

# Impact of Service Quality (SQ) on Passenger Satisfaction: Empirical Study Based on Passenger Baggage Handling Section (PBHS) in Sri Lankan Airlines

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### ABSTRACT

The purpose of the research is investigating the impact of Service Quality (SQ) on Passenger Satisfaction (PS) related to the Passenger Baggage Handling Section (PBHS) in Sri Lankan Airline service. As Tolpa reveals in the year 2012 that the PBHS is very important to measure the SQ of Airline service industry, since passengers' complains determine the satisfaction level of the service. To date, simultaneously both passenger handling capacity and complaints of passengers on the Sri Lankan Airline service are increasing. Passengers' dissatisfaction regarding the service quality of PBHS was proved by the pilot survey conducted by researchers in the year 2015. Accordingly, the primary objective was to measure the impact of SQ on PS and find out the most significant SQ factors influencing to PS in PBHS. SQ considered as the independent variable in this study. Thus, Tangibility, Responsiveness, Reliability, Assurance, and Empathy are considered as the SQ dimensions based on Parasuman SERQUVAL model and PS considered as the dependent variable. Descriptive and inferential statistics were used for measuring the SQ, PS and their relationship. Both primary and secondary data were used for the requirement and survey method was applied for collecting primary data. Deductive method was applied as research design since there are sufficient numbers of researches and theories are available in the area concerned. 104 numbers of passengers were selected as the sample based on convenience and judgmental sampling methods. Young professionals' foreigners and locals' passengers were the sample units. The research concluded that all five SQ dimensions are significantly affected to determine the PS in this service sector. Empathy was the most significant SQ factor among all others which was affected to the PS of the PBHS in Sir Lankan airline.

**KEYWORDS-:** Baggage Handling, Passenger Satisfaction, SERQUVAL Model, Service Quality, Sri Lankan Airlines

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## 1. Background to the Study

The success of any business depends on attracting and retaining customers and builds them to as loyal customers in the competitive business arena. Therefore, companies are strategically attracting customers for winning the competitive advantages. At this juncture, they are keen on manufacturing high quality products; delivering the highest value for the purpose of satisfying and retaining them as value and loyal customers. Every organization's success is depending on the effectiveness and efficiency of their performance, therefore organization should responsible to measure their service. Providing quality is not a concern of manufacturing companies alone, but also, service organizations. Determining customer satisfaction of services industry, is quite difficult because of the services are intangible, perishable, inseparable, variable, etc compared to the physical goods industry. Due to this reason many scholars ((Parasuraman, Zeithaml, & Berry, 1985, 1988, 1991a; Grönroos, 1994; Tsaur, Chang, &Yeh, 2002; Gilbert & Wong, 2003; Chen & Chang, 2005, Gilbert& Wong 2003, Tsaur 2000) build up the theories and models for measuring SQ which are important to determine the customer satisfaction in services industry. There are many services industries in the world, among them Airline services is a highly turbulent and fast growth services sector in the world. This industry directly affect on the economic growth, stability of the tourism industry, international integration and corporation, etc. When emphasizing these, it is very much essential to measure the performance of Airline service sector. The delivery of high quality service becomes a marketing requirement among air carriers as a result of competitive pressure (Ostrowski et al., 1993). Chang and Yeh (2002) argue that quality of Airline service is difficult to describe and measure due to its heterogeneity, intangibility, and inseparability. When considering Airline service, it is consisting with many subsystems; ticketing, booking, transportation, cargo, passenger baggage handling, etc. PBHS is also a much important section in determining the total quality of the service of Airline service, because passenger can start to use the service provided by the Airline Company well before the actual flight takes place. Anyhow, the performance of the service industry depends on the customer satisfaction. Yu-Kai Hung (2009) stated that the service in the Airline Industry much depends on their sub services what they provide and shown a challenge because of those services are rapidly changing day by day. When selecting the best Airline service, passenger is highly considered the service of various Airlines provide ( Chih Wen Yang ,2010). In here researchers are keen only on the PBHS as a part of the whole Airline service in Sri Lanka. Thus, services the passenger experience is affected mainly by two aspects; how the passenger is engaged and how the passenger is treated.

