	3
Retired	2
Self-employed	11
Others	3
Total	100
N	(119)

In a grouping based on respondent’s primary occupation, **AIR INDIA** had got most of travelers who worked as ‘full time employed’. It appears from the table that majority of travelers preferred to choose Air India who work as ‘full time employed’. Occupation was found to be significant.

Purpose and Travel frequency

Table below shows that the purpose and travel frequency of the respondents. Percentage was used to describe the purpose and travel frequency of the sample group.

Table: Purpose and travel frequency (business, visiting friends/relatives, visitor/tourist and others) composition of travelers (%)

Items	AIR INDIA
Business	33%
Visiting friends/relatives	30%
Visitor/tourist	66%
Others	13%
N	(119)

There were predominantly travelers of **AIR INDIA** who traveled because of 'Visitor/tourist'. The analysis of the travelers' information reveals that the purpose and travel frequency is based on multiple response questions. The sum of the percentage can exceed 100%.

CONCLUSION

This study aimed to explore the nature of consumer loyalty and its major determinants with respect to Air India Flying Returns. The important conclusion is that passengers of Air India are more or less quite satisfied with the services of Air India and also hail Air India Flying Returns as it has excellent offers for the customers. Air India Flying Returns has succeeded in attracting more customers towards Air India because of marvelous facilities and offers, the results of the survey show that Air India was perceived as good airline.

REFERENCES

- Bielen, F., & Demoulin, N. (2007). Waiting time influence on the satisfaction-loyalty relationship in services. *Managing Service Quality*, 17, (2), 174-193.
- Castañeda, J. A. (2011). Relationship between customer satisfaction and loyalty on the internet. *Journal of Business and Psychology*, 26(3), 371-383.
- Forgas, S., Moliner, M. A., Sánchez, J., & Palau, R. (2010). Antecedents of airline passenger loyalty: Low-cost versus traditional airlines. *Journal of Air Transport Management*, 16(4), 229-233.
- Kumar, V., Batista, L., & Maull, R. (2011). The impact of operations performance on customer loyalty. *Service Science*, 3(2), 158-171.
- Nambisan, S., & Sawhney, M. (2007). Meet the innovation capitalist. *Harvard Business Review*. Retrieved February 05, 2014, from <http://hbr.org/2007/03/meet-the-innovation-capitalist/ar/1>
- Shoemaker, S., & Lewis, R. C. (1999). Customer loyalty: The future of hospitality marketing. *International Journal of Hospitality Management*, 18(4), 345-370.
- Tax, S. S., Brown, S. W., & Chandrashekar, M. (1998). Customer evaluations of service complaint experiences: Implications for relationship marketing. *Journal of Marketing*, 62(2), 60-76.
- Zhaohua, D., Yaobin L., Kwok, K. W., & Jinlong, Z. (2010). Understanding customer satisfaction and loyalty: An empirical study of mobile instant messages in China.