**Czech University of Life Sciences Prague**

**Faculty of Economics and Management**

**Department of Management**


**Diploma Thesis**

# Evaluation of service quality of Aeroflot Russian airline based on SERVQUAL approach

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# CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

# DIPLOMA THESIS ASSIGNMENT

Bc. Daria Shemelina, BA (Hons)

Business Administration

Thesis title

**Evaluation of Service Quality of Aeroflot Russian Airline Based on SERVQUAL Approach**

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**Objectives of thesis**

The objective of the thesis is to formulate, based on the SERVQUAL research findings, a conceptual proposal of improvement in service quality of of Aeroflot Russian airline

**Methodology**

The thesis will consist of two parts. First part should deal with elementary theoretical overview. It should deal with the theory of service marketing and quality including principles, models and its evaluation. The theoretical part of the thesis will be based on the critical review of information gained from study and comparison of relevant resources. The fundamental, empiric part will be focused on quality of services provided by the Aeroflot Russian airline. Data for the empiric part will be gained using SERVQUAL questionnaires and other appropriate data collection techniques. Based on the research, the relevant conclusions of the thesis must be drawn.

Recommended structure of the diploma thesis:

1. Introduction – an explanation of the topic importance.

2. Thesis objectives and methodology – main objective of the thesis will be divided in the partial objectives based on the knowledge gained from the study of the service marketing and service quality theory. Appropriate methods of data collection and analysis will be explained in the methodology of the thesis.

3. Literature review – critical review of current knowledge in the field of he service marketing and service quality, its models and measurement.

4. Specification of the selected organisation – profile of the Aeroflot Russian airline.

5. Practical part – analysis of data gained from own research according to the methodology.

6. Evaluation of results and recommendation – formulation of own proposal of improvements in service quality of the selected entity.

7. Conclusion – review of main results and evaluation of the contribution of the diploma theses.

8. References

9. Appendices

**The proposed extent of the thesis**

50 – 60 pages

**Keywords**

service marketing, service quality, service quality models, SERVQUAL,

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**Recommended information sources**

GRÖNROOS, C., 1984. A service quality model and its marketing implications. European Journal of marketing, 18(4), pp.36-44.

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Prague on 27. 03. 2018

**Declaration**

I declare that I have worked on my diploma thesis titled " Evaluation of service quality of Aeroflot Russian airline based on SERVQUAL approach" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the diploma thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on 29.03.2018 _____

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I would like to thank my supervisor Ing. Lenka Platilová Vorlíčková for consultation sessions, my family for their constant support and encourage, representatives of Aeroflot Russian airline company for cooperation as well as Czech University of Sciences in Prague and IHTTI University in Switzerland, which gave me a valuable knowledge base.

# Evaluation of service quality of Aeroflot Russian airline based on SERVQUAL approach

**Abstract**

The primary purpose of the thesis is to propose to the management the appropriate recommendations for further improvements of the service quality of Aeroflot Russian airline company. Service quality and passenger satisfaction were evaluated based on the research findings. The literature review provided the critical theoretic framework with the rich references background of the following areas such as service quality, airline image, customer satisfaction and behaviour intentions within the airline industry. SERVQUAL model was used as the research instrument for data analysis with 5-dimensional Likert scale. The survey was provided as a research strategy and the 2 parts of the questionnaire for "expectations" and "perceptions" were created. Hypothesis testing method was used to reveal the significance of the difference between measured service quality variables. The research was conducted in Vaclav Havel Airport in Prague in the Czech Republic among 111 passengers for the flight SU2011 from Prague-Moscow/Sheremetyevo on the 22nd of December in 2017. The primary data was collected and analysed in statistical software SPSS 23. The results showed that, the lowest gap scores of (-0.03) between expectations and perceptions was related to "Individual attention to passengers", meaning that the passengers' expectations were not met. And the highest gap scores of (0.49) was found for the item "Aircraft and inflight facilities", meaning that the passengers' perceptions exceeded their expectations. Moreover, One-Way ANOVA test presented the significance of differences between expectations and perceptions based on service quality dimensions results and gaps. The work results showed that the performance of the airline was at high level and the passengers' perceptions exceeded passengers' expectations. With exception of one negative gap, which was found in the dimension "Empathy". Hence, the researcher proposed the plan of improvements for company's management.

**Keywords:** service quality, SERVQUAL model, airline image, customer behaviour intentions, passenger satisfaction, airline industry, service sector, customers' expectations and perception, service marketing

# Hodnocení kvality služeb letecké společnosti Aeroflot Russian airline založené na přístupu SERVQUAL


## Abstrakt

Hlavním cílem této práce je navrhnout managementu vhodná doporučení pro další zlepšení kvality služeb letecké společnosti Aeroflot Russian airline. Kvalita služeb a spokojenost cestujících byly vyhodnoceny na základě výsledků výzkumu. Kritická literární rešerše poskytuje přehled literatury s bohatým referenčním zázemím následujících oblastí, jako je kvalita služeb, image letecké společnosti, spokojenost a chování zákazníků v leteckém průmyslu. Jako výzkumný nástroj pro analýzu dat byl použit model SERVQUAL s pětibodovou Likertovou škálou. Průzkum byl základem výzkumné strategie a byly vytvořeny 2 části dotazníku pro "očekávání" a "vnímání". K odhalení významnosti rozdílu mezi měřenými veličinami kvality služeb byly testovány hypotézy. Výzkum byl proveden na letišti Václava Havla v Praze mezi 111 cestujícími letu SU2011 z Prahy-Moskvy / Sheremetyevo dne 22. prosince 2017. Primární data byla shromážděna a analyzována ve statistickém softwaru SPSS 23. Výsledky ukázaly, že nejnižší hodnota (-0.03) pro výpočet mezery byla mezi očekáváním a vnímáním související s "Individuální péčí o cestující", což znamená, že očekávání cestujících nebyla splněna. A nejvyšší skóre (0.49) bylo zjištěno pro položku "Letecké a letadlové zařízení", což znamená, že vnímání cestujících přesáhlo jejich očekávání. Kromě toho, analýza rozptylu ukázala význam rozdílů mezi očekáváními a vnímáními založenými na výsledcích a nedostatcích kvality služeb. Výsledky práce ukázaly, že výkonnost letecké společnosti byla na vysoké úrovni a vnímání cestujících přesáhlo jejich očekávání. S výjimkou jedné negativní mezery, která byla nalezena v dimenzi "Empathy". Proto byl navržen plán zlepšení, který by mohlo v budoucnosti vedení společnosti využít.



**Klíčová slova:** kvalita služeb, model SERVQUAL, letecké společnosti, chování zákazníků, spokojenost cestujících, letecký průmysl, sektor služeb, očekávání a vnímání zákazníků, marketing služeb

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# List of abbreviations

SERVQUAL – Service Quality Model

EXP – Expectations

PERC – Perceptions

SPSS – Statistical Package for the Social Sciences

IATA – The International Air Transport Assosiation

PWC – PricewaterhouseCoopers

NPS – Net Promoter Score

DINKS – Dual income, no kids

SERVPERF – Service Performance Model

EP – Evaluated Performance Model

NQ – Normated Quality Model

IT – Information Technology

CBI – Customer Behaviour Intentions

PS – Passenger Satisfaction

AI – Airline Image

TAN – Tangibles

REL – Reliability

RES – Responsiveness

ASS – Assurance

EMP – Empathy

R&D – Research and Development

Sig. – Segnificance

F – Function

St. D – Standard Deviation

CSQP – Customer Service Quality Perceptions

VAR – Variable

DF – Distribution Function

SQ – Service Quality

CabClass – Cabin Class

H – Hypothesis

# 1.Introduction

Nowadays, there is an extremely competitive environment for various fields of business, which offer in the same sense similar services to that of an airline business, such as transportation, accommodation, beauty, etc, although there is a significant difference in how they all are perceived by customers. While their services might be the same, customers do not percept them as such (Parasuraman and Berry, 1988). The performance of services determines company's competitiveness and results in customer's loyalty, market share and business wealth (Park *et al.,* 2004).

In order to be competitive within the service industry and attractive to the customers, the company's efforts should be focused on maintaining the strategy, which enhances the high-quality service delivering (Zeithalm *et al.* (1996). Consequently, understanding of customers' needs and wants, along with their expectations and potential perceptions play a crucial role for an airline in formulating business strategy.

Unfortunately, in reality, most of the airline companies evaluate passengers' perceptions of delivered service without any appropriate information or knowledge regarding the customer's expectations of the services. Thus, their research and further development lead to misinterpretation of service delivering process due to lack of knowledge about customers' expectations about service performance. As a result, the company's management can make decision errors regarding resource allocation. For this reason, the management department needs to account for the clients' needs and wants in order to build a strong relationship and be perceived as a reliable airline company that cares about the promises it makes and their execution accordingly (Chang and Chen, 2005).

Customers' expectations are related to customers' satisfaction and dissatisfaction framework, as customers' expectations represent the "ideal standard" of service performance. Moreover, customers' expectations contribute to determining an airline company that to fly with (Gilbert and Wong, 2003).

Surprisingly, reviewed literature had shown that there is no research work for Aeroflot Russian Airline Company about their service quality. This research can become an initial point for future studies, more precise and extended ones.

The measurement of service quality was based on passengers' expectations and perceptions with the usage of SERVQUAL model as an important instrument. Besides, the researcher's strategy of the survey ensured the precise analysis of demographics, customer satisfaction, airline image and customer behavior intentions, which potentially influence on passenger's perceptions of an airline service quality.

# 2. Objectives and Methodology

## 2.1 Objectives

The main purpose of this thesis is to propose appropriate recommendations for further improvements to the management of Aeroflot Russian airline. In accordance with the research findings, to evaluate service quality and customer satisfaction of Aeroflot Russian airline are to be evaluated based on SERVQUAL approach. To achieve this, the research is guided by the two specific objectives:

- A critical review the theoretical framework of service quality, airline image, customer satisfaction and behavioural intentions within the airline industry;
- Identification and analysis of service quality dimensions, associated gaps and correlations along with the detailed analysis of passenger satisfaction, airline image and customer behavioural intentions.

In order to fulfil the objectives mentioned above, data collection method was implemented in a form of fully structured questionnaires. In this study, the researcher will analyze the dependence of relationships between the company and the customer based on the service quality, airline image, customer satisfaction and behavioral intentions. The SERVQUAL model (Parasuraman, 1988) is considered with the purpose to investigate and measure service quality of airline services based on passengers' expectations and perceptions. To explore the service quality of Aeroflot Russian airline, the data collection procedure will be arranged for the particular flight (SU2011 on the 22$^{nd}$ of December, 2017) from Prague, Czech Republic (Vaclav Havel airport) to Moscow, Russia (Sheremetyevo airport). The results will be gathered and analyzed using statistical methods and hypothesis testing to examine the relationships between the variables.

## 2.2 Methodology

### 2.2.1 Research purpose

Beckingham (1974) described research purpose as the explanation of "why" the work is carried out or as an elaboration on a study's objective. The research purpose outlines crisp, well-defined statement of particular research goal. He added that the objective has to characterize the concept or the explanation or, alternatively, to propose the possible clarifications towards the situation and suggest further research topics. Moreover, Roettgers (2011) underlined the significance of the research purpose as a part of research design.

The main purposes of this research is to propose appropriate recommendations for further improvements to the management of Aeroflot Russian airline as well as to analyse if there are any service quality gaps between customers' expectations and perceptions as delivered by frontline personnel of Aeroflot Russian airlines. Research findings will contribute to gaining a better understanding of the relationships among service quality, customer satisfaction, airline image and behavior intentions based on theoretical and practical knowledge.

The research overview will consist of an outline aimed to present the findings regarding how satisfied the customers are with Aeroflot Russian airline company's service quality for a particular flight. Afterwards, the suggestions for further potential improvements based on the data collected will be presented, which can be of especial use for managers of the company and their strategic planning.

### 2.2.2 Research philosophy

Methodology is defined as the combination of methods used by the investigator to discover the reality (Saunders *et al*., 2015). The research onion (Saunders *et al.,* 2007) is used as the plan to design the methodology in an appropriate way (Appendix 1).

Williams and May (1996) in their research found that philosophy refers to the exploration of existing things in the world and our reasoning for getting knowledge about them. Based on Burstein and Holsapple (2008, p.76), perceptions of data quality criteria may be conducted for expected and perceived quality and the gap between these measurements provides the understanding of how the problem is complicated.

Based on Burstein and Holsapple (2008, p.76), the approach of data quality criteria may be used in this thesis work for understanding expected and perceived quality and the gap between the two. Bernstein (1994) specified the influence of epistemology on more scientific methodology. Besides, Maynard (1994) noted that epistemology is associated with creating philosophical basis for further decision-making process in terms of the knowledge adequateness and validity. In addition, epistemology signifies relationship between reality and the research.

Scheurich (1997) indicated that epistemology comes from the Greek words, mainly from the word *logos,* which means *study,* and *episteme*, which stands for *knowledge*. Accordingly, it is an investigation tool that allows the researchers to be confident about the findings and their assumptions. For this thesis work, epistemology is chosen as research philosophy because the work is concentrated within the service marketing science.

