

IMPACT OF E-TICKETING SERVICE QUALITY AND CUSTOMER SATISFACTION ON PURCHASE INTENTION AT INDIAN AIRLINES

Dr.Yogesh W Bhowte¹

Savitribai Phule Pune University, ybhowte@gmail.com

ABSTRACT

competition among companies in the airlines industry is intensive due to the progress to reduce costs and to enhance service to customers .Majority of the airline operators used their websites not only for the purpose of making available the company's information but also to provide online e-ticketing service to their customers. This is one of the methods industry players' employ to boost ticket sales. In addition the online service also improves the way business transactions are conducted. The objectives of this study were to determine the relationship of e-service quality and customer satisfaction and to explore the relationship between customer satisfaction and purchase intention of airline industry e-ticketing service.

Key words: E-ticketing; Customer, boost, User-Friendliness, service etc

1. INTRODUCTION

The Internet and information technology have become the most imperative innovation in the history of mankind next to the invention of printing press. As a result, organizations have worked diligently to develop new methods for interfacing with customers. Central to this process has been

the development of e-tickets .As noted by, e-tickets can be used by a wide range of organizations to provide services including coupons for e-shopping, to tickets for entrance into a concert or sporting event. Although it is not fair to argue that e-tickets have become ubiquitous, it is evident that the proliferation of e-tickets represents a change in the way that traditional ticket purchasing occurs E-tickets appear to offer a number of advantages to organizations, including lower costs and increased operational efficiency (Boyer, Hallowell & Roth, 2002). As such, it is projected that the use of e-tickets will only continue to increase over time .

1.1. LITERATURE REVIEW

Many e-commerce businesses realize that the key determinants of success or failure are the quality of the electronic service (e-service quality) and not merely website presence and low price (Yang, 2001; Zeithaml *et al.*, 2001). Moreover, previous studies have also revealed that service quality in online environment is an important determinant of an effective e-commerce (Yang, 2001; Janda el *al.*, 2002).

Increased e-service quality on the web could assist online companies to be more effective and appealing and subsequently help them to achieve higher level of customer satisfaction and retention (Gromoos *et al.*, 2000). For online consumers, a higher quality e-service implied high standard of services (Yang, 2001). It is much easier to compare product technical features and prices online than through traditional channels and henceforth, e-service quality becomes a key factor for online customers (Santos, 2003). Zeithaml *et al.* (1985) definition of service quality is that quality is judged in terms of excellence and superiority. Despite the conceptual arguments regarding service quality, it is generally agreed in the literature that service quality is a multi-level and -dimensional concept that might mean different things to different people (Mersha and Adlakha, 1992; Dabholkar *et al.*, 1996; Brady and Cronin Jr., 2001). Review of past studies revealed that e-service quality was developed from internet marketing and the traditional service quality literature.

2. CONCEPTUAL FRAMEWORK OF THE STUDY

The conceptual framework for the study was shown in Fig. 1 .

Relationship between customer satisfaction and purchase intention: Purchase intentions are significantly affected by consumer satisfaction (Cronin

and Taylor, 1992; Labarbera and Mazursky, 1983; Zeithaml *et al.*, 1993). Oliver (1980) stated that customers form expectations about a product or service performance prior to purchase.

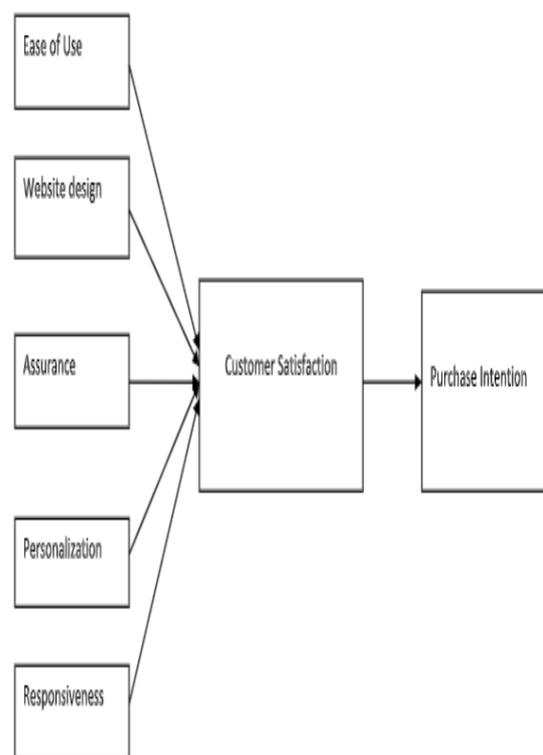


Fig: 1.Model of E-ticketing on Customer satisfaction

Relationship between ease of use and customer satisfaction: Ease of use is a determinant of service quality (Dabholkar, 1996) and is decisive for customer satisfaction, since it enhances the efficiency of using the service (Xue and Harker, 2002). In addition, the perception of ease of use to a well organized and searchable website can also lead to increased satisfaction because it simplifies and expedites the performance of the online shopping activities.