# 2. Research problem

Maximizing customer satisfaction is a unique reason behind the success of any organization specially a company operates in a rapidly changing service sector. Because, satisfaction is closely related to customer loyalty and their lifetime value in a competitive market. According to, Tolpa. E., (2012), it is important to measure the passenger satisfaction through SQ of PBHS. Further, he reveals in his research around 93% 'extremely important' to consider the baggage delivery under the Post-arrival services in the Airline Industry. As per Sri Lankan Airline annual report- Airport & Aviation Services (2013), it was stated that 7,311,869 as annual passenger capacity. This report simultaneously emphasizes the increasing number of passenger complaints in relation to the passenger service. Considering all of these factors, researchers conducted the pilot survey to identify the issues in the service of PBH in Sri Lanka attending to 21 passengers during the period September 2015. The table no 1exhibit the result of pilot survey.

As in table 1, main three areas were focused to identify the issues in this service section relating to the customer services. Accordingly, 35.9 percent passengers are satisfied, 28 percent passengers are dissatisfied and 33.3 percent are moderately satisfied about their overall satisfaction. Researchers considered "Moderately satisfied" are even not as highly satisfied since the service level to be improved further. Then, tested the value for money and accordingly, only 28.5 percent responders' are satisfied, 33.3 percent are moderate, 38.0 percent are dissatisfied with the service. Accordingly, 71.3 percent responders' had not received optimum service for their money paid. Finally, tested the issues regarding waiting time and, accordingly, only 23.8 percent responders received the services less than 30 minutes. The balance responders are not experiencing the maximum satisfaction regarding the service delivered.

| Description             | Level of satisfaction | Frequency | %      | Results |
|-------------------------|-----------------------|-----------|--------|---------|
| Overall satisfaction of | Satisfied             | 8         | 38.09% | 38.09%  |
| the Airline PBHS        | Moderately satisfied  | 7         | 33.33% | 61.90%  |
|                         | Dissatisfied          | 6         | 28.57% |         |
| Total                   |                       | 21        | 100%   | 100%    |
| Value delivered to the  | Satisfied             | 6         | 28.5%  | 28.5%   |
| passenger               | Moderately satisfied  | 7         | 33.3%  | 71.3 %  |
|                         | Dissatisfied          | 8         | 38.0%  |         |
| Total                   |                       | 21        | 100%   | 100%    |
| Waiting time            | < 30 Minutes          | 5         | 23.8%  | 23.8%   |
|                         | 30 Minutes - 01 hour  | 9         | 42.8%  | 76.2%   |
|                         | 01 hours >            | 7         | 33.3%  | 1       |
| Total                   |                       | 21        | 100%   | 100%    |

Table No 1; Result of Pilot Survey

(Source ;pilot survey,2015)

When considering all these facts, it can be assumed that, there is a gap between passengers' expectation and satisfactions of the APBH service in Sri Lankan Airlines. So, this study aims to find out the reason behind this satisfaction gap using SQ theories. Also, search "how does SQ factors influence to determine the PS" and search the available strength of these relationships.

# 3. Research Objectives

As a primary objective is this research is to examine the impact of SQ and on the passenger satisfaction in Airline PBHS of Sri Lanka. Secondary objectives are; to investigate the level of SQ factors operate and level of passenger satisfaction; to examine the SQ factors influencing to passenger satisfaction and to identify the most significant SQ factor in Airline PBHS in Sri Lanka.