Crotty (1998) also explained epistemology as "how we know what we know". Guba and Lincoln (1994, p.105) explained it as the conceptual framework which creates the workplace for researcher or it is the general system of beliefs that provide the guidelines to researcher. Moreover, they identified four different paradigms of science (positivism, realism, constructivism, and critical theory) that are supported by philosophical assumptions (Appendix 2).

#### 2.2.2.1 Research paradigm

In accordance with Morgan *et al*. (2010), it is stated that most of the obtained researches in quality and experiences mostly apply to the following branches of philosophy: critical realism and pragmatism. Hence, for this thesis work, the researcher considered to apply critical realism as the branch of epistemology.

Realism was decided upon because it mainly relies on the explanation of the causal relationships based on the statistical methods along with quantitative estimations to fulfill the research objectives.

From the philosophical point of view, reality exists impartially from researcher's mind; hence there is an external reality (Bhaskar, 1978; Harre and Madden, 1975). It explains the independent presence of abstract objects, which are created in people's minds but exist autonomously of any person (Magee, 1985, p.61). Individual's perceptions open a window to the world of external reality, consisting of interrelated mechanisms and objects.

Realism researcher, according to Gummesson (2002, p.105), considers that buyers and sellers interact with each other and their interaction is not just the formation of someone's imagination. However, Browns (1998) criticized the above statement. He noted that company's external environment is considerably more important than internal. Meaning that marketers should consider mainly the ways of meeting customers' needs of an external market place for gain. Consequently, realism researcher is investigating the understanding of shared reality of economic system in which many people function interdependently.

According to Neuman (1994, p.423), it is very important to be consistent in research findings because the investigated outcomes can consist additional sides of a "deeper, unobserved, and unobservable" reality. Dobson (2002) emphasized the existence of strong interdependence between social conditioning and social actors that forms the critical realist's knowledge of reality. It refers to the understanding of multi-dimensional study importance (e.g. within the individual or organisational level) (Saunders *et al.*, 2009, p.115). Each level will provide the researcher with a more detailed overview of what is being investigated from different perspectives. Afterwards, these results of data will make a useful tool to understand the phenomena of an ever-changing social world and to recommend amends.

Miles and Huberman (1994) have found that the completed process of data simplification and classification, as well as the process of combination and demonstration build further stages of the study process. Thus, the key objective of this thesis is to find the ways to obtain relevant information and to outline the relationships to be studied within different dimensions of the investigated topic.

### 2.2.3 Research approach

According to methodological literature, deduction approach is widely used to shape logical outcomes by a reasoning process. The method combines data analysis and clarification of predetermined theory hypothesis. For the purpose of this thesis, the researcher uses the deductive approach. The research hypothesis explains this choice as the findings will be mostly deduced from theoretical framework using logical reasoning and literature review (Miller and Brewer, 2003, p.67).

To support this choice, researcher found that Thyer (2010) explained the deductive concept as the "theory-then-research approach". He compared it with repeating process in which empirical findings are either supported by the hypothesis or not. In other words, Thyer (2010, p.33) reviewed deductive approach as the "hypothesis testing". It confirms the application of certain research approach with the conceptual framework of the present work, mainly hypothesis testing procedures.

Nevertheless, Collins (2008) added some characteristics to describe deduction. First, he stated that deduction is the investigative process of clarifying causal relationships between variables. According to him, the research needs to remain objective and include well-defined and measurable terms and facts.

Gratton and Jones (2010) mentioned that deductive approach is a lower risk method since it confirms or rejects a theory in comparison to inductive method that develops a theory. It is relevant for this thesis, as the researcher will analyze findings accounting for the existing theory and knowledge. Moreover, it was noted that deductive approach is more appropriate since the process takes less time and resources. In addition, the scope of research can be supported by an extensive amount of existing theory. This research will be developed towards deductive approach along with quantitative way of measuring the phenomenon and the facts.

### 2.2.4 Research strategy

According to Sauders *et al.* (2009), a research strategy is based on the stated research questions and objectives, amount of available time and resources, the scope of existing knowledge, and personal philosophical keystones. Remenyi *et al.* (2003) believe that research strategy provides the general action plan of research process. Yin (2003) mentioned that any of research strategy could be employed for explanatory, descriptive or exploratory research. Furthermore, particular strategy such as survey will be attached to certain approaches, for instance, deductive approach.

The survey was chosen as a primary research strategy for this work.
Survey data collection usually uses the information gathered through the respondents' answers to questions. Surveying is widely used in social science research (Monette *et al.*, 2011). Survey strategy involves the process of collecting the responses on sample questions from people within short period of time, afterwards the investigated hypotheses will be analyzed and discussed by the researcher. A survey usually involves data collection from large samples of participants. Its main strength is its potential for generalizability. Furthermore, this research strategy often refers to deductive approach, which is chosen by the researcher as the research method for this thesis.

Survey research will collect data in the form of questionnaires. A questionnaire includes questions that should be responded without interviewer's help. However, if a respondent needs clarification to any of the questionnaire points, the researcher will provide an explanation and respective help.

Using surveys helps the researcher to have a greater control over the process and it is also a rather low-cost method (Saunders *et al.,* 2009). On the one hand, questionnaires minimize the time spent on a survey procedure but, on the other hand, the response rate is often low and there is lack of personal respondent's info (Walsh, 2001). Another disadvantage of using questionnaires is the potential obstacles which might occur during the data interpretation procedure. Hence, the researcher should be trained to deal with any arising issues and perform in a professional way (Taylor *et al.,* 2004).

As for the questionnaire design, the respondents will be provided with multiple choice format questions, hence the questions will be closed-ended. It means that the respondents will be offered a fixed set of answers to choose from (Sudman and Bradburn, 1982). Most of the questions are measured by five-point Likert scale, where "1" stands for strongly disagree, "2" stands for disagree, "3" expresses neutral, "4" expresses agree and "5" stands for strongly agree. Furthermore, this approach will be very useful for the researcher in terms of further results analysis and calculations (Iwaarden *et al.*, (2003). Besides, questionnaire will include open-ended questions, meaning that the respondent will be asked to answer the question individually using the proposed format, for instance, his or her nationality according to his or her passport. However, the open-ended questions are more difficult to be analyzed and can take more time to interpret, which is why there is a possibility that a respondent can give more answers than it was asked and multiple answers can cause assumptions to become less valid.

The questionnaire is based on the literature review and is formulated to represent more of a practical side for respondents' understanding. SERVQUAL instrument is implemented to the questionnaire research design procedure. After confirmation of the questionnaire, a 22-items model of the SERVQUAL was modified to 24-items scale and introduced both "expectation part" and "perception part" along with additional nine questions for "expectation part" and seven questions for "perception part" to capture more details for further research analysis. For more convenience and structure, the researcher relied on the online survey development software (www.SurveyMonkey.com) to create the questionnaires.

First, the "expectation part" (Appendix 3) questionnaire takes into consideration the respondent's responses regarding their frequency of flight with this airline for the certain route (Prague-Moscow) and then their purpose of a trip. Later on, the demographics such as occupation, level of education will be determined. Then, the SERVQUAL model from the expectations' perspective is to be applied. Another point measures the passenger's impression regarding the airline image and customer behaviour intentions concerning future flight (from the expectations' view). Afterwards, the demographic variables such as age, gender and nationality will be summarized.

For the "perception part" of the questionnaire (Appendix 4), the respondent is asked about his or her cabin class and the SERVQUAL model from the perception perspective is implemented to assess the service quality. Afterwards, the passenger's satisfaction about the flight and service provider will be analyzed. Measurement of future desire to repeat the flight (from the perceptions' viewpoint) and recommendations will perform as the behavior intentions assessment. The last question of this "perceptions" part questionnaire is related to the airline image context.

SERVQUAL model was presented to measure expectations and perceptions for the both parts of the questionnaires. Parasuraman *et al.* (1988) added that this model can be accompanied by quantitative research to define the key problematical parts or the gaps within SERVQUAL. Hence, the SERVQUAL was developed to examine the results of passengers' expectations and perceptions about the service features. Afterwards, the evaluation of customer's impression about the company and his or her future repurchase behavior will be analyzed. To sum up the first part of questionnaire about the "expectations", the respondent is asked to provide his or her demographics such as age, gender and nationality for descriptive statistics overview.

### 2.2.5 Population and analyzed unit

To increase trustworthiness, it is necessary to select a sample that represents the investigated population. The population of the respondents was based on the aircraft capacity; hence, it consists of 150 seats. Hereby, this research was conducted among the passengers at Prague Vaclav Havel airport in the Czech Republic having a flight SU2011 from Prague to Moscow/Sheremetyevo on the 22nd of December in 2017. As the flight was scheduled at 16.45 pm, the researcher has arrived earlier with the purpose to reach more respondents. This flight was chosen, as it is the most popular route from Prague to Moscow/Sheremetyevo. According to the airport statistics, there are 70 flights per week from Prague to Moscow/Sheremetyevo (Appendix 5). Hence, the approximate number of passengers for this route and carrier is 10'500 passengers.

Aeroflot Russian Airline Company was selected as one of the leading passenger airlines in Europe and the largest airline group in Russia (Aeroflot Russian airline annual report, 2017). Convenience sampling method was used for this research. According to Polit and Beck (2010), the convenience sampling involves the usage of the easily accessible population for participation in the survey. The respondents will be asked to contribute to the survey at waiting zones before check-in and on the airplane. The research will account for the specific flight (Prague-Moscow/Sheremetyevo) at a particular time and day. Hence, the results would be more consistent and detailed.

The questionnaire was distributed to 119 respondents and 8 of them were not considered by the researcher and were removed because some of the information was missing or completed inappropriately. Hence, for further data analysis, 111 samples were taken into account. The sample size of 111 respondents can be considered as "valid" because Roscoe (1975) stated in Sekaran (2003) that the "sample size larger than 30 and less than 500 are appropriate for most researchers." Moreover, Kothari (2004) claimed that the sample size of at least 50 are enough to be measured in the data evaluation.

As a result, the return rate of questionnaires was 100 percent, although only 93 percent of results was accepted. Some of the respondents were travelling with small children (not able to take part in the survey procedure without parents' help) and the airplane was not fully occupied. For the mentioned reasons above, the researcher involved the major amount of the available audience.

### 2.2.6 Data collection

To accomplish study's goals, the researcher considered the passengers' capacity of aircraft for this flight and based on this information will prepare the required number of questionnaire samples (150).

As there could be some obstacles to conduct the survey, the researcher prepared the confirmation from the university (Appendix 6) which proves the academic purpose of the research. Thus, the collected data will be used only for completion of investigation project. The researcher will be among the passengers, travelling the same route, which enhances research reliability and validity.

As the customers' expectations and perceptions will be measured, customers' satisfaction will be evaluated accordingly. Consequently, it is appropriate to distribute the questionnaire papers before the customer faces the frontline staff. Thus, while they are waiting in line for flight registration and baggage handling. The passenger will get two papers and will be asked to answer the second questionnaire after the flight and to give back while leaving the plane to the researcher. Upon the additional availability and green light from plane's staff crew, the researcher could remind the passengers to fill the questionnaires.

As a result, the overall analysis of collected data supported with extensive literature review will finalize the researcher's statistical outcomes, formulate constructive conclusions, and design suggestions for further improvements.

### 2.2.7 Primary and secondary data

While conducting the research, it is crucial to identify the type of data and the way of collecting it. Generally, there are two types of data: primary and secondary, which are both mainly used for this research.

Bortz and Doring (2003) said that the analysing process of existing data in new ways or with a different question characterizes the secondary data analysis. The researchers pointed out that secondary data is advantageous in terms of less time consuming and less required resources to collect the data as well as it requires lesser of a budget. Although, it is very important to prove if secondary data is valid or not. The term "validity" in this sense describes of data usability to response the research questions.

Among limitations and disadvantages of secondary data, the researcher might consider the following features. First, the data relevance to research question, then, the "age" of published information, accuracy and quality aspect (Wrenn *et al.*, 2007). Ghauri (1995) introduced various types of secondary data, for instance books, journals, annual reports, internet resources, etc. Monette *et al.* (2011) emphasized the importance of journal articles use, as they provide a tremendous insight into the investigated field. Most of literature explain two types of secondary data: internal and external sources. Whereas, internal data sources can be found within the research at particular organization and external sources can be gathered through published literature (Stevens *et al.*, 2006).

For the purpose of this thesis, the researcher considered to use books, library sources, internet, academic journals (Emerald insight, SAGE journals), articles, annual reports, databases (EBSCO), web site flightradar24 (www.flightradar24.com) etc. as sources of secondary data. While using the secondary data, the researcher becomes responsible for reliability of information (Cooper and Schindler, 2001). Secondary data analysis helps the researcher to define the knowledge-based gaps, provide formulations, hypothesis of problem solutions and research approaches, which involve primary collection (Thyer, 2010). Stewart and Kamins (1993) distinguished researchers into "basic researchers" and "applied researchers," where "basic researchers" are defined as those who collect primary data to create new knowledge and to fill the present gaps. Researchers who collect secondary data are termed as "applied researchers" as they apply assembled data in order to generate solutions towards particular social problem.