Relationship between website design and customer satisfaction: According to Buxton, website design is about the user experience of the website rather than about the creation of products. Website design played an important role in how customers judge the website quality (Wolfenbarger and Gilly, 2000). Website design is also customers' perception on the degree of user friendliness when using an online store services (Parasuraman *et al.*, 1988). Zeithaml *et al.* (2001) asserted that the tangible elements of the online stores include website design and website usability

Relationship between assurance and customer satisfaction: One of the primary barriers to online shopping is the concern for security (Zeithaml *et al.*, 2001). Assurance in virtual space refers to the degree in which customers trust the safety of the site being protected from intrusion and is related to the confidence that customers feel when purchasing online (Zeithaml *et al.*, 2001). Ribbink *et al.* (2004) mentioned that assurance also refers to customers' perceived security and privacy when using e-retailing services.

Relationship between personalization and customer satisfaction: Personalization is referred to as the customer perception of the degree to which an online store provides differentiated services to satisfy specific or different individual needs (Parasuraman *et al.*, 1988; Yang and Jun, 2002).

Relationship between responsiveness and customer satisfaction: Responsiveness is one of the most frequently cited services quality dimensions that lead to satisfaction. According to Xue and Harker (2002), the responsiveness of web based services has highlighted the importance of perceived service quality and customer satisfaction. Yang and Jun (2002) also have the same findings indicating that responsiveness are considered important for both overall service quality and satisfaction.

4. THE RESEARCH METHODOLOGY

4.1 DATA COLLECTION

The population for this investigation was drawn from a Indian airline of customers that had utilized airline services that offer e-ticketing in the last 12 months. Customer names and addresses were obtained from marketing information collected by airlines. Customers on the list had agreed to have their personal information shared for marketing purposes. A total of 250 surveys were mailed to potential respondents for the survey. Of these surveys, 177 were completed and returned for a 71 percent response rate. Although respondents were initially identified for mailing of the surveys, return responses did not include any identifying information about the customer

ensuring the ability of the researcher to protect the anonymity of respondents.

Instruments: The measures used in this study were modified from previous research. The measures used to gauge assurance; personalization and responsiveness were adapted from Swaid and Wigand (2007) and comprised of 4, 3 and 5 items, respectively. The measurements for purchase intention (2 items) and website design (3 items) were adapted from Gwo-Guang and Hsiu-Fen (2005). As for customer satisfaction, the 3 items were taken from Yang and Jun (2002) and finally, ease of use (4 items) were adapted from Ribbink *et al.* (2004). Respondents were asked to rate on a 7-point Likert scale (1 ~ Strongly disagree to 7 ~ Strongly agree).

In terms of demographic composition of the respondents shows that, 53.1 percent (n = 94) were male with the remaining 46.9 percent (n = 83) female. Additionally, 4.5 percent (n = 8) of the respondents were under the age of 20, 70.1 percent (n = 124) were between the ages of 20 and 29, 15.32 percent were between the ages of 30 and 39 (n = 27), and 10.2 percent were over the age of 40 (n = 18). Of those returning surveys, 7.8 percent (n = 14) had some high school education while 4.5 Percent (n = 8) had a high school diploma, 81.8 percent had a Bachelors Degree (n = 145), and 5.9 percent had a post-graduate degree (n = 10). A

majority of respondents reported computer literacy (89.9 percent, n = 159) and internet accessibility in the home (75.7 percent, n = 134).

4.2 RESULTS AND DISCUSSION

Factor analysis: A varimax rotated principal component factor analysis was performed on the five dimensions of e-service quality (i.e., ease of use, website design, assurance, personalization and responsiveness) comprising of 19 items to define the underlying structure among the variables in the analysis. Based on the suggestion from Hair Jr. *et al.* (1998), only a loading of ≥ 0.5 on the factor was considered. The results for the factor analysis extracted five factors solution with eigenvalues > 1 and the total variance explained was 50.389%. The KMO measure of sampling adequacy was 0.872 while the Barlett's test of sphericity was significant ($p \sim 0.000 < 0.01$). The results of the factor analysis were shown in Table 1.

Reliability coefficient: Cronbach's alpha was applied to test the reliability of the questionnaire measurements. Reliability tests were conducted on five dimensions of e-service quality, customer satisfaction and purchase intention.

The reliability coefficient of the variables exceeded the minimum acceptable level of 0.7 which concurs with the suggestion made by Hair Jr. *et al.* (2006).