## 4. Literature review on Service Quality and Passenger Satisfaction

#### Passenger Satisfaction

Passenger satisfaction is a degree of satisfaction provided by the goods or services of a company as measured by the number of repeat passengers or how the service meets the customer's expectation. Satisfaction can also be a person's feeling of pleasure or disappointment that results from comparing a product's perceived performance or outcome with their expectations (Kotler & Keller, 2009, p. 789). Even though, different customers will require different levels and combinations of variables/ factors, which are important to their satisfaction. Zainoland Z &Romle R (2009) reveals that service attributes, forecasted performance, ideal performance and equitable performance are positively influenced to passenger satisfaction. But compared to them ,Romle R & Zainol Z (2010), say service attributes, forecasted performance and equitable performance as determinants of passenger satisfaction. Gilberta D, Robin K.C. and Wong (2002) was identified passenger expectation as a key approach of the passenger satisfaction. It has positive relationship, Gilberta D, Robin K.C. Wong (2002), attempts to identify the service dimensions that matter most to current Airline passengers such as passenger's expectation base on the importance of service attribute, equitable performance and other performance. Henkel et al., (2006) found that customers who are satisfied with a service provider are intent to increase the usage and purchase in future times. Tolpa E. (2010), was stated passenger satisfaction is consist with service quality of all other sub services, which is provided by Airline. Parasuraman, Zeithalm and Berry (1988) and Naeem and Saif (2009) found that customer satisfaction is the outcome of SQ, there is positive, significant relationship and Sureshchandar (2002) suggest that there is a strong connection between SQ and customer satisfaction. Lehtinen & Lehtinen (1982) reveal that a physical part of the Airline service could be the launch that the client enjoys. Thus, the relationship between SQ and passenger satisfaction was confirmed. However, Gummesson (1991) claims that service characteristics do not make SQ hard to define, but rather make it different from product quality. Accordingly, the literature it was supported to the following hypothesis;

"There is a significant and positive relationship between SQ and passenger satisfaction"

#### **Service Quality**

The relevance of SQ to companies is emphasized especially the fact that, it offers a competitive advantage to companies that strive to improve customer satisfaction. Therefore, SQ has received a great deal of attention from both academicians and practitioners (Negi, 2009). In services marketing literature, SQ has defined as "the overall assessment of a service by the customer" (Eshghi et al., 2008, p.121). Commonly used definition to SQ as: "the difference between customer expectations of service and perceived service" If expectations are greater than performance, then perceived quality is less than satisfactory and hence customer dissatisfaction occurs" (Parasuramanet et al., 1985; Lewis and Mitchell, 1990). Also, SQ is considered an important tool for a firm's struggle to differentiate itself from its competitors (Ladhari, 2008, p.172). According to, Parasuraman et al. (1985) service characteristics that influence the understanding and measurement of SQ were; intangibility, heterogeneity, inseparability, perishability,

#### Service quality dimensions

The famous approach to measuring SQ is a systems approach by Johnson et al. (1995). According to them, a measure of overall SQ should include judgments of all dimensions of service: inputs, processes and outputs. Evaluating services with systems approach is different from evaluating products as because of service characteristics. This system approach views SQ differently, by claiming that inputs, outputs as well as a service process affect the SQ. It adds an understanding of the importance of service components in the delivery of services. The models as SERVPERF (a variation of SERVOUAL) and Service Attribute-Process Matrix by Gliatis and Minis (2007) were an another significant approaches to measure the SQ. All the models present a different view to SQ; however, Gronroos's model and SERVQUAL possess shown some similarities. Both of them claim that the expected quality depends on a variety of factors such as prior experiences, personal needs, word of mouth, and marketing campaigns. Moreover, both identify perceived SQ as a gap or a difference between expected service and perceived service. All these models focused service as a multidimensional concept. Parasuramanet.al, (1988), later developed the SERVQUAL model which is a multi- item scale developed to assess customer perceptions of SQ in service and retail businesses. The scale decomposes the notion of SQ into five constructs as; tangibility, reliability, responsiveness, assurance and empathy. It bases on capturing the gap between customers' expectations and experience which could be negative or positive if the expectation is higher than experience or expectation is less than or equal to experience respectively. The SERVPERF model developed by Cronin & Taylor, (1992), was derived from the SERVQUAL model by dropping the expectations and measuring SQ perceptions just by evaluating the customer's the overall feeling towards the service. Brady & Cronin, (2001), proposed a multidimensional and hierarchical construct, in which SQ is explained by three primary dimensions, there are interaction quality, physical environment quality and outcome quality. Saravanan & Rao, (2007, p.440), outlined six critical factors of the service considering the human aspect of the delivery which are appropriate to measure SQ as; customer-perceived service quality; human aspects of service delivery (reliability, responsiveness, assurance, empathy), core service (content, features), social responsibility (improving corporate image), systematization of service delivery (processes, procedures, systems and technology), tangibles of service (equipment, machinery, signage, employee appearance), service marketing. They found out that these factors all lead to improved perceived SQ, customer satisfaction and loyalty. Mittal and Lassar's (2009) SERVQUAL-P model reduces the original five dimensions in to four; reliability, responsiveness, personalization and tangibles. Importantly SERVQUAL-P includes the personalization dimension, which refers to the social content of interrelation between service employees and their customers (Bougoure& Lee, 2009, p.73). Also, researchers tested the customer satisfaction using SERVPERF model attending to SQ dimensions; tangibles, reliability, responsiveness, assurance and empathy (Parasuraman 1988, Cronin & Taylor, 1992).