Primary data can be gathered through observations, surveys (questionnaires), experiments, interviews, etc. Hence, primary data is collected for the first time and for the particular research work. Primary data analysis will be implemented with the support of statistical software as SPSS (Statistical Package for Social Sciences software version 23), Microsoft Excel, etc. Besides, the standard deviation analysis, hypothesis testing, arithmetic mean, Cronbach Alpha, percentage and frequency will support the general data analysis. Moreover, the key hypotheses will be tested with simple and multi regression methods as well as Pearson correlation analysis. One-Way ANOVA Test will present the significance of differences between expectations and perceptions based on service quality dimensions results and gaps.

The well-structured questionnaires will be used to collect primary data that involves several sections (passengers' profiles, service quality expectations and perceptions during various flight periods (pre-, in-, post-), satisfaction and loyalty aspects of customers). As a result, it will provide the researcher with an overview representing the complete information for demographics, SERVQUAL (independent), and dependent variables. To decrease the rejections of passengers' participation, the researcher will politely explain the purpose of the work and impact of this study.

The current study relies on both theoretical and practical parts. The primary focus will be referred to the analysis of key fields of study such as the service quality, associated gaps, customer satisfaction, airline image and the customer behavior

intentions. Whereas, theoretical part will be referred to scientific studies related to the research field.

On the practical side, the researcher will be using descriptive and analytical tools including collecting, analyzing and testing the phenomenon. As a result, the gathered data will be useful to meet research objectives and to assess the relationships between investigated variables.

### 2.2.8 Time horizons

While planning the research it is important to understand over which time period it will take place. Depending on the answer, it can be either cross-sectional or longitudinal. This research work will be taken at a particular time; hence it is cross-sectional. A cross-sectional study is time constrained. This type of study can employ the survey strategy (Easterby-Smith *et al.,* 2008; Robson 2002). Certain process might involve the description of some occurrence or phenomenon as well as explaining how the factors are correlated in various organisations. Cross-sectional studies may use both quantitative and qualitative approaches (Saunders *et al.,* 2009). For describing the time horizons, it is recommended to use Gantt chart (Appendix 7) as the researcher is given a limited time to complete the research work within only fifteen months.

### 2.2.9 Validity and Reliability

Validity is defined as the extent to which the research results reproduce phenomena under study (Collis and Hussey 2009, p. 64). Saunders and Lewis (2012) added that this term explains "the promise" of researcher's further actions. In other words, the process of research of what was planned to be researched. Hence, conceptual framework involves comprehensive literature review based on well-defined research objectives.

Furthermore, the questionnaires for the research purpose were reviewed by the academic appraisers, which are specialized in Business Administration and Marketing. Besides, professionals within the travelling industry were also involved in the questionnaires' evaluations. Based on this valuable feedback and recommendations, some of the research elements were corrected or reformulated to present a more precise

and comprehensive version of the research instrument. Risks of validity are linked to instrumentation, history, and testing.

Certain methodology should be linked to the research findings and further recommendations. The research design should be outlined precisely in order to meet the original research objectives. To sum up, validity represents that research findings truthfully characterize that measured phenomenon (Schoja, 2016).

With the purpose to evaluate reliability, the researcher considered to use the internal consistency method, mainly Cronbach's alpha. Whereas, Cronbach's alpha is determined as the coefficient to measure the internal consistency reliability and the degree to which the scores of assessed measurements hold together to evaluate certain aspect (Osborne, 2008). It usually varies from 0 to 1, indicating the higher results of the internal consistency with a higher score (Bradley, 1994 in Knight *et al.*, 2009).

According to Malhotra *et al.* (1996) the score equal to 0.6 or less usually signifies poor level of reliability. Nevertheless, the score of 0.8 or higher indicates good and consistent reliability. However, Hair *et al.* (2006) confirmed that the score of 0.6 is satisfactory for basic research. Risks linked to reliability involve subject or observer errors and subject or observer bias. Miles and Huberman (1994) found the following causes of researcher bias: researcher's influence on participants and influence of participants on researcher. In order to avoid huge impact on research findings, the researcher is conscious of eliminating potential bias. The researcher takes into consideration potential respondents' bias and their unwillingness to provide accurate responses. This might happen due to various reasons such as question format, participants' mood, etc.

Tappen (2011) compared reliability with the consistency questions. Nunnally and Bernstein (1996) described the term "reliability" as repeatability, stability, homogeneity, agreement homogeneity and predictability (Engstrom, 1998).

In quantitative research, reliability is often tackled. It also refers to the quality and the "trustworthy" characteristics, meaning that the research should be comprehensible, transparent and the research findings need to be consistent. Reliability excludes the presence of any difference within the repeated research results (Zeller, 1979).

### 2.2.10 Limitations and ethics

Saunders and Lewis (2012) in their investigation found that research ethics outline the researcher's competence towards the respondents' rights. It is crucial to mention that the research should not bring any harm to those who become either the subject of research procedure or are affected by investigation work. It is important to account for ethical aspects during the research process. Some issues which might be faced during the conducting the research are anonymity, appropriate behaviour, researcher's safety, participant's rights awareness, and confidentiality.

During the data collection, participants should be aware about the research purpose, questions and their roles within the process. Personal data should be processed legally and justly, in adequate and relevant way, it should be truthful, updated and stored securely. Ethical usage of data evaluation and assumptions can be a related issue (Veal, 2006).

According to Roger (2005), the external obstacles might add extra difficulties for the researcher to conduct the investigation. The key limitations of the survey in Prague airport will be the airport's authorisation and allowance to carry out the survey, the time constraints and willingness of participants to contribute. The researcher will prepare the printed individual versions of survey in advance. Moreover, lack of sample size of any damage can become an obstacle in collecting the results. For this reason, the researcher should consider having extra number of handouts in case problems occur. In addition, the researcher should provide the respondents with a proper amount of pens.

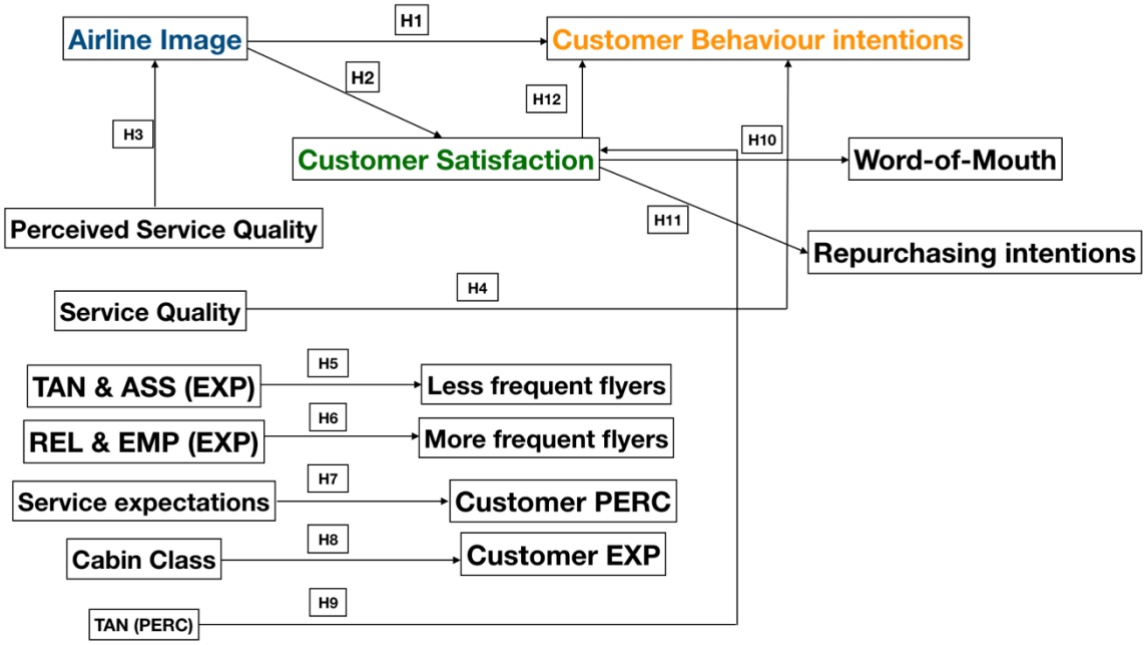
Since the survey will be conducted among Russian respondents mostly, the language barrier might be a potential limitation for the respondents. Therefore, the researcher considered to translate the questionnaire in the Russian language to avoid any misunderstanding issues, but also to have original version of questionnaire in English.

The survey will occur only for the analysis of the specific flight, which is why the researcher cannot give the overall generalization of the whole population since the number of respondents will be limited. It means that the data will be relevant to the particular case and requires further investigation that is more detailed.

### 2.2.11 Conceptual framework and research hypothesis

Based on the literature review, the researcher has created the conceptual model framework that is presented below. This model illustrates the relationships between service quality, customer satisfaction, and behavior intentions.

**Conceptual framework for research**




Source: Self-created, 2017

Moreover, in accordance with extensive literature review analysis, the following hypothesis are formulated:

*H1: There is significant influence of Airline image on Customer Behavioural intentions*

*H2: Airline image has a positive influence on Customer Satisfaction*

*H3: There is significant influence of perceived service quality on brand image in the consumer's mind*

*H4: There is significant influence of Service quality on Customer Behavioural intentions*

*H5: Service quality dimension "Tangibles" and "Assurance" (EXP) have significant influence on Less frequent flyers ("About half the time" and "Once in a while")*

*H6: Service quality dimension "Reliability" and "Empathy" (EXP) have significant influence on More frequent flyers ("Always" and "Most of the time")*

*H7: There is significant influence of Service expectations on Customer perceptions*

*H8: There is significant influence of Cabin Class on the Passenger Expectations*

*H9: Perceived quality, linked to service quality Tangibles will have significant impact on customer satisfaction*

*H10: There is a significant influence of Passenger Satisfaction on positive Word-of-Mouth*

*H11: Passenger Satisfaction has significant influence on Repurchase Intention*

*H12: Passenger Satisfaction has a positive influence on Passenger Behaviour Intentions*

# 3. Literature review

## 3.1 Introducing Airline industry

Onyeanu (2009) defines aviation industry as the set of activities associated directly with the air transportation of people and goods from one destination to another. In recent years, Airlines industry has shown steady growth and constant developments in innovative strategies of generating high benefit. While opening new horizons and possibilities to connect people and cultures, air transport facilitates exploring of tourism paths, generating trade and providing access to markets globally (Zabokrtsky, 2011). Hence, aviation sector as it is today represents one of the most significant segments within the economic development of any country.

Air transport is also called "cyclical industry" due to its close correlation to the economic cycle. According to Cento (2009), airlines industry shows positive results within the supply and demand sides where, for instance, the economists found a growth of 7.2 percent in international passenger demand in 2017 in comparison to 2016. Moreover, global airline shares raised approximately by 29 percent in the period from 2016 to 2017 (IATA, 2017).

Despite economic uncertainties, the IATA statistics (2017) forecast annual growth of airline industry by 1.8 percent until 2035. Airline industry plays an important role in every country's economy and helps to attract both local and foreign investors (Abeyratner, 1998; Samuel, 2006). It was found that 3.5 percent of global economy is covered by aviation (IATA, 2018). Being such a strategically important sector, it supports the overall economic situation and, in particular, it improves the employment situation. Therefore, Airline industry drives social and economic progress.

A number of researches are currently being conducted with a great interest concerning the service quality and customer satisfaction in the airline industry because it plays a crucial role for the airlines' competitiveness on the market in delivering high service quality. Based on the research made by PWC (2015), nowadays, significant improvement should be made not only by upgrading aircraft, but also by enhancing consumer expectations through involving behavioural and cultural aspects among frontline employees. Nevertheless, most of the studies describe the aggregate level of customers' evaluations of services.

Hence, in order to develop marketing strategies, airline marketers should better investigate the effects on individual dimensions as an important factor while evaluating the services quality of an airline.

### 3.1.1 Positioning of Aeroflot Russian airline on the market

Aeroflot Group is Russia's largest airline and one of the world's most recognized and oldest carriers. Aeroflot headquarters is located in Moscow, Russia at Sheremetyevo airport. Since 1922 when the first international flights were launched and up to nowadays, the airline company operates on major market segments, both domestic and international directions.

Aeroflot Group consists of Aeroflot – Russian Airlines, Rossiya, Pobeda and Aurora. Aeroflot Group has international recognition in its customer service. As a global leader in 2016, Skytrax (global consulting company which measures the world's most significant evaluator of airline and airport service quality) rated the company with four stars (out of five stars) as the high-quality service provider. For the fifth time already, Skytrax recognized Aeroflot as the Best Airline in Eastern Europe. Flight safety level of Aeroflot's airline achieved 99.978 percent (Skytrax, 2016). Moreover, the company has achieved global recognition as promoting itself as a great company to work for.

The key competitive advantage of the company is related to its fleet. For instance, Aeroflot Russian Airline has the planes with approximately 4.2 years average life, and the average state of planes within the whole group is about 6.5 years. By the end of 2016, the Group had 292 aircrafts and Aeroflot Russian Airlines carry 189 of them. Aeroflot is a member of the SkyTeam Alliance, which is valuable for the customers with an extended variety of travel opportunities. At the moment, the Group runs 314 regular routes within 51 countries, while Aeroflot operates in 133 regular destinations in 50 countries. In addition, the Group carried 43.4 million of passengers in 2016, which is in 10.3 percent higher than in 2015 when 29 millions of people travelled with Aeroflot airline.