Demographic profile of the respondents: The survey respondents

include 50.8% male and 49.5% female. The age group of the respondents was as follow; 1.6% aged <18 years old, 71.5% were between 18-22 years old, 24.9% were between 23-27 years old and 2% were >27 years old. The majority of the respondents (30.8%) purchased air ticket on a yearly basis and the most popular airline website frequently engaged in was AirAsia (67.2%).

Hypotheses of the study: Based on the studies of previous research, relevant hypotheses were developed. The following hypotheses were projected:

H1: Ease of use positively influences customer satisfaction

H2: Website design positively influences customer satisfaction

H3: Assurance positively influences customer satisfaction

H4: Personalization positively influences customer satisfaction

H5: Responsiveness positively influences customer satisfaction

H6: Customer satisfaction positively influences purchase intention

Table 1. Factor Analysis on e-Service quality questionnaire

Dimensions and item	Factor Loading
Ease of use	
It is easy to get access to this company's website	0.750
This website is user friendly	0.745
Navigation on this website is easy	0.714
It is easy to find your way on this website	0.677

Website design	
The online air ticketing is visually appealing	0.502
The user interface of the online air ticketing has a well-organized appearance	0.517
It is quick and easy to complete a transaction at the online air ticketing	0.579
Assurance	
Security policy is accessible	0.762
Privacy policy is accessible	0.744
The website contains company details	0.506
Responsiveness	
Email's responses are relevant and accurate	0.686
Email's content is appropriate to customer requirements	0.646
Automated or human e-mail responses give customer prompt services	0.671
Personalization	
The website gives me personal attention	0.793
The website enables me to order the product in a way that meet my needs	0.747

Table II .Result of Multiple Regression Analysis
Dependent Variable :Customer satisfaction

Model	Standardize d coefficient (β)	t-Valu e	Sig.
Constant	-	2.291	0.023
Ease of Use	0.367	7.240	0.000
Website Design	0.194	3.770	0.000
Assurance	0.110	2.265	0.024
Personalizatio n	0.100	2.462	0.014
Responsivene ss	0.367	4.040	0.000

R2 = 0.583; F-value = 83.581; Adjusted R2 = 0.576; Significance= 0.000

5. DISCUSSION

The hypotheses 1-5 were accepted. The most important contributor to customer satisfaction was ease of use followed by responsiveness. The least important contributor was personalization. The value of R2 (0.583) implied that this model explained about 58% of the total variance in customer satisfaction. To assess the relationship between customer satisfaction and purchase intention, a bivariate regression analysis was used. The result shown in Table 5 showed that customer satisfaction positively affects purchase intention. Therefore, hypothesis 6 was also accepted. The value of R' (0.359) implied that customer satisfaction explained about 36% of the total variance in purchase intention.

Table III. Results of Bivariate Regression Analysis

Dependent Variable;Purchase Intention

Model	Standardized coefficient (β)	t-Value	Sig.
Constant	-	7.586	0.000
Customer satisfaction	0.599	13.019	0.000

R² =0.359 ,F-value 53.185, Adjusted R² =0.357 Significance=0.000

The online service quality measure developed in this study is designed to provide an effective tool to assess Internet based service quality in the online air-ticketing environment. To enhance customer purchase intention, online stores should develop marketing strategies to better address website design, assurance, ease of use, personalization and responsiveness, since these factors significantly affect customer satisfaction towards online purchase intention. Ease of use significantly affects customer satisfaction of online ticketing.

Website design plays a central role on transforming information searchers into online buyers. Thus, it is recommended that airline companies fully utilize their website to service the need of the information searchers.

Personalization construct affects directly customer satisfaction. Airline companies should focus on providing tailored service for their customers to improve their satisfaction.

From the study, it was also discovered that Malaysian consumers value websites that are well organized have search and comparison features associated with high quality information and responds efficiently to customer's questions. A high level of responsiveness has been found to affect customer satisfaction. Thus, airline companies can emphasize the benefits

associated with online e-ticketing such as saving time, depth of information and solving immediate needs.

6. Limitations and Future Research

As the airline industry is getting more global with consumers from different diverse background and nationality engaging in the e-ticketing purchase, it might be pertinent for a cross cultural research to be conducted. The current study might need to be expanded further as the importance and possible meaning of website quality may differ across cultures (Gefen and Straub, 2000).

7. CONCLUSION

The findings suggested the necessity to enhance several e-service quality dimensions to ensure high level of customer satisfaction and purchase intention. these findings were useful especially for airline operators that rely upon online e-ticketing service to improve sales.

E-ticketing systems that meet these requirements will provide the organization with satisfied customers who will express their satisfaction through loyalty and by remaining with the organization over the long-term. High levels of customer retention will form the foundation to maintaining the organization's bottom line..

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