

# **Total Service Quality Management And The Service Industry:Evidence From International Airlines**

**Umar Usman**

Othman Yeop Abdullah Graduate School Of Business  
Universiti Utara Malaysia 06010 Sintok, Kedah, Malaysia

## **Abstract**

Today the airline industry is one of the fastest and largest growing industries in the world because of its importance in facilitating national and international relation amongst countries, Tangibles, Reliability, Competence, Responsiveness, and Empathy are the core characteristics of service industry. In line with the international standard parameters the study which to recommend to the airline industry to enhance the level of customer satisfaction, customer royalty and customer retention in the industry by providing safety of their life and property, restore full confidence on their quality of service delivery and delight their existing customers in order to attract potential customers.

**Keywords:** Service quality; Customer satisfaction; customer loyalty; customer retention;

## **1.0 Introduction;**

Today the airline industry is one of the fastest and largest growing industry in the world because of its importance of the industry in facilitating national and international relation amongst countries, economic growth, international business, international marketing, international investment, international trade, sporting activities, visitation, tourism, leisure and education etc. In airline industry, service quality is a recent strategy used by service firm as a competitive marketing strategy just as the physical product all revolving around customer focus, innovation, creative service, satisfaction and striving towards service excellence in order to retain existing customers and to attract potential customers to the industry. Airlines services despite being identical in nature of their business are generally characterized by customer segmentation, customized service, guarantees, continuous customer feedback and comprehensive measurement of company performance (Albrecht, 1992). And its variants are being used by suppliers to gain competitive advantage in the market place. Flight scheduling, ticket prices, in-flight services, deviant behavior, emotion facilities and ticketing procedures are normally consider among the few key factors in determining the airline service quality and core strategy to influence passengers' choice of airline because of perceived level of safety and other facilities.

Perceived quality can be defined in the content of its customer's perception as the overall quality of services or superiority of a service with respect to its intended aims and objectives, superior to its alternatives.

## **1.2 kinds of services quality;**

Firstly, perceived quality is a perception by customers in the industry and its actually differs from the following related concepts, such as:

**Actual or objective quality;** which means that the extent to which the product or service delivers superior service when compare to its competitors.

**Product-based quality:** It refers to the nature and quantity of ingredients, features, or services included in the product or service.

**Manufacturing quality:** Its refers to as conformance to specification of certain product or services i.e. the "zero defect" goal

Perceived quality are normally subjectively determined, just because it is a perception and also judgments about what is significant to customers are usually involved. An example of washing machines by a Consumer assessment may be competent and unbiased, but it must make judgments about the relative significance of features such as cleaning action, types of clothes to be washed, and so on that may it may differs from other customers in the industry.

The characteristic of service is an intangible asset, just as the way and manner we feel about a brand of a service or product. How-ever, the characteristics of the products to which the brand is attached such as reliability and performance. To really understand what are perceived quality, the identification and measurement of the underlying dimensions will be useful, but actually the perceived quality itself is a summary in the global content.

### **1.3 The concept of perceived services quality towards organizational performance;**

The major aims and objectives of service firms are to delight its customers, by providing superior services in order to gain a complete advantage over and above their competitors. And recently the service sectors have developed strategy and interest among business individual and groups more especially with the expanded of the seven 7ps. Of course, customers have always been concerned with quality product and services, but the increasing competition in the market for many services has led customers to become more selective in the services they provide.

Understanding the concept of quality for services is more complex and difficult in the real sense than understanding those for quality goods. Because services quality are intangible and to measures service quality can be very difficult due to its nature. To Understand which of the dimensions of service quality are of significance to customers is not always easy in their assessment process. Normally it is not adequate enough for services organizations' to set quality standards in accordance with misguided assumptions of customers' expectations. The main problem in defining service quality is that the services cannot be separated from the provider of the services unlike product which easily be separated from the main provider of that particulars goods.

Managing quality services should be strictly adherence to the accepted norms and ethnics of quality as significant to the modern concept of marketing of services of an organization. The quality of service delivery (QSD) output in customer satisfaction and their customer retention as it's refers to the customer perception that the value of the service received is greater than the price paid for it. Some significance concepts are: Modern quality concepts which result in t better performance and profitability, which is now, refer to as the major goal of business organization in the world. Managing services quality control is a strategy of changing the psychological mind of the service provider and particularly the employees who are directly involves in the real exercise of changing in attitudes of their customers.

Initially, most service organization providers have assumed that they know so much about their customers need and wants. This strategy of self-satisfied approach needs to be completely changed, and to adopt the strategy of developing a feedback system which is very necessary strategy for managing service quality improvement in any service organization. The strategies of develop a better service quality standards is a significance issue to most organization.

Firstly, Goal setting and strictly adherence to the goals and objectives are all necessary to ensure the continuous improvement in the quality of standards.