According to the online annual reports (2017), Aeroflot regularly conducts marketing researches. There was assessment made by Net Promoter Score (NPS) with Bain & Company which showed stable Aeroflot airline's NPS index since 2015 with the result of 72 percent (Appendix 8).

High level of customer service compliance was measured at 93 percent in cooperation with Romir Monitoring Standard as mystery customer examination. Over the past two years the high result remains sustainable, which reflects company's improvements in providing the highest scores of services performances. In order to achieve high brand recognition, the company actively participates in various cultural and sport projects.

## 3.2 Service sector

According to Rao (2007) there are two main reasons for the service sector growth. First, it is the intermediate demand growth from the companies and secondly it is the final customer's demand growth. Intermediate demand from the companies is characterized by the increased interest of manufacturing firms to cooperate with service providers in terms of selling, labour management, advertising, marketing research strategies and others. It became more convenient for the companies to take the more professional and specialised services from the outside.

Final demand for customers was greatly increased in the recent years, especially in travel services. The reasons for such growth in demand will be explained further. Firstly, there is an increase in affluence. It means that within a more developed economy people became more affluent. Hence, the level of customer's affluence defines his or her further demand preferences and requirements for the selected product or service. For instance, if a traveller is affluent, he or she can afford to use porter's service to carry the luggage. Accordingly, if the traveller does not have enough money, he or she will carry it by himself or herself.

Another reason is that there is a tendency among people to value their leisure time more. People are spending more time getting new experiences, education, and self-development. There is a change in terms of holiday arrangement and planning.
Since women became more independent, they are trying to be equal to men and sometimes to show more competence than men do. At the same time, women are loaded with family activities and they are looking for opportunities to escape their problems. Consequently, they belong to the category of double income type and they are affluent enough to meet their service demands such as travelling, baby care, health services, education etc.

Finally, yet importantly, the population of DINKS is growing. This acronym stands for "double income group with no children". It is not related to any physical problems of the couple. Instead, it is mainly caused by the career-oriented motives and the paradigm shifts of societal values. DINKS have predominant spending on services. With a more developed economy and increased living standards, life expectancy is being positively affected, too. The author forecasts the raise of demand for services among older population. Yet, the emphasis is still put on younger generations and their ability to tremendously change consumption of services.

Ever since people have become more knowledgeable, they have also become more demanding. The rapid technological success in delivering new products to society became an essential part of daily operations. Hereby, more experts are needed for maintaining and upgrading the products. To sum up, the demand for services and products is growing rapidly, becoming more complex with every day. The complexity of products contributes to life complexity. It is related to the human's ability to play various roles. For this reason, there is an enlarged demand in consultants to decrease the pressure. The consultants provide support to customers and guide them away from confusion and uncertainties regarding new products.

Nowadays, people are becoming more conscious about their well-being, healthy life and ecology. This aspect has a great value for the companies to be involved in environmentally friendly activities. Often companies' activities are aimed to encourage their customers to join in the above-mentioned agendas.

### 3.2.1 Service marketing

Service marketing is mainly focused on the unique features of services and the way customer behave when introduced to marketing strategies (Lovelock, 2011). One of the marketing specialists, Theodore Levitt (2008), defined the two main categories of product classification: searching for goods and experiencing goods. He explained the "searching for goods" refers to packaging and tangibles, that being things that a customer can see, assess and test before a purchase. On the other hand, "experience goods" can be evaluated only after they are purchased or consumed (e.g. travelling or vacation services).

The airline industry combines both tangible and intangible attributes such as aircraft and travel experience (e.g. time performance, in-flight service, service frequency, etc.).

In addition, Philip Kotler (2001) suggested products' classification within five groups:

*Pure tangible goods that represent commodities*, which are homogenous and the consumer does not extract any particular value to the associated value.

*Tangible goods with accompanying service* provide the consumer with greater value towards the tangible part of marketing proposal. The service, which is accompanying tangible products, involves the buyers into value assessment. Therefore, the accompanying services might create the competitive advantage for the retailer (Strydom, 2005).

*Hybrid* is the most common example of marketing proposal, where tangible goods and services have the same weightage for the customer. Depending on the level of the establishment that provides both services and tangible good, the customer will perceive the proportion differently. It means that he or she will define the importance of either the service or the tangible good based on his or her expectations.

*Service with accompanying tangible goods* characterizes another category that explains the dominant role of intangible part. The accompanying goods are assessed by the consumer (Mok *et al.*, 2013). Transport organisation that provide the mobility services is a good example of this classification.

According to Rao (2011), "pure services" is another marketing offer where the consumers evaluate only the services offered. The services in this scenario might consist of no tangible parts.

### 3.2.2 Service marketing triangle

Strydom (2007) explained service marketing triangle as the model which consists of three main actors (providers, company and clients) that are interacting together to ensure the success of delivering quality service. The essential part of successful outcome (quality service) is the interaction of these three players. Consequently, three marketing types of relationships will support this model.

Hereby, the services marketing triangle identifies external marketing (communication by company to the clients—making promises), interactive marketing (happens between client and service staff providers—keeping promises) and internal marketing (occurs while staff trainings regarding highest job performance and excellent customer service— enabling promises).

According to Wilson *et al.* (2008), the service in regards to promise, especially in hospitality and tourism implies the offer (promise) as a nature of experience. However, some organisations replaced services delivered by people to the usage of technologies instead. Check-in procedure for airlines is an example of such. Still, the mechanism of the services marketing triangle is completed only if all the components work together. Besides the existence of tangible elements, the essential promise is related to the value orientation.

All the mechanisms start with enabling the promise. There is the close relationship between the company and its employees (or technology). It is crucial for employees to clearly understand the process of enabling the promise. This is made through different trainings and explanations about the provided service quality. Here comes the internal marketing communication where the management takes the responsibility in the strategic decision-making regarding the marketing and overall operations.

The process of making a promise represents the tactics of external marketing with the purpose of relevant brand image communication of quality and value, which is reliable to internal marketing.

Based on the triangle model, "delivering the promise" is referred to an interactive marketing, according to Wilson *et al.* (2009). The delivery itself is related to the external marketing tactics. An aspect of these tactics plays crucial role as the decisive moment through this interaction. It mostly concerns the encounter. It is very important to pay attention to the staff training, especially in terms of organisational decision-making. In other words, the personnel's ability to respond to failures in service delivery is of key importance. This aspect should be taken into consideration during staff trainings in order to be ready to provide the competent reaction for possible failures and to put all the efforts to avoid the potential errors.

## 3.3 Influence of corporate image on consumer's behaviour

Corporate image can be defined as the customers' associations about the organisation (Keller, 1993). Well-planned and accurately maintained corporate image is the most favourable marketing strategy to fascinate present customers (Fombrun and Shanley, 1996). Connor and Davidson (1997) concluded that a good image of an organisation is more probable to occupy more competitive market positioning because it attracts both trial and loyal customers. When a company has a more appealing image, there is more chance that customers will assume that the company's services are superior and greater in quality and value (Dowling, 1994).

Similarly, the airline with a more appealing image is more attractive to the passengers and no negative experience will greatly influence passengers' opinions on the company. According to Ostrowski *et al.* (1993), passengers who have a favourable image of the airline believe that, for instance, a bad flight will be an exception to their positive impression about the company. Hence, the more favourable a company's image is, the more prospective the company's distinguished position is on the market.

Andreassen and Lindestad (1998) have established it that corporate image impacts customer's selection of the company and affects customers' perceptions of offered services and goods. Although, at the same time, Page and Fearn (2005) ascertained that bad image definitely has negative impact on brand equity, but a good image cannot guarantee a strong brand. Surprisingly, Rhee and Hauschild (2006) also discovered that service providers with good reputation suffer more than those service providers that have poor reputation image and multiple negative feedbacks. Thus, the following hypothesis are provided:

*H1: There is significant influence of Airline image on Customer Behavioural intentions*

*H2: Airline image has a positive influence on Customer Satisfaction*

### 3.3.1 Perceived image

Padgett and Allen (1997) described brand image as symbolic association that customers remember when they encounter a certain service or product features.

Park *et al.* (2006) stated that a positive image in the passengers' minds within airline industry plays an essential role in creating the distinguished company in contrast to its competitors on the market. In addition, Keller (1993) said that brand image is the result of general processes of brand perceptions among the passengers that reflect the association with the brand. Balogu and Brinberg (1997) defined brand image as the summation of people's ideas, impressions, and beliefs about a particular entity.

A favorable positive image about the particular airline brand might influence the preferred choice over other potential options (Park *et al.*, 2006). Park *et al.* (2006) suggested the existence of relationship between service quality and airline image within the airline industry in Australian theory. Another research in the banking and financial industry, made by Nguyen and LeBlanc (1998) stated that the higher level of perceived service quality would lead to the higher level of brand image in the consumer's mind. Hereby, perceived image within airline industry is established as a significant indicator towards airline selection. Corporate image has an impact on the customer's choice of the company when service aspects are challenging to judge as well as it influences customers' perceptions regarding the product or service provided (Zeithaml, 1988; Andreassen and Lindestad, 1998). Therefore, positive experience throughout the several good experiences will finally create a positive image about the company (Ostrowski *et al.*, 1993). Based on the discussions above, the following hypothesis is formulated:

*H3: There is significant influence of perceived service quality on brand image in the consumer's mind*

## 3.4 Service quality

In the last 30 years, academics and professionals have had an increased interest and arising discussions regarding explaining the term "service quality" and its measurement tools (Martinez and Martinez, 2010). The reason for such great interest among researchers and marketers is the close dependence of service quality on customer satisfaction (Chen, 2008; Howat *et al.*, 2008), retention and customer loyalty (Sohal and Wong, 2003; Prayag, 2007).

As concluded by the review of the literature on the topic of service quality, there are a lot of definitions of "service quality." Early researchers, such as Sasser *et al.* (1978), Gronroos (1982), Lewis and Booms (1983), Lehtinen and Lehtinen (1983) refer to service quality as the outcome of the comparison of customer's prior feelings about what the service provider should offer. In other words, it is related to the customer's expectations and his or her actual experience.

Bitner and Hubbert (1994) explained the term "service quality" as the overall customer's impression regarding company's "inferiority/superiority" of its services. In the last decade, the most attention was given to the airline service quality (Saha and Theingi, 2009).

According to Gursoy *et al.* (2005), the airline service quality is defined as the combination of relations between airlines and customers, with the employees aspiring to influence the customer's perceptions and the carriers image. In other words, it is a measurement of service level delivered to meet customers' expectations. Thus, service quality is described as the difference between expected and perceived service by customer. These investigations are made in order to compare the changes before and after. There is more evidence on the quality problems and development of well-defined criteria for service delivery. In addition, it is interesting to note that businesses should try to eliminate service quality issues, otherwise customer's loyalty can be decreased by 20 percent (Park *et al.*, 2006). Therefore, the higher service quality contributes to further customer's increased satisfaction that in return builds long-term relationships between service provider and the customer (Etgar and Fuchs, 2009).

Nowadays, service quality is considered to play a very important role for the company, as it distinguishing itself from the competitors, creates competitive advantage, and sustains organisation's progress (Ladhari, 2009).

The measurement of service quality is essential for businesses. The results of conducted researches offer a great opportunity to compare the before and after modifications, to understand the problem positioning and to afterwards determine the criteria of delivering service quality. Moreover, based on the experience of Reynoso and Moore (1995), analysis and measurement play the fundamental role in service quality development. Based on the assessment of service quality, Ghylin *et al.* (2008, p.76) believes that companies can increase customer satisfaction outcomes by offering higher quality level services. Furthermore, the analysis of service quality must include recognition of service attributes as intangibility, heterogeneity and inseparability (Parasurman *et al.*, 1985, p. 42).

In accordance with the above discussion, the following hypothesis is posited as follows:

*H4: There is significant influence of Service quality on Customer Behavioural intentions*

### 3.4.1 Definitions of term "quality"

As the term "service quality" is quite difficult to define precisely, the findings offer an explanation that includes five categories related to service quality. First category is called "transcendent". In this case, the quality is exceeding the excellence. Although, this definition does not have enough practical application due to the fact that it is impossible to establish the quality determinants. The link between personal salience and perceived quality performs as the indicator of quality. This link accounts for the quality of goods and services. Another definition of quality is related to "product led" because the components of the so-called goodness are integrated into services or products. Thus, it explains that the higher quality service contains more goodness in comparison to the lower quality service. Practically, it is rather problematic to identify the tangible attributes or elements of goodness. Moreover, goodness depends on circumstances and is not absolute. Then, "quality" is also defined as "process or supply led" or "conformance to requirements".

According to this definition, the emphasis lays internally which is mostly important for management towards the supply-side quality (Crosby, 1980; Taguchi, 1986). Hence, this type of organization perceives the issues within the engineering or transformation processes. These companies often offer "standard" services concerning the short contact with customers. Examples of such organizations include post-services, home deliveries, fast food chains, and public transportation.