| Source                     | SQ Model                            | Dimensions                                                                                                                                        |
|----------------------------|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| Lehtinen &                 | Own build up                        | Physical quality, corporate quality and interactive                                                                                               |
| Lehtinen (1982)            |                                     | quality.                                                                                                                                          |
| Parasuraman,<br>1988       | SERVQUAL                            | Tangibles, Reliability, Responsiveness ,Assurance,<br>Empathy                                                                                     |
| Cronin & Taylor,<br>1992   | SERVQUAL                            | Tangibles, Reliability, Responsiveness, Assurance, Empathy                                                                                        |
| Gliatis and Minis,<br>1995 | Service Attribute<br>Process Matrix | Prior experiences, Personal needs, Word of mouth marketing                                                                                        |
| Johnson, 1995              | Own build up                        | Quality of inputs, Quality of processes, Quality of outputs                                                                                       |
| Brady & Cronin,<br>2001    | Own build up                        | Interaction quality, Physical environment quality,<br>Outcome quality                                                                             |
| Saravanan & Rao,<br>2007   | Needs of hierarchy                  | Human aspects of service delivery, Core service,<br>Social responsibility, Systematization of service<br>delivery, Tangibles of service marketing |
| Mittal and Lassar,<br>2009 | SERVQUAL-P                          | Reliability, Responsiveness, Personalization Tangibles.                                                                                           |

Table No.2 : Service quality dimensions

#### **Passenger Satisfaction and Service Quality**

Pakdila F. and Aydınb Z. (2007), focus in their study on how to deliver the most convenient service to meet customers' needs by airlines service establishments stating the requirement of understand customers' needs and expectations. The research of investigating structural relationships between SQ, perceived value, satisfaction, and behavioural intentions for Air passengers have presented a relationship model for international Airlines. According to Ching-Fu Chen (2008), both perceived value and overall satisfaction are found to have direct influences on passengers' behavioural intentions. Tolpa .E. (2012) was tested the relationship between SQ and passenger satisfaction, including sub services of Airline industry. Gilberta D, Robin K.C and Wong (2002), explain that there is a significant difference in service expectations among passengers. Zainol Z. and Romle R. (2009) explore the passengers' views on SQ provided by the Malaysia Airlines and Air Asia. According to Gilbert and Wong (2002), was understood what passenger's expected are essential to providing desired SQ in the Airline industry. Lehtinen & Lehtinen (1982) reveal three dimensions of service reveals were; physical quality, corporate quality and interactive quality.