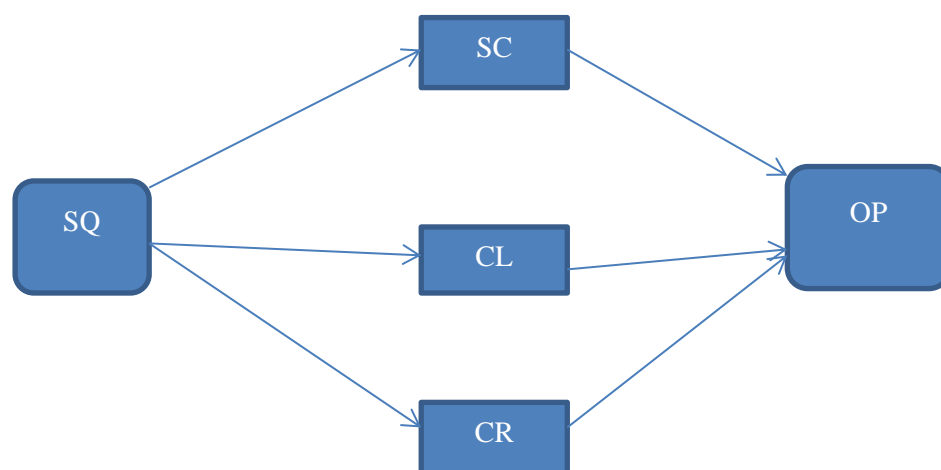
Secondly, the concept of customer retention (CR) through quality improvement, The main focus of a professional manager in any service organization have shifted away from just making sales to a customer but also to retain the existing customer.

Today professional manager pay more attention to medium and long term prospective customers, rather than just the short-term prospective customers. This has been a strategic thinking in the field of managerial style towards customer retention. If the customer remains loyal to the company products or services, then the continuous purchases represent a higher cumulative value which is quite bigger when compared to any single transaction.

Thirdly, The issue of reduced costs, it is normally costly to acquire new potential customers than to retain old existing customers. Therefore, the focus of a professional manager is with more emphasis on the strategy of customer retention than mere customer acquisition in order to minimized cost in the organization.

Finally, the customers who are already loyal to your products or services go ahead to market your services to potential customers. The concept of customer satisfaction is a situation whereby the customer feels that the value of a service received by the customer is substantially higher than the price paid for the product or acquiring that particular service. Customer satisfaction can be largely attributed to the quality of the service or product deliver to delight the customer. Therefore, delivery of high quality service is a very important to the higher esteem customer to change their perception.

**Link between service quality(sq),customer satisfaction(cs),customer royalty (cl) and organizational performance (op)**



**Source; The researcher (2013)**

From the above illustration, there is a direct link between Customer perception, service quality, customer retention, customer satisfaction, and customer loyalty and organization performance.

Quality is simple defined as the ability of the service provider to satisfy both its existing and potential customer needs and want. International-standard parameters which are responsible in measuring the level of customer's satisfaction in term of their safety comfort and confidence on the quality of service and variety of food & drinks served during the flight

Table 1. *Reputation Quotient (RQ)* of International Airlines in 2003.

| NO | INTERNATIONAL AIRLINES       | RQ   |
|----|------------------------------|------|
| 1  | Singapore Airlines           | 80,3 |
| 2  | Deutsche Lufthansa           | 74,7 |
| 3  | Scandinavian Airlines System | 74,4 |
| 4  | KLM Royal Dutch Airlines     | 74,1 |
| 5  | Qantas Airways Ltd           | 73,1 |
| 6  | British Airways              | 72,5 |
| 7  | Virgin Atlantic Airways      | 72,3 |
| 8  | SAir Group (SwissAir)        | 72,0 |
| 9  | Japan Airlines Company       | 69,6 |
| 10 | Air Canada                   | 68,8 |
| 11 | All Nippon Airways Co.       | 67,6 |
| 12 | Societe Air France           | 65,9 |
| 13 | Alitalia                     | 60,3 |
| 14 | Iberia                       | 60,3 |
| 15 | Korean Airlines              | 54,5 |

Source : Warta Ekonomi ; No. 13/Thn.XV/2 Juli 2003.

.Above is a table showing the level of customer's satisfaction with the various international Airlines which is based on the parameter of reputation quotient on international standard that is ranking from highest to the lowest.

#### 1.4 Summary and Conclusion

In summary the study present a table to show the ranking of the airline industry base on reputation quotient from 80.5RQ from to the lowest which is 54.5RQ,the core characteristic of services which distinguish it's from product was also explained such as Tangibles, Reliability, Competence, Responsiveness, Empathy.

#### 1.5 Recommendations

From the above study I wish to recommend to the Airline industry to improve its reputation

Quotient (RQ) in line with the international standard parameters to enhanced the level of customer satisfaction, customer royalty and customer retention in the industry by providing safety of the life and property of their customers, restore full confidence on their quality of service delivery and delight their existing customers in order to attract potential customer.

### **Bibliography:**

Albrecht, K. (1985), "Achieving excellence in service", **Training and Development Journal**, Vol. 39 No.12, pp.64-7.

Dale, B. (2003), **Managing Quality**, 4th ed., Blackwell Publishing, Oxford, .

Van der Wiele, T., Boselie, B., Hesselin, M. (2002), "Customer satisfaction and business performance", **Managing Service Quality**, Vol. 12 No.3, pp.184-93.

Verma, R. (2000), "An empirical analysis of management challenges in service factories, service shops, mass services and professional services", **International Journal of Service Industry Management**, Vol. 11 No.1, pp.8-25.

Wirtz, J., Johnston, R. (2003), "Singapore Airlines: what it takes to sustain service excellence sa senior management perspective", **Managing Service Quality**, Vol. 13 No.1, pp.10-19.

Wirtz, J., Tomlin, M. (2000), "Institutionalizing customer-driven learning through fully integrated customer feedback systems", **Managing Service Quality**, Vol. 30 No.4, pp.205-15.

Zeithaml, V.A. (2000), "Service quality, profitability and the economic worth of customers: what we know and what we need to learn", **Journal of the Academy of Marketing Science**, Vol. 28 No.1, pp.67-85.