With an external focus, the term "quality" is related to "customer led". This method describes how the company can determine their customers' requirements and then create an action plan to meet these requirements. The term "customer led" might be mostly appropriate to the organizations which have high contact with their customers, for instance in the fields of education, healthcare, leisure, etc. Last category defines "quality" as in "value led". It represents the relationship between the producer's cost and customer's price, describing also the process of meeting the customer's requests based on the price, accessibility, and quality. The emphasis of this definition is mainly external. Groocock (1986) also explained "quality" as a good comparison with the definition of "value led". Moreover, this characterization might be applied to most of service companies.

As it was discussed above, service is described as “something intangible. Meister (1990) claimed that within the service quality framework customers evaluate quality, while comparing perceived service with their expectations of what they are supposed to receive. In addition to that, either perceptions or expectations are equally experiential senses rather than certainly reliable. Summing up, in the service setting it is essential to alternate “expectations” for “objectives” or “requirements”.

To conclude, most of the authors tend to consider the term “quality” within the “customer-led category”. For instance, Creedon (1988), Lewis and Moore (1989) described quality as “dependably exceeding or meeting customer’s expectations”.

### 3.4.2 Airline service quality

In pre-deregulation era, the term “airline service quality” was evaluated in regards to industrial and managerial variables such as aircraft type, frequency of flights, loading dynamics, and transit periods (Clifford *et al.*,1994). However, during the post regulation when the liberalised environment stepped in, the delivery of superior service quality has begun being evaluated mainly by assessing customer loyalty which delimitates a company from its competitors (Parasuraman *et al.*, 1985; Reichheld and Sasser, 1990).
Recently, there has been an increased scope of research done in regards to airline services. The interest to research service quality has rapidly increased since the correlation between customer satisfaction and business prosperity had been proven (Heskett *et al.*, 1994). Nevertheless, there are still some issues that complicate research procedures, one and main of which is the intangibility of services as well as the blurry distinction between humanistic and mechanistic quality.

Most literature compares airline customers’ perceptions of service with a multi-dimensional aspect. Whereas, Parasuraman *et al.* (1988) explained the concept of service quality with a measurement instrument called SERVQUAL. This model is frequently used in airline industry (Fick and Ritchie, 1991; Sultan and Simpson, 2000). It measures a customer’s overall service quality assessment based on his or her expectations and perceptions within the five dimensions: “Tangibility”, “Reliability”, “Responsiveness”, “Assurance”, and “Empathy”. Hence, service quality is determined by the gap analysis of actual evaluation of service performance from a customer’s perspective.

One of the research companies in aviation sector — Zagat — assesses airline services within the following dimensions: general performance, comfort, service, foodstuff and website (Rhoades, 2006). Another example of measurement scope belongs to the US Department of Transportation which reports the service quality evaluations according to the following criteria: customer's issues, abused luggage, flight delays and overestimated flights.

Investigation of service quality made by Tiernan *et al.* (2008) based on the reports from Association of European Airlines identified the most crucial factors of positive customer perceptions within airline industry. They involve on-time arrivals of flights, minimum of cancellations, and issues with luggage.

## 3.5 Customer's satisfaction

Oliver (1981, p.27) defined satisfaction as the psychological state when an emotion that occurs as the reaction to a certain action matches the initial expectation about that action. It is also defined as one's judgement of a provided service (Cronin and Taylor, 1992). Various researchers have stated that, conceptually, service quality and customer satisfaction are different, yet there is a strong relationship between their models (Bitner, 1990; Bolton and Drew, 1991).

Moreover, Oliver (1981, p.42) found that satisfaction is related to the transaction – a particular nature — distinguishing it from the attitude. He explained it the following way: an attitude is a consumer's emotional evaluation of a product or a service, while satisfaction is described as the affective response occurring in regards to the attitude's level and is transaction-specific. Hence, attitude represents a more general assessment towards a product or a service. In other words, perceived service quality or attitude have a more general meaning, concerning service "superiority", yet satisfaction belongs to a particular transaction. In addition, Olshavsky (1985) added that quality is described as the overall product or service assessment.

According to Reichheld (2006), customer satisfaction plays a major role in customer's decision-making on whether to stay loyal to a company or stop using its goods and/or services. Since service quality is one of the most important airline aspects, there is a strong relationship between the passenger's satisfaction and the company's profitability (Saha and Theingi, 2009).

Concerning the airline industry, Archana and Subha (2012) defined the key dimensions of service quality which have an impact on customer's satisfaction and therefore shape the corporate image and increase number of loyalty customers. These dimensions are as follows: in-flight services, airline back office processes, and in-flight digitized options.

Alternatively, Abdullah *et al.* (2007) recognized the existence of positive relationship between customer satisfaction and future probability and potential of customers to be loyal to the service provider and spread a positive word of mouth. Consequently, passengers' satisfaction plays a crucial role in the airline industry in the service quality assessment and further relationship of passengers with the service carrier (Abdullah *et al.*, 2007; Lau *et al.*, 2011).

Moreover, Parasuraman *et al.* (1996) mentioned that a customer's choice of travel provider depends on the service quality level, meaning that a passenger chooses a career that better meets his or her expectations. Thus, airlines must develop a precise understanding of customers' expectations to manage service quality while reflecting on passengers' demands. To meet the above objectives, the airline company needs to understand the key success factors of delivering service quality.

## 3.6 Service quality gaps

This research work will analyse service quality gap between customers' expectations and perceptions of delivered services by frontline personnel of an airline. Aubonteng *et al.* (1996, p. 64) found that customers' expectations build foundation in further service quality assessment because when performance exceeds expectations it means that the quality is high. Conversely, when performance does not meet expectations, the quality is considered respectively low.

It is also important to add that observations made by Parasuraman *et al.* (1985; 1988) specify the consideration of the process of service delivery and not merely the service quality evaluation based on the service end results. The model of service quality gaps is shown in Appendix 9.

Brown and Bond (1995) believe that gap model represents a valuable source for the service literature. Six of the gaps, which are Gap 1 (The Knowledge Gap), Gap 2 (The Policy Gap), Gap 3 (The Delivery Gap), Gap 4 (The Communications Gap), Gap 6 (The Perceptions Gap), Gap 7 are determined to characterize a more functional role within the service delivery (Parasuraman *et al.*, 1985; Lovelock and Wirtz, 2011). Whereas, Gap 5 (The Service Quality Gap) refers to the customer. Following the earlier explanation, Gap 1, Gap 5 and Gap 6 are the most important (ASI Quality Systems, 1992; Curry, 1999; Luk and Layton, 2002). It is explained that these gaps are related directly to the customers' relationships. In particular, Gap 5 remains the gap, on which SERVQUAL method was created (Appendix 10).

Along with an appropriate choice of measurement instrument, gap analysis performs as an influential analytical and design tool. A quality model should perfectly support the management processes such as the identification of quality sources, quality issues, causes behind them, and action plans to resolve any occurring complications.

## 3.7 Customer expectations and perceptions

An extensive amount of studies related to the service quality, customers' expectations and perceptions have been conducted. Saha and Theingi (2009) found that it is necessary that companies that provide services would size and analyse service quality and appearance as a "modus operandi" to the effects of customers' behavioural intentions. Oh (1999) agreed that existing theories can be edited to comprise new variables that are necessary for customer's behaviour explanation and projection. In addition, Weiermair (2000) claimed that cultural aspects of customers might influence particular dimensions within cultural frameworks.

While operating in an ever-changing world with rising and declining economy, it is crucial for airline companies to offer high quality services with the purpose to generate satisfaction. Managers should note that customers' expectations and perceptions are changing and become different over time. In addition, the choice of travelling destination is important in assessing the experience. As a result, it will increase competitive advantage on the market, generate loyalty of customers, boost market share, and there will be more revenues generated (Ozmet and Morash, 1994). Moreover, previous findings made by Gronroos in 1984 describe the perceived service quality as the result of its assessment while comparing the perceptions of delivered service to its expectations (Appendix 11).

Customer expectations are explained as the consumer wants and desires or the feeling of what should be offered from service provider (Parasuraman *et al.* (1988, p.17). Furthermore, the author emphasizes that expectations do not characterize the predictions of what service providers "would" offer, instead, what service providers "should" offer. As the airline customizes their services levels into premium and economy, there are different types of passengers with distinguished expectations and perceptions of the service performance (Tiernan, Rhoades and Waguespack, 2008). Pham (2006) claimed that flyers that are more frequent have higher expectations about the service quality. In addition, Pham's (2006) research results confirmed the dependence of passenger segmentation on service quality expectations among the customers. Besides, less frequent flyers assessed "Tangibles" and "Assurance" as the most important service quality dimensions rather than those who travel more often.

On the other hand, passengers, travelling more often consider "Reliability" and "Empathy" dimensions of quality as most important ones. Based on these findings, the following hypotheses are proposed:

*H5: Service quality dimension "Tangibles" and "Assurance" (EXP) have significant influence on Less frequent flyers ("About half the time" and "Once in a while")*

*H6: Service quality dimension "Reliability" and "Empathy" (EXP) have significant influence on More frequent flyers ("Always" and "Most of the time")*

Customer's perceptions perform as the crucial factor in service quality. Perceived services are related to the customer's satisfaction about the experience and the quality itself (Brown and Swartz, 1989). It describes the overall satisfaction of service performance (Zeithaml, 2000). The perception is influenced by various factors. These factors might be facilities, quality services, personnel performance, and products' price (Gagliano and Hathcote, 1994; Sheinin and Wagner, 2003; Haynes and Shaw, 2004). Thus, based on this discussion, the following hypothesis are postulated:

*H7: There is significant influence of Service expectations on Customer perceptions*

*H8: There is significant influence of Cabin Class on the Passenger Expectations*

## 3.8 Perceived and objective quality

Remarkably, Holbrook and Corfman (1985, p.33) emphasized the different usage of the term "service quality" between consumers and researchers or marketers. The researchers define this term in a conceptual framework. It means that there is difference between mechanistic and humanistic quality. For instance, mechanistic quality includes the objective perception of a thing, and the humanistic quality, on contrary, represents the subjective aspect of features, people and events. Hence, it is a highly changeable phenomenon among evaluators. In addition to that, Garvin (1983) proposed five approaches to explain the quality.

Whereas, two of them are product-based and manufacturing-based refer accordingly to the objective quality and perceived quality that is user-based. Based on the previous literature, the hypothesis is postulated as follows:

*H9: Perceived quality, linked to service quality" Tangibles" will have significant impact on customer satisfaction*

## 3.9 SERVQUAL instrument

Parasuraman, Zeithaml and Berry introduce the measurement tool of service quality based on the results of focus groups participants. The SERVQUAL tool is widely used as a tool for measuring perceived service quality (Bigne *et al.*, 2003). Parasuraman (1995, p.145) claimed that the principal way of service quality evaluation is related to the disconfirmation view. It connects customer's expectations and actual service experience. This is a theoretically valid way to measure the perceived quality of customer's experience and in order to collect data for its implementation it is suggested to gather it through the questionnaires (Liou *et al.*, 2010). Besides, SERVQUAL generic instrument (Appendix 12) helps the company to detect its strengths and weaknesses in providing service quality. In 1985, the model represented ten dimensions (Appendix 13), and later on (1988) it was reduced to five measurements: "Tangibles", "Reliability", "Responsiveness", "Assurance" and "Empathy", containing twenty-two questions which evaluate the expectations and the perceptions within the mentioned above five dimensions. Therefore, to better understand customers' needs and to create an economically beneficial and feasible processes and products, it is suggested to apply SERVQUAL (Tse, 1996; Maylor, 2000).

### 3.9.1 Dimensions of service quality

Parasuraman *et al*. (1988) identified five quality categories that represent particular service features. There, "Tangibles" include physical facilities, equipment, and staff appearance. "Reliability" explains the ability to provide the promised service precisely and in a trustworthy manner. "Responsiveness" represents the staff willingness to be helpful and thorough about the provided services. "Assurance" involves the employees' intelligence and their ability to represent the confidence and evoke trust among the clients. "Empathy" is categorized as personalized attention or a provident approach to the customer. SERVQUAL instrument performs as a great tool in analyzing the service quality based on the mentioned above five dimensions.

Many authors tried to introduce different service quality dimensions within various models related to the airline industry (Gourdin, 1988). For instance, Gourdin (1988) defined three characteristics of airline service quality as safety, price and promptness. Similarly, Ostrowski *et al*. (1993) considered seating comfort, timeliness, quality of food and beverages. Then, Haynes (1994) looked at the seating cleanness, customer's problem solving, quality of food and beverages in order to assess airline service quality. The model of dimensions offered by Parasuraman *et al*. (1988) was mainly used in the past, yet it is still a great tool to measure the service quality as of today.Chang and Yeh (2002) reviewed the dimensions of Parasuraman *et al*. (1988), namely "Tangibility", "Reliability", "Assurance", "Empathy" and "Responsiveness". Park *et al*. (2005) also considered the noted earlier three aspects as in-flight service, convenience and accessibility, customer service and reliability.