| Source                                       | Areas concerned                                                                                                       | Sig./not sig. |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------|
| David Gilberta, and Robin<br>K.C. Wong(2002) | Passenger expectations and airline services: a Hong Kong based study                                                  | Significant   |
| Fatma Pakdila and zlemAydinb (2007)          | Expectations and perceptions in airline services                                                                      | Significant   |
| Ching-Fu Chen(2008)                          | SQ, perceived value, satisfaction, and behavioural intentions for air passengers: Evidence from Taiwan                | Significant   |
| Zamri Zainol and Rahim<br>Romle(2009).       | The Truths of SQ (Passenger Handing) in Airlines<br>Industry: A Exploration between Malaysia Airlines<br>and Air Asia | Significant   |
| Tolpa E. (2012)                              | Customer Expectations of SQ: case Airline Industry                                                                    | Significant   |

Table No 3 ; Passenger satisfaction and Service quality

#### Passenger Satisfaction in Airline Passenger Baggage Handling

Understanding the importance and roots of customer satisfaction is important for any type of organization to grow and remain profitable in the market. But specially in some industries such as Airline industry customers are carriers' as assets. Identify the SQ elements of a service, basic support services, a recovery process from bad experiences, extraordinary services, etc were identified as reasons behind passenger

satisfaction in PBHS. Tolpa E.(2012), was mentioned about the PBHS as very important section in the Airline industry. He stated that SQ around 93 percent are very important factor to determine the PS in Airline industry. He, further explain that factors which were consists with customer satisfaction as; customer attitude and beliefs, weight of attributes, basic support services, extraordinary services and recovery process in the whole Airline industry and sub services including ticketing, accommodation, baggage handling, cargo, airline services, etc. Abdlla G, Mohamed and Mekawy, (2007) was mentioned the available relationship between tourists' expectation and its quality of Egyptian Airline sector.

| Areas concerned                                                                                                     | Source                                       | Relationship            |
|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-------------------------|
| SQ and Customer satisfaction                                                                                        | Lacobucci,D., K.Grayson K.<br>Ostrom AL,1994 | Positive<br>Significant |
| The Truths of SQ (Passenger Handing) in<br>Airlines Industry: Exploration Between<br>Malaysia Airlines and Air Asia | Zamri Zainol, A.,2002                        | Positive<br>Significant |
| SERVQUAL Scale in the Business-to-<br>Business Sector: The Case of Ocean Freight<br>Shipping Service.               | DurvasulaS, Steven<br>Lysonski Subhash, 1999 | Positive                |

Table 4 :SQ and Passenger Satisfaction in Airline industry

## 5. Methodology

The research continues to test the impact of SQ on the passenger satisfaction applied in case of PBHS in Airline industry in Sri Lanka having a deep discussion on SQ dimensions. Deductive approach was applied for the study because of this study conducted based on existing theories and published literature on the SQ and passenger satisfaction. Also, the study was designed at cross- sectional study and planned to conduct the survey at the real service setting in the organization selecting passengers who visited to get the service where the Sri Lankan Airport at Katunayake. The population in this study refers all of the passengers who travel and obtain service of PBHS in this airport. The population of this study represents all the travelers who are coming to the Bandaranayake International Airport (BIA). According to Sri Lankan Airline Annual Report (2013), annual passenger capacity around 7 million. With related to this research study, it is infinite population and due to the fact that the researchers faced a difficulty to estimate passengers. Thus, the selected sample was 130 passengers from it infinite population considering the sample frame as the statistics indicated in Sri Lankan Airline Annual report (2013). The sample unit is individual passengers and selected focusing some of the demographic factors such as gender, age, tour orientation, etc. This sample was selected applying the non probabilistic method with, convenience approach which is suitable method for conducting this kind of infinite population. KMO and Barliete test was used to test the adequacy of sample size.

Both primary and secondary data were considered for the study and secondary data such as Sri Lankan Airline annual reports, IAA reports, web sites and related journals were used. Anyhow, more emphasized was given to primary data. The data collection lasted for two days from different two weeks during one month period. The survey questionnaire was distributed through online as well as interview based questionnaire to gather the primary data from passengers, because passengers are always busy with their travel. The survey was conducted through the standard questioner according to Yu-Kai Huang (2009) with required modification which is related to Sri Lankan culture and service environment. Questionnaire comprise a total of 40 questions with the format of five point Liker scaling; ranging from strongly disagree (1) to strongly agree (5). Questionnaire mostly developed with close ended questions and some of the open ended questions also used where required. The questionnaire consists of three parts; part A-background information, part B- service quality and Part C- passenger satisfaction. A pilot survey was carried out during two weeks to assess the questionnaire clarity and length. Before launching the survey it was tested the reliability of the questionnaire using Cronbachs' alpha statistics on pilot survey and accordingly tested alpha value for each dimension was greater than the 0.700 as per rule of thumb (Sekeran, U. 2003). The analysis of the data was performed with SPSS 21 version and analysed with the support of statistical techniques; descriptive (mean, standard deviation) and inferential (ANOVA test, Pearson coefficient of correlation). SQ was measured using five independent variables as pre figure 1 stated below. The conceptual model was developed according to the Parasuman SEQUVAL model and tested its relationship with passenger satisfaction as the dependent variable.

The operational definitions for each variable were performed with the view of literature review .

Service quality is defined as measures the difference between what is expected from a service encounter and the perception of the actual service encounter (Parasuraman et al., 1988). According to SERVQUAL model the dimensions of SQ are stated as: Tangibles refers to" physical facilities, equipment and appearance of personnel". Reliability. refers to "ability to perform the promised service dependably and accurately". Responsiveness. refers to "willingness to help customers and provide prompt service". Assurance, refers to "knowledge and courtesy of employees and their ability to inspire trust and confidence". Empathy refers to "caring and individualized attention that the firm provides to its customers".

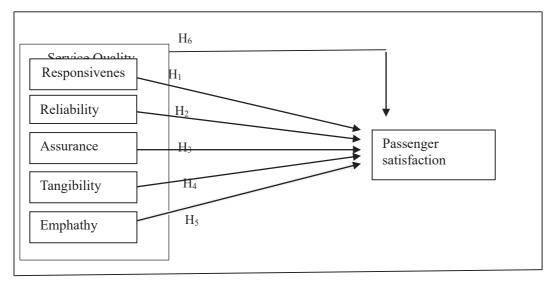


Figure 1- Conceptual Model

#### Hypotheses

H1; there is a significant and positive relationship between responsiveness and passenger satisfaction.
H2; there is a significant and positive relationship between reliability and passenger satisfaction
H3; there is a significant and positive relationship between tangibility and passenger satisfaction
H4; there is a significant and positive relationship between assurance and passenger satisfaction
H5; there is a significant and positive relationship between empathy and passenger satisfaction
H6; there is a significant and positive relationship between service quality and passenger satisfaction

## 6. Results and Discussion

#### Sample profile

This study consisted with sample size was 130 and the response rate was 104 passengers and it shows that response rate is 80 percentages as demonstrate in table 5. Also, more respondents were represented from Sri Lankan airlines and Mihin Lanka. Further, as in table 6, age in between 25-35 represented the majority of the sample and most of them are married and female passengers (65 percentages).

In addition to that the sample adequacy was tested administrating the KMO test and the results shows 0.709 with 15 degrees of freedom and it is significant (P=0.000).

| Airways             | Sample composition |
|---------------------|--------------------|
| Sri Lankan Airlines | 55                 |
| Emirates            | 13                 |
| Mihin Lanka         | 16                 |
| Qatar Airways       | 09                 |
| Fly Dubai           | 04                 |
| Jet Airways         | 02                 |
| Singapore Airlines  | 02                 |
| Malaysian Airlines  | 03                 |
| Total               | 104                |