In addition, recent findings of airline industry in Uganda as reported by Namukasa (2013) considered pre-flight service quality with dimensions as responsiveness, reliability and discounts. In addition, in-flight service quality involved politeness, language skills and tangibles. Post-flight service quality dimensions included loyalty programs and punctuality. More information regarding the service quality dimensions from the different authors perspectives can be found in Table 1 and more information about the dimensions of service quality models from the period from the 1984 until 2001 years are presented in Appendix 14**.**

**Table 1. Service quality dimensions in airline industry**

| Year | Author | Dimension |
|---|---|---|
| 2002 | Tsaur, Chang and Yen | Comfort of seat, staff politeness, safety |
| 2005 | Park, Robertson and Wu | In-flight service, convenience and availability, customer service and trustworthiness |
| 2006 | Ekiz, Hussain and Bavik | Staff, image, empathy, airline and terminal tangibles |
| 2007 | Shaw | Frequency and scheduling, punctuality, loyalty customer benefits, in-flight services, seat / ticket availability, locality and accessibility of airport, airport services |
| 2007 | Liou and Tzeng | Personnel service, loyalty customer benefits, safety and reliability, in-flight services, timetable arrangements and scheduled performance |
| 2008 | Nadiri, Hussain, Ekiz and Erdogan | Personnel, empathy, airline and terminal tangibles |
| 2008 | Tiernan, Rhoades and Waguespack | Scheduled performance, mishandled luggage, complaints of customers, overbooking |

| | | |
|---|---|---|
| 2008 | Babbar and Koufteros | Politeness, responsiveness, customized attention, level of concern and courtesy, listening and consideration |
| 2008 | Teichert, Shehu and von Wartburg | Scheduled flight, loyalty passenger programs, catering, ground services, total fare, flexibility |
| 2009 | Saha and Theingi | Scheduling, tangibles, flight personnel, ground personnel |
| 2011 | Boetsch, Bieger and Wittmer | Brand of airline, price, sleeping comfort |
| 2012 | Archana and Subha | In-flight services, back office processes of airline, on-board digital services |

Source: Self-created, 2018

### 3.9.2 Application of SERVQUAL model in previous studies

Several studies conducted by other researchers on topic of the airline industry concluded that customers' expectations are formed at the decisive moment (ex. airline reservation department, sales, cabin crew and services, flight timing, baggage process, etc.) (Archana and Subha, 2012; Saha and Theingi, 2009; Nadiri *et al.*, 2008; Ekiz *et al.*, 2006; Prayag, 2007). Prayag (2007) in his work measured Air Mauritius service quality with SERVQUAL model among international travellers. In his investigation, "service efficiency and affect" was highlighted as the most important feature. "Service personalization", "Reliability" and "Tangibles" were measured as the least important. Another dimension — "Empathy" — was considered as more valuable compared to "assurance". Prayag's (2007) research findings concluded that primary influencers underlined "service efficiency and affect", shaping customer satisfaction and future enthusiasm to airline's recommendations.

Conversely, the studies made by Sultan and Simpson (2000), utilizing SERVQUAL instrument for an airline in 1994 found that "reliability" was perceived as the most important dimension among passengers. Likewise, Clifford *et al.* (1994) applied SERVQUAL model among 105 passengers and determined that "reliability" was perceived as the most important dimension and consequently, the key determinant of customer satisfaction. Furthermore, "Reliability" and "Empathy" dimensions had the major impact on customer behaviour intentions.

### 3.9.3 Limitations of SERVQUAL model

Several authors have expressed doubts about SERVQUAL method due to some of its limitations. For instance, Carmen (1990) claimed that 22 SERVQUAL elements couldn't be used exactly as the model offers as some changes in naming or elements were required. Furthermore, Cronin and Taylor (1992; 1994) argued that, statistically speaking, disconfirmation paradigm does not work well. As an alternative model, they proposed SERVPERF — a performance-based approach.

Despite the limitations of SERVQUAL method, most of the previous airline service analyses applied it. The reason for this is that service quality performs as the most important aspect for airlines. This is consistent with existing findings in the service quality literature, methods and theories.

Even though, there are still some limits of 22-items scale of SERVQUAL. The problem can be outlined in terms of the five dimensions, which are difficult to apply while measuring airline service (Park *et al.*, 2005) quality in comparison to other industry characteristics. This implies to indicate that airline services involve both intangible (in-flight services, time management, frequency of services and etc.) and tangible (aircraft) items. Shostack (1977) underlines that airline voyage is mainly intangible.

Lewis (1995) looked at three aspects within the problems in measurement of service quality. First problem is related to the methodology of dimensions. Second problem concerns the differences among customer expectations. Third issue is linked to the measurement instruments' nature.

The literature provides many findings regarding the development of service quality models. They are still relevant since the topic of service quality is very important, especially in today's competitive environment and changeable world.

Almost every finding regarding the development of quality is based on the observations made by previous researchers, or it represents an updated version of an existing hypothesis. Although, the literature review suggests that out of the existing measurement models (Table 2) of service quality, SERVQUAL instrument remains the most appropriate.

**Table 2 Limitations of different service quality evaluation models**

| Year | Author | Limitation |
|---|---|---|
| 1985 | Parasuraman, Berry and Zeithaml | It was found that GAP model created the uncertainty between service quality and customer satisfaction (Ladhari, 2008); Buttle (1995) mentioned that services are not evaluated based on customers' expectations because there is no appropriate instrument to measure expectations; Cronin and Taylor (1992) found the model more being the disconfirmation rather than attitudinal; SERVQUAL approach mostly concentrated on the processes of services than on the services results (Babakus and Boller, 1992); SERVQUAL is not universally applicable for various service divisions because the dimensions are not neutral. But, this model has a good |

| | | |
|---|---|---|
| | | constancy (Carman, 1990). |
| 1992 | Cronin and Taylor | The model SERVPERF (performance based model) is not complete and requires extra modifications for different service sectors; There is not enough explanation on the relationship between the combination of human and physical resources to attain the expected functional and technical service quality. |
| 1993 | Teas | Proposed EP and NQ models; The measurement of service quality is based on the gap analysis between perceived performance and "ideal performance", different from "customer's expectations" in SERVQUAL model; Lack of model's validity with a limited sample and poor design. |

| | | |
|---|---|---|
| 1994 | Berkley and Gupta | The model (Appendix 15) is limited with the IT scope on service quality; Level of IT is not mentioned for service settings; Not possible to assess and evaluate service quality |
| 2004 | Long and McMellon | Hierarchical model was offered, investigating service quality from online shopping among customers; More focus on the technological aspects rather than interpersonal; Lack of model's validity (convenience sampling tool was applied); Limited dimensions of Online service quality were deliberated; Lack of reliability measurements. |
| 2010 | Shahin and Samea | Lack of model's validity; No research results are provided regarding the additional gaps assessment. |

Source: Self-created, 2018

## 3.10 Customer Behaviour intentions

Behavioural intentions are described as individual's probability to behave in a certain way. Behavioural intentions refer particularly to one's behaviour and are managed by the following direct questioning "I intend to (behaviour)". Likert scale of replies will measure the comparative potency of intention. Armitage and Connor (2001) in their findings shared that intentions are different from the hypotheses of "desire" and "self-prediction".

However, Ajzen (1991) claimed that behavioural intentions represent an individual's efforts and willingness to act and the level ofhis or her motivation to behave in a certain way. Consequently, the knowledge of behavioural intentions provides the researcher to predict customer behaviour and therefore in many studies behavioural intentions are widely applied as dependent variables.

Previous studies made by Saha and Theingi (2009) analysed the link between service quality hypotheses, satisfaction and three low-cost airline providers in Thailand. The findings showed satisfied passengers are mainly affected by the schedule and they are involved in positive word-of-mouth interaction as well as further willingness to use the airline. Whilst, dissatisfied passengers would rather select another carrier.

Meanwhile, Akin (2011) investigated brand's image and considered the key factors influencing on the customer's attitude and intention. The results showed the positive relationships between the customer's behavioural intentions and brand personality.

Customer's behavioural intentions are categorised into favourable and unfavourable ones. Favourable intentions are often related to a brand's loyalty, further recommendations of service provider to social circle and further usage of service provider despite increasing prices. On the contrary, unfavourable behavioural intentions result in customers wanting to change a service provider, to minimize any relationships with it, to share word of mouth based on negative experience, and to reject further service usage as its prices increase (Zeithalm *et al.*, 1996). Because of such concerns, the researchers are encouraged to obtain more studies and analysis regarding the customer's behavioural intentions as this data is crucial for marketing researchers (Malhotra and McCort, 2001).Multiple researches shows that such projection will be result in a higher probability to predict consumer behaviour (Scholzetal, 2008).

### 3.10.1 The link between customer satisfaction and behaviour intentions

The literature offers at least two similar definitions of satisfaction. First formulation describes satisfaction as transaction-specific, resulting in immediate post-purchasing behaviour after an assessment (Nam *et al.*, 2011). In addition, customer satisfaction is defined as the overall emotional response towards the entire interaction with the brand after the latter encounter with it. Secondly, overall formulation explains satisfaction as the judgment evaluation based on all encounters with a particular service provider (Bitner and Hubbert, 1994). Finally, yet importantly, Nam *et al.* (2011) noted that overall satisfaction is more beneficial for business performance and loyalty in the future.

Regarding the behaviour intentions, this term describes the customer's subjective probability of carrying out a particular action (Saha and Theingi, 2009). Three types of behavior were extracted based on it, all being related to a company's market share and its wealth, word of mouth, and customer's comments about the service company. (Fishbein and Ajzen, 1975). With regard to the first behaviour noted, researchers found a direct correlation between customer satisfaction and positive word of mouth, where a better satisfied customer spreads more positive word of mouth (Holmes and Lett, 1977; Swan and Oliver, 1989; Babin *et al.*, 2005; Brown *et al.*, 2005). Other researchers found that a more dissatisfied customer shares more negative word of mouth (Hart *et al.*, 2005).

However, some researchers could not find any relationship between these two aspects (Bettencourt, 1997). Nevertheless, several researches claimed that satisfaction plays an important role in positive word of mouth, but it does not create enough conditions for it, even though it was proved that satisfaction always builds positive word of mouth (Richins, 1983). In addition to that, Dabholkar *et al.* (1996) found the link between positively perceived service quality and the high future probability to recommend the service or product to other people. The following hypothesis is proposed:

*H10: There is a significant influence of Passenger Satisfaction on positive Word-of-Mouth*

The second behavior underlines an existence of direct link between customer satisfaction and repurchase potential (Jones and Suh, 2000). However, some researchers criticized the mentioned above point of view (Sivadas and Baker-Prewitt, 2000).

Hence, a satisfied customer might consider changing service provider to another one with the purpose to increase his or her current level of satisfaction. On the other hand, a dissatisfied client might continue to be loyal to a current service provider as there is no better or alternative option available (Rust and Zahorik, 1993). Moreover, Rizka and Widji (2013) suggested that service quality has a positive impact on customer loyalty.

Similarly, Kim *et al.* (2004), Mirzapur *et al.* (2014) supported the mentioned earlier statement emphasizing a great significance and positive impact of service quality towards the customer loyalty. Nevertheless, Saravanakumar and Jayakrishnan (2014) also agreed that there is a positive influence of service quality on customer loyalty, but they clarified that Empathy and Reliability dimensions represent the most important actual influences on customer loyalty. Hereby, the following hypothesis is suggested:

*H11: Passenger Satisfaction has significant influence on Repurchase Intention*

Customer feedback characterizes the communication of positive or negative information about the experienced services. This information is essential for businesses as they can identify the adjustments and areas that should be taken into consideration for further improvements. Unfortunately, service quality related problems are not always addressed to a company. The Technological Assistance Research Project assessed that 25 percent of customers are dissatisfied enough to stop relying on the same provider and to stop any further repeated purchasing. However, only 4 percent of not satisfied customers do complain to the service provider. Therefore, it is extremely important to detect and recognize any quality related issues.

However, the relationship between customer satisfaction and customer feedback is still not well investigated. The results of Soderlund (1998) showed that not satisfied customers tend to provide more negative feedback in comparison to satisfied customers who are willing to provide positive feedback. It is assumed that dissatisfied customers, when providing their negative comments, are leveraging for certain extra benefits from a company, e.g. monetary compensation, for the services that did not meet their expectations. On contrary, positive feedback is not being compensated for.
These conflicting findings might be explained due to the existence of additional dependence factors such as emotions, culture, perceptions, incentives, encounter equality, etc.

A number of completed research works in the past established a direct link between customer satisfaction and behaviour intentions, including customer loyalty, further recommendations to other potential customers, positive word of mouth, recurring buying intentions (Par *et al.*, 2006; Qin and Prytbutok, 2009; Saha and Theingi, 2009; Qin *et al.*, 2009; Ryu *et al.*, 2008, 2012). Furthermore, Park *et al.* (2004, 2006) supported the positive connection between customer satisfaction and behaviour intentions within airline research. While conducting the research in fast food restaurants, Qin and Prybutok (2009) also have established the positive relationship between customer satisfaction and behaviour intentions. Later on, the results of the work for low-cost airline providers in Thailand, made by Saha and Theingi (2009) established the direct linkage between customer satisfaction and behaviour intentions. Based on the previous research study, the following hypothesis is proposed:

*H12: Passenger Satisfaction has a positive influence on Passenger Behaviour Intentions*

# 4. Practical Part

## 4.1 Demographic results

Passengers were categorized based on their frequency of flying, purpose of travel, occupation, highest level of education, age, gender, nationality, and cabin class. According to the Table 3, 59 percent of passengers choose Aeroflot Russian airline most of the time when flying from Prague to Moscow. In addition, 92 percent of passengers use the air transport mostly for leisure purpose and only 8 percent of passengers travel for business. Then, the respondents were asked about their current occupation. Most of the respondents were students, which represents 41 percent of all the passengers, followed by 27 percent of self-employed, 24 percent of employed people and only 8 percent were unemployed. The Table 3 illustrates that, out of the 41 percent of the students, most of respondents had a Bachelor degree and some had Master's degree as the highest level of education. Majority of the passengers were within the age category of under 24 with the frequency of 56, representing 50 percent of responses, followed by the age category of 25-34 with 31 percent of results.