Table 5; Composition of the sample

| Table 6; Sample profile |           |            |  |  |  |  |
|-------------------------|-----------|------------|--|--|--|--|
| Age                     | Frequency | Percentage |  |  |  |  |
| under 25 year           | 20        | 19.2       |  |  |  |  |
| 25-35 year              | 34        | 32.7       |  |  |  |  |
| 35-45 year              | 30        | 28.8       |  |  |  |  |
| Above 45year            | 20        | 19.2       |  |  |  |  |
| Marital state           |           |            |  |  |  |  |
| Single                  | 36        | 34.6       |  |  |  |  |
| Married                 | 68        | 65.4       |  |  |  |  |
| Gender                  |           |            |  |  |  |  |
| Male                    | 49        | 47.1       |  |  |  |  |
| Female                  | 55        | 52.9       |  |  |  |  |
| Occupation              |           |            |  |  |  |  |
| Student                 | 20        | 19.2       |  |  |  |  |
| Self-employ             | 19        | 18.3       |  |  |  |  |
| Professional            | 21        | 20.2       |  |  |  |  |
| Employ                  | 8         | 7.7        |  |  |  |  |
| House wife              | 36        | 34.6       |  |  |  |  |
| Purpose for travelling  |           |            |  |  |  |  |
| Private                 | 40        | 38.5       |  |  |  |  |
| Leisure                 | 41        | 39.4       |  |  |  |  |
| Business                | 23        | 22.1       |  |  |  |  |

As per the results of the reliability analysis appeared in table 7, it seems that the items measuring SQ were reliable and stable measures of passenger satisfaction of PBHS, because all the Cronbach Alpha values are greater than 0.700 excluding passenger satisfaction (Alpha= 0.687 which was greater than 0.60 for PS). Thus, the alpha value for PS is close to the 0.7. Hence, it is accepted according to Sekarn U.,2003.

| Dimensions             | Cronbach Alpha | No of Items |
|------------------------|----------------|-------------|
| Assurance              | 0.875          | 05          |
| Reliability            | 0.800          | 05          |
| Responsiveness         | 0.836          | 04          |
| Tangibility            | 0.825          | 06          |
| Empathy                | 0.850          | 06          |
| Passenger satisfaction | 0.687          | 07          |

| Variables              | Mean   | Std deviation | Mini | Max  | Result   |
|------------------------|--------|---------------|------|------|----------|
| Responsiveness         | 3.451  | .9667         | 1.25 | 4.75 | Moderate |
| Assurance              | 3.6096 | .9933         | 1.20 | 5.00 | Satisfy  |
| Empathy                | 3.6971 | .8279         | 1.17 | 5.00 | Satisfy  |
| Tangibility            | 3.5609 | .8171         | 1.50 | 4.83 | Moderate |
| Reliability            | 3.4865 | .8557         | 1.80 | 5.00 | Moderate |
| Passenger satisfaction | 3.5069 | .6272         | 1.57 | 4.29 | Moderate |

The table 8 shows, descriptive statistic of SQ and PS. When consider SQ factors individually, descriptive statistics shows as in table 8, comparing with hypothetical continuum (3.66-5.00 = satisfied; 2.33-3.66 = moderately satisfied; 1.00-2.33 = dissatisfied), tangibility, reliability, responsiveness are operate in the moderate level while empathy and assurance are operating at satisfactory level with substantial Std Deviation. PS is also shows the level of moderately satisfied.

| Hypotheses | r    | F value | <b>Degree of Freedom</b> | t value | r <sup>2</sup> | Result   |
|------------|------|---------|--------------------------|---------|----------------|----------|
| H1         | .356 | 14.824  | 1,102                    | 3.850   | 12.67%         | Accepted |
| H2         | .368 | 15.938  | 1,102                    | 3.992   | 13.54%         | Accepted |
| H3         | .544 | 42.964  | 1,102                    | 6.555   | 29.59%         | Accepted |
| H4         | .641 | 71.049  | 1,102                    | 8.429   | 41.08%         | Accepted |
| Н5         | .694 | 94.656  | 1,102                    | 9.729   | 48.16%         | Accepted |
| H6         | .528 | 21.887  | 5,980                    | 5.982   | 27.87%         | Accepted |

Table No 9; Result of the Hypothesis Testing

|    | ,              |       |                       |                              |       |      |                              |             |
|----|----------------|-------|-----------------------|------------------------------|-------|------|------------------------------|-------------|
|    |                |       | ndardized<br>ficients | Standardized<br>Coefficients |       |      | 95% Confidence Interval<br>B |             |
| Mo | odel           | В     | Std. Error            | Beta                         | Т     | Sig. | Lower Bound                  | Upper Bound |
| 1  | (Constant)     | 1.384 | .231                  |                              | 5.982 | .000 | .925                         | 1.843       |
|    | Empathy        | .345  | .079                  | .455                         | 4.346 | .000 | .188                         | .503        |
|    | Responsiveness | .007  | .066                  | .010                         | .100  | .920 | 124                          | .138        |
|    | Assurance      | .161  | .070                  | .254                         | 2.296 | .024 | .022                         | .300        |
|    | Tangibility    | .049  | .083                  | .064                         | .594  | .554 | 116                          | .214        |
|    | Reliability    | .020  | .078                  | .027                         | .251  | .802 | 135                          | .175        |

Table 10; Regression Model

a. Dependent Variable: passenger satisfaction

According to the result indicated in the table 9, there is a positive relationship between all independent variables (SQ Factors) and the PS. When considering the coefficient of correlation (r) and the coefficient of determination (r<sup>2</sup>), H<sub>3</sub>, H<sub>4</sub>, H<sub>5</sub> and H<sub>6</sub> are shown more strong association between the variables. Ultimately, the results proved that, there is a positive relationship between SQ and PS of PBHS in this service. When determining the mostly influencing SQ factor to determine the customer satisfaction, only two SQ factors are significant at 95% confidence level; assurance and empathy as demonstrate by the table 10.

# 7. Conclusion

As per the results, it's shown passenger satisfaction is in the moderate level. Passengers are satisfied due to they have to take this service when they are travelling abroad, they do not have another option beside this service. Also, it's proved through this study SQ as a whole of PBHS is in the moderate level. When considering the different SQ factors, it is worthy to mention that the empathy is a significant factor to the PS in this service sector. The staff should be willing to take care and hear complaints and suggestions from passengers within service providing under the empathy. Most of the passengers are satisfying due to the way of treating them by staff. Most of local passengers do not know high technology and quality service of other countries provide .Therefore, they don't have good knowledge about SQ areas such as reliability, responsiveness, and tangibility, etc and due to that, passengers hope to get limited service from PBHS. Travelling abroad is making fear from passenger themselves. Therefore, they are looking individual attention from staff. Those are the reason is a case to as most significant factor which is effected to the passenger satisfaction of PBHS. Also, SQ based on the assurance proved that passenger always, thinking about the safety of their baggage. Thus, according to the research findings, its proved each and every passenger are satisfied with the SQ of baggage handling related to the assurance. When focus on the responsiveness, it's significant to establish the PS. When considering all of the condition what was mentioned above proved that, there is an association and positive relationship between responsiveness and PS in related to the Airline PBHS. Then, reliability was discussed. As a conclusion, there was a strong positive relationship between reliability and PS. When concluding on the tangible aspect of the service, it shows that there is a positive relationship between tangibility and PS. Empathy and assurance were the most significant SQ factors affect to the PS of Airline PBHS.

Airline industry must focus on the passengers' individual needs and wants, because the passengers are always looking individual attention. Passengers do have fears about their baggage and, therefore be with very familiar with passengers expectations and build up a better relationship with recent technology is necessary to increase the PS. Passengers hope more quality service for their fees what they paid expecting to obtain the service on time. Baggage arriving is the problem of which the PBHS is facing. Therefore, increase the SQ and PS in PBHS it is important to consider and implement active strategies to have on time baggage arriving. In this juncture, the company can be attended on the tangibility aspect to incorporate some strategies in this regard with updated technology. Airline Industry consist with combination of various services such as Cargo Import Export, Accommodation, Food and Beverages, Ticketing and some other different airways service ,etc and there are lack of research related to the prescribe research area. Therefore, it is suggested to focus on this research area for future researchers.

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