Besides that, 51 percent of airline passengers were female and 49 percent were male. The nationalities of respondents were mainly Russian, representing 97 percent and 3 percent were passengers from Kazakhstan. According to the survey results, 87 percent travelled with Economy cabin class, followed by Premium economy cabin class (11 percent) and Business cabin class (2 percent).

**Table 3 Demographic results**

| № | *Variable* | *Category* | *Frequency* | *Percentage* |
|---|---|---|---|---|
| 1 | *Frequency of flying* | Always | 19 | 17% |
| | | Most of the time | 65 | 59% |
| | | About half the time | 18 | 16% |
| | | Once in a while | 9 | 8% |
| **Total** | | | **111** | **100%** |
| | | | | |
| | | | | |
| **№** | ***Variable*** | ***Category*** | ***Frequency*** | ***Percentage*** |
| 2 | *Purpose of travel* | Leisure | 102 | 92% |
| | | Business | 9 | 8% |
| **Total** | | | **111** | **100%** |
| | | | | |
| **№** | ***Variable*** | ***Category*** | ***Frequency*** | ***Percentage*** |
| 3 | *Occupation* | Student | 45 | 41% |
| | | Employed | 27 | 24% |
| | | Retired | 0 | 0% |
| | | Self-employed | 30 | 27% |
| | | Not employed | 9 | 8% |
| **Total** | | | **111** | **100%** |

| № | *Variable* | *Category* | *Frequency* | *Percentage* |
|---|---|---|---|---|
| 4 | *Highest level of education* | Less than high school degree | 18 | 16% |
| | | Bachelor degree | 45 | 41% |
| | | Master | 46 | 41% |
| | | PhD | 2 | 2% |
| **Total** | | | **111** | **100%** |
| | | | | |
| | | | | |
| **№** | ***Variable*** | ***Category*** | ***Frequency*** | ***Percentage*** |
| 5 | *Age* | Less than 24 | 56 | 50% |
| | | 25-34 | 34 | 31% |
| | | 35-44 | 0 | 0% |
| | | 45-54 | 11 | 10% |
| | | 55-64 | 10 | 9% |
| | | 65-74 | 0 | 0% |
| | | 75 or older | 0 | 0% |
| **Total** | | | **111** | **100%** |

| № | Variable | Category | Frequency | Percentage |
|---|---|---|---|---|
| 6 | *Gender* | Male | 54 | 49% |
| | | Female | 57 | 51% |
| **Total** | | | **111** | **100%** |
| | | | | |
| **№** | **Variable** | **Category** | **Frequency** | **Percentage** |
| 7 | *Nationality* | RUS | 108 | 97% |
| | | KAZ | 3 | 3% |
| **Total** | | | **111** | **100%** |
| | | | | |
| | | | | |
| **№** | **Variable** | **Category** | **Frequency** | **Percentage** |
| 8 | *Cabin class* | Economy Class | 97 | 87% |
| | | Premium Economy | 12 | 11% |
| | | Business Class | 2 | 2% |
| **Total** | | | **111** | **100%** |

Source: Self-created, 2018

## 4.2 Reliability results

This research work used Cronbach's Alpha values to establish passengers' expectations and perceptions regarding the services of the airline. First, Cronbach's Alpha for expectation-related items was 0.912 and for perception-related variables Cronbach's Alpha was 0.880 (Table 4). Hence, the internal consistency was evaluated with Cronbach's Alpha for both expectations and perceptions. Thus, the results are satisfactorily.

**Table 4 Reliability results for Expectations and Perceptions**

| **Reliability Test Results of Expectations and Perceptions** | | | |
|---|---|---|---|
| | **Amount** | **Amount of items** | **Cronbach's Alpha** |
| *Expectations of passengers* | 111 | 24 | 0,912 |
| *Perceptions of passengers* | 111 | 24 | 0,880 |

Source: Self-created, 2018

Moreover, the service quality dimensions were analyzed separately within the categories. Hence, in the first expectations part of the questionnaire Cronbach's Alpha was established as 0.634 for "Tangibles", 0.496 for "Reliability", 0.738 for "Responsiveness", 0.594 for "Assurance" and 0.779 for "Empathy" (Table 5). In the second perceptions part of the questionnaire, Cronbach's Alpha was established as 0.475 for "Tangibles", 0.397 for "Reliability", 0.588 for "Responsiveness", 0.622 for "Assurance" and 0.774 for "Empathy".

**Table 5 Reliability Results for Service Quality Dimensions**

| Dimensions | Amount | Amount of items | Cronbach's Alpha (Expectations) | Cronbach's Alpha (Perceptions) |
|---|---|---|---|---|
| *Tangibles* | 111 | 7 | 0,634 | 0,475 |
| *Reliability* | 111 | 5 | 0,496 | 0,397 |
| *Responsiveness* | 111 | 4 | 0,738 | 0,588 |
| *Assurance* | 111 | 4 | 0,594 | 0,622 |
| *Empathy* | 111 | 4 | 0,779 | 0,774 |

Source: Self-created, 2018

Nevertheless, reliability of questionnaire dimensions was also measured for airline image with 0.859, 0.763 for passenger satisfaction and 0.449 for customer behavioral intentions (Table 6). Moreover, 0.896 represents Cronbach's Alpha internal consistency for service quality dimensions from the general viewpoint.

**Table 6 Reliability of Questionnaire Dimensions**

| № | Dimensions | Amount of items | Cronbach's Alpha |
|---|---|---|---|
| 1 | *Service Quality* | 24 | 0,896 |
| 2 | *Airline Image* | 2 | 0,859 |
| 3 | *Passenger Satisfaction* | 2 | 0,763 |
| 4 | *Customer Behavioral Intentions* | 3 | 0,449 |

Source: Self-created, 2018

## 4.3 Results of expectations and perceptions

The descriptive analysis of the results regarding the service quality dimensions are based on expectations and perceptions, which provides a detailed overview for the reader's understanding in Table 7 and Table 8. The calculations were supported by arithmetic mean, category mean, item importance and level, and standard deviation.

According to the Table 7 of responses, based on the expectations, the arithmetic mean ranges between (3.71 to 4.82) in comparison to the general arithmetic mean of (4.55) for individual service quality dimensions and standard deviation of (0.56), and in comparison, to the general arithmetic mean of (4.56) for service quality dimensions within the categories' mean. In general, it appears that Service Quality Dimensions level from the expectations study sample perspective was Median.

The researcher found that the highest mean was for the item "Passengers' safety" with arithmetic mean of (4.82) and standard deviation of (0.39). Although, the lowest mean was established for "entertainment" with arithmetic mean of (3.71) and standard deviation of (0.81). In general, the item level of service quality dimensions was found as Median.

Additionally, the arithmetic mean was calculated separately for each category of service quality attributes. Hereby, (4.49) for "Tangibles", (4.56) for "Reliability", (4.58) for "Responsiveness", (4.56) for "Assurance", (4.61) for "Empathy". Consequently, the lowest arithmetic mean was referred to the item "Tangibles" and the highest arithmetic mean was found for the item "Empathy".

**Table 7 General Service quality analysis for expectations**

| № | Amount | Dimensions | MEAN EXP | Category Mean EXP | Item importance | Item level | Standard diviation |
|---|---|---|---|---|---|---|---|
| TAN 1 | | Appearance of employees | 4,7 | | 5 | High | 0,46 |
| TAN 2 | | Registration and boarding procedures | 4,53 | | 13 | Median | 0,63 |
| TAN 3 | | Baggage handling | 4,8 | | 2 | High | 0,40 |
| TAN 4 | 111 | Aircraft and inflight facilities | 4,5 | 4,49 | 18 | Median | 0,50 |
| TAN 5 | | Inflight entertainment | 3,71 | | 24 | Median | 0,81 |
| TAN 6 | | Inflight meal | 4,67 | | 7 | High | 0,58 |
| TAN 7 | | Seating comfort | 4,5 | | 18 | Median | 0,50 |
| REL 8 | | Time-management of performance | 4,43 | | 21 | Median | 0,89 |
| REL 9 | | Sincere interest in problem solving | 4,45 | | 20 | Median | 0,53 |
| REL 10 | 111 | Error-free and accurate documentation | 4,7 | 4,56 | 5 | High | 0,46 |
| REL 11 | | Special needs of customers | 4,41 | | 22 | Median | 0,80 |
| REL 12 | | Efficient check-in process | 4,8 | | 2 | High | 0,40 |
| RES 13 | | Online information about any of occurred events | 4,55 | | 12 | High | 0,50 |
| RES 14 | 111 | Prompt attention to passenger's special needs | 4,61 | 4,58 | 10 | High | 0,49 |
| RES 15 | | Ability to react to emergency situations | 4,52 | | 14 | Median | 0,66 |
| RES 16 | | Information about delayed flights | 4,63 | | 8 | High | 0,48 |
| ASS 17 | | Knowledgeable employees | 4,39 | | 23 | Median | 0,54 |
| ASS 18 | 111 | Confidence and inspiration of employees towards passengers | 4,51 | 4,56 | 16 | Median | 0,50 |
| ASS 19 | | Passengers' safety | 4,82 | | 1 | High | 0,39 |
| ASS 20 | | Employees' politeness in problem solving | 4,51 | | 16 | Median | 0,66 |
| EMP 21 | | Individual attention to passengers | 4,71 | | 4 | High | 0,46 |
| EMP 22 | 111 | Efficient loyalty programs | 4,63 | 4,61 | 8 | High | 0,63 |
| EMP 23 | | Convenient flight schedule | 4,52 | | 14 | Median | 0,66 |
| EMP 24 | | Passengers' importance for the airline | 4,57 | | 11 | High | 0,57 |
| **General Ariphmentic Mean** | | | **4,55** | **4,56** | | | **0,56** |

Source: Self-created, 2018

The calculations were supported by arithmetic mean, category mean, item importance, level, and standard deviation. According to the Table 8 of responses, based on the perceptions, the arithmetic mean range between (4.14 to 4.99) in comparison to the general arithmetic mean of (4.69) for individual service quality dimensions and standard deviation of (0.45) and in comparison, to the general arithmetic mean of (4.68) for service quality dimensions within the categories' mean. In general, it appears that Service Quality Dimensions level from the perceptions study sample perspective was Median.

The researcher found that the highest mean was for the item "Aircraft and inflight facilities" with arithmetic mean of (4.99) and standard deviation of (0.09). While, the lowest mean was established for "Inflight entertainment" with arithmetic mean of (4.14) and standard deviation of (0.44). In general, the item level of service quality dimensions was found as Median. Additionally, the arithmetic mean was calculated separately for each category of service quality attributes. Hereby, (4.71) for "Tangibles", (4.72) for "Reliability", (4.67) for "Responsiveness", (4.64) for "Assurance", (4.65) for "Empathy". Consequently, the lowest arithmetic mean within the categories was referred to the item "Assurance" and the highest arithmetic mean was found for the item "Reliability".

**Table 8 General Service quality analysis for perceptions**

| № | Amount | Dimensions | Mean PERC | Category Mean PERC | Item importance | Item level | Standard diviation |
|---|---|---|---|---|---|---|---|
| TAN 1 | | Appearance of employees | 4,91 | | 2 | High | 0,29 |
| TAN 2 | | Registration and boarding procedures | 4,68 | | 12 | Median | 0,52 |
| TAN 3 | | Baggage handling | 4,90 | | 3 | High | 0,30 |
| TAN 4 | 111 | Aircraft and inflight facilities | 4,99 | 4,71 | 1 | High | 0,09 |
| TAN 5 | | Inflight entertainment | 4,14 | | 24 | Median | 0,44 |
| TAN 6 | | Inflight meal | 4,79 | | 6 | High | 0,41 |
| TAN 7 | | Seating comfort | 4,59 | | 18 | Median | 0,49 |
| REL 8 | | Time-management of performance | 4,75 | | 8 | High | 0,46 |
| REL 9 | | Sincere interest in problem solving | 4,52 | | 22 | Median | 0,50 |
| REL 10 | 111 | Error-free and accurate documentation | 4,77 | 4,72 | 7 | High | 0,43 |
| REL 11 | | Special needs of customers | 4,66 | | 14 | Median | 0,55 |
| REL 12 | | Efficient check-in process | 4,89 | | 4 | High | 0,31 |
| RES 13 | | Online information about any of occurred events | 4,66 | | 14 | Median | 0,48 |
| RES 14 | 111 | Prompt attention to passenger's special needs | 4,72 | 4,67 | 9 | High | 0,45 |
| RES 15 | | Ability to react to emergency situations | 4,58 | | 20 | Median | 0,53 |
| RES 16 | | Information about delayed flights | 4,71 | | 10 | High | 0,46 |
| ASS 17 | | Knowledgeable employees | 4,50 | | 23 | Median | 0,52 |
| ASS 18 | 111 | Confidence and inspiration of employees towards passengers | 4,56 | 4,64 | 21 | Median | 0,50 |
| ASS 19 | | Passengers' safety | 4,85 | | 5 | High | 0,36 |
| ASS 20 | | Employees' politeness in problem solving | 4,66 | | 14 | Median | 0,56 |
| EMP 21 | | Individual attention to passengers | 4,68 | | 12 | High | 0,49 |
| EMP 22 | 111 | Efficient loyalty programs | 4,70 | 4,65 | 11 | High | 0,55 |
| EMP 23 | | Convenient flight schedule | 4,59 | | 18 | Median | 0,59 |
| EMP 24 | | Passengers' importance for the airline | 4,64 | | 17 | Median | 0,48 |
| **General Ariphmentic Mean** | | | **4,69** | **4,68** | | | **0,45** |

Source: Self-created, 2018

The researcher also analyzed the gaps between the expected and perceived services. The Table 9 was prepared to display the findings and to identify the service quality gaps. Based on the arithmetic mean results of expectations and perceptions, the gaps scored values between -0.03 and 0.49.

Thus, the lowest gap score of (-0.03) between expectations and perceptions was related to “individual attention to passengers,” meaning that the passengers’ expectations were not met. In addition, the highest gap score of (0.49) was found for the item “aircraft and inflight facilities,” meaning that the passengers’ perceptions exceeded their expectations. Gaps mean findings within the individual categories of service quality dimensions show (0.23) for “Tangibles”, (0.16) for “Reliability”, (0.09) for “Responsiveness”, (0.09) for “Assurance”, (0.04) for “Empathy”. Consequently, the lowest gaps result within the categories was referred to the item “Empathy” and the highest gaps score result was found for the item “Tangibles”.

**Table 9 Gaps score analysis**

| № | Amount | Dimensions | MEAN EXP | Category Mean EXP | Gaps Mean | Gaps Mean of the Category | Mean PERC | Category Mean PERC |
|---|---|---|---|---|---|---|---|---|
| TAN 1 | | Appearance of employees | 4,7 | | 0,21 | | 4,91 | |
| TAN 2 | | Registration and boarding procedures | 4,53 | | 0,15 | | 4,68 | |
| TAN 3 | | Baggage handling | 4,8 | | 0,10 | | 4,90 | |
| TAN 4 | 111 | Aircraft and inflight facilities | 4,5 | **4,49** | 0,49 | **0,23** | 4,99 | **4,71** |
| TAN 5 | | Inflight entertainment | 3,71 | | 0,43 | | 4,14 | |
| TAN 6 | | Inflight meal | 4,67 | | 0,12 | | 4,79 | |
| TAN 7 | | Seating comfort | 4,5 | | 0,09 | | 4,59 | |
| REL 8 | | Time-management of performance | 4,43 | | 0,32 | | 4,75 | |
| REL 9 | | Sincere interest in problem solving | 4,45 | | 0,07 | | 4,52 | |
| REL 10 | 111 | Error-free and accurate documentation | 4,7 | **4,56** | 0,07 | **0,16** | 4,77 | **4,72** |
| REL 11 | | Special needs of customers | 4,41 | | 0,25 | | 4,66 | |
| REL 12 | | Efficient check-in process | 4,8 | | 0,09 | | 4,89 | |
| RES 13 | | Online information about any of occurred events | 4,55 | | 0,11 | | 4,66 | |
| RES 14 | | Prompt attention to passenger's special needs | 4,61 | | 0,11 | | 4,72 | |
| RES 15 | 111 | Ability to react to emergency situations | 4,52 | **4,58** | 0,06 | **0,09** | 4,58 | **4,67** |
| RES 16 | | Information about delayed flights | 4,63 | | 0,08 | | 4,71 | |
| ASS 17 | | Knowledgeable employees | 4,39 | | 0,11 | | 4,50 | |
| ASS 18 | | Confidence and inspiration of employees towards passengers | 4,51 | | 0,05 | | 4,56 | |
| ASS 19 | 111 | Passengers' safety | 4,82 | **4,56** | 0,03 | **0,09** | 4,85 | **4,64** |
| ASS 20 | | Employees' politeness in problem solving | 4,51 | | 0,15 | | 4,66 | |
| EMP 21 | | Individual attention to passengers | 4,71 | | -0,03 | | 4,68 | |
| EMP 22 | | Efficient loyalty programs | 4,63 | | 0,07 | | 4,70 | |
| EMP 23 | 111 | Convenient flight schedule | 4,52 | **4,61** | 0,07 | **0,04** | 4,59 | **4,65** |
| EMP 24 | | Passengers' importance for the airline | 4,57 | | 0,07 | | 4,64 | |
| **General Ariphmentic Mean** | | | **4,55** | **4,56** | **0,14** | **0,12** | **4,69** | **4,68** |

Source: Self-created, 2018

The researcher found that the descriptive analysis was not sufficient to determine if the gaps between the expectations and perceptions are significant or not. Hence, for this reason, it was considered to use One-Way ANOVA Test Results as it is shown in the Table 10. Therefore, TAN 1, TAN 2, TAN 3, TAN 5, TAN 6, TAN 7 have significant difference between perceptions and expectations with p value ($p = 0.000<0.05$). Although, TAN 4 "Aircraft and inflight facilities" does not have significant difference between perceptions and expectations with p value ($p=0.315•0.05$). All "Reliability" dimensions were found to have significant difference between perceptions and expectations with p value ($p = 0.000<0.05$). Furthermore, all "Responsiveness", "Assurance" and "Empathy" dimensions of service quality were found similarly to be significant with p value ($p = 0.000<0.05$).

**Table 10 One-Way ANOVA Test Results**

| ***Tangibles*** | ***Dimensions*** | ***F*** | ***Sig.*** |
|---|---|---|---|
| *TAN 1* | Appearance of employees | 33,302 | 0.000 |
| *TAN 2* | Registration and boarding procedures | 46,958 | 0.000 |
| *TAN 3* | Baggage handling | 87,396 | 0.000 |
| *TAN 4* | Aircraft and inflight facilities | 1,018 | 0.315 |
| *TAN 5* | Inflight entertainment | 44,433 | 0.000 |
| *TAN 6* | Inflight meal | 110,191 | 0.000 |
| *TAN 7* | Seating comfort | 247,459 | 0.000 |
| ***Reliability*** | | | |
| *REL 8* | Time-management of performance | 28,223 | 0.000 |
| *REL 9* | Sincere interest in problem solving | 205,874 | 0.000 |
| *REL 10* | Error-free and accurate documentation | 284,494 | 0.000 |
| *REL 11* | Special needs of customers | 46,561 | 0.000 |
| *REL 12* | Efficient check-in process | 104,876 | 0.000 |
| ***Responsiveness*** | | | |
| *RES 13* | Online information about any of occurred events | 189,686 | 0.000 |
| *RES 14* | Prompt attention to passenger's special needs | 172,502 | 0.000 |
| *RES 15* | Ability to react to emergency situations | 207,078 | 0.000 |
| *RES 16* | Information about delayed flights | 244,404 | 0.000 |
| ***Assurance*** | | | |
| *ASS 17* | Knowledgeable employees | 76,058 | 0.000 |
| *ASS 18* | Confidence and inspiration of employees towards passengers | 548,535 | 0.000 |
| *ASS 19* | Passengers' safety | 506,375 | 0.000 |
| *ASS 20* | Employees' politeness in problem solving | 59,452 | 0.000 |
| ***Empathy*** | | | |
| *EMP 21* | Individual attention to passengers | 395,618 | 0.000 |
| *EMP 22* | Efficient loyalty programs | 123,18 | 0.000 |
| *EMP 23* | Convenient flight schedule | 125,978 | 0.000 |
| *EMP 24* | Passengers' importance for the airline | 119,198 | 0.000 |

Source: Self-created, 2018

## 4.4 Airline image

The researcher considered to use arithmetic mean, percentage results and standard deviation and Likert scale (Strongly Disagree as “1”, Disagree “2”, Neutral “3”, Agree “4”, Strongly Agree “5”) to support the calculations procedures. According to the Table 11of responses regarding passengers’ impression about the company, the researcher observes that majority of passengers with the frequency of 72 or 65 percent of passengers “Agree” that they have “… a good impression of Aeroflot airline”. The arithmetic mean was found to be (4.19) and standard deviation — (0.56).

Furthermore, the researcher observed that most of passengers “Agree” with the statement that “…choice of Aeroflot Russian airline as priority option for the route Prague-Moscow”, representing response frequency equal to 46 or 41 percent of passengers. To support the calculations procedures, the researcher used arithmetic mean, percentage results and standard deviation and Likert scale (Strongly Disagree as “1”, Disagree “2”, Neutral “3”, Agree “4”, Strongly Agree “5”). The arithmetic mean was found to be (3.80) and standard deviation of (0.89).

**Table 11 Results overview for Airline image**

| № | Variable | Category | Frequency | Percentage | St.D | Mean |
|---|---|---|---|---|---|---|
| 6 | *I have a good impression of Aeroflot airline* | Strongly Disagree | 0 | 0% | **0,56** | **4,19** |
| | | Disagree | 0 | 0% | | |
| | | Neutral | 9 | 8% | | |
| | | Agree | 72 | 65% | | |
| | | Strongly Agree | 30 | 27% | | |
| | **Total** | | **111** | **100%** | | |
| № | **Variable** | **Category** | **Frequency** | **Percentage** | **St.D** | **Mean** |
| 8 | *I choose Aeroflot Russian airline as my priority choice for the route Prague - Moscow* | Strongly Disagree | 0 | 0% | **0,89** | **3,80** |
| | | Disagree | 9 | 8% | | |
| | | Neutral | 30 | 27% | | |
| | | Agree | 46 | 41% | | |
| | | Strongly Agree | 26 | 23% | | |
| | **Total** | | **111** | **100%** | | |

Source: Self-created, 2018

## 4.5 Customer Behaviour Intentions

The Table 12 clarifies the results of Customer Behavior Intentions. First, the researcher considered to compare the responses for the question "I would consider flying Aeroflot Airline (Prague-Moscow/Sheremetyevo) again in the future" within both parts of questionnaires, mainly within the "expectations" and "perceptions" parts. Thus, the results for the first "expectations" part show that most of the respondents "agree" with their choice, representing 72 or 65 percent of individuals, followed by the respondents which chose "strongly Agree" based on 30 responses or 27 percent of survey participants. The arithmetic mean was found to be (4.19) and standard deviation of (0.56).

Surprisingly, for the second part of the "perceptions" questionnaire, the responses were distributed differently. Namely, there is a decrease within the answers' items "Neutral," from 8 percent to 4 percent and "Agree," from 65 percent to 61 percent. Nevertheless, there is an increase among the answer's choice towards "Strongly Agree," from 27 percent to 35 percent, which is a good indicator for the company (Appendix 16). In general, it means that passengers have more confidence in their company's choice. The arithmetic mean was found to be (4.32) and standard deviation of (0.54). Besides, the general arithmetic mean of two questions was found to be (4.26).

**Table 12 Results overview for Customer behaviour intentions Q7 (EXP) & Q5 (PERC)**

| № | Variable | Category | Frequency | Percentage | Mean | St. D |
|---|---|---|---|---|---|---|
| 7 (EXP) | *EXP I would consider flying Aeroflot Airline (Prague-Moscow/Sheremetyevo) again in the future* | Strongly Disagree | 0 | 0% | **4,19** | **0,56** |
| | | Disagree | 0 | 0% | | |
| | | Neutral | 9 | 8% | | |
| | | Agree | 72 | 65% | | |
| | | Strongly Agree | 30 | 27% | | |
| | **Total** | | **111** | **100%** | | |

| № | Variable | Category | Frequency | Percentage | Mean | St. D |
|---|---|---|---|---|---|---|
| 5 (PERC) | *PERC I would consider flying Aeroflot Airline (Prague-Moscow/Sheremetyevo) again in the future* | Strongly Disagree | 0 | 0% | **4,32** | **0,54** |
| | | Disagree | 0 | 0% | | |
| | | Neutral | 4 | 4% | | |
| | | Agree | 68 | 61% | | |
| | | Strongly Agree | 39 | 35% | | |
| | **Total** | | **111** | **100%** | | |

| Total MEAN |
|---|
| **4,26** |

Source: Self-created, 2018

Table 13 continues to explain the results of Customer Behavior Intentions. The researcher considered to use arithmetic mean, percentage results, standard deviation and Likert scale (Strongly Disagree as “1”, Disagree “2”, Neutral “3”, Agree “4”, Strongly Agree “5”) to support the calculations procedures. According to the Table 13 of responses regarding a word-of-mouth about the company, the researcher observes that the majority of passengers with the frequency of 83 or 75 percent of passengers “Agree” that they “… would recommend Aeroflot Airline to other people”. The arithmetic mean was found to be (4.25) and standard deviation of (0.44).

Moreover, the Table 13 of responses regarding customer’s loyalty displays that majority of passengers with the frequency of 81 or 73 percent of passengers “Agree” that they “… would sign for loyalty passenger program in the near future/…would continue stay frequent-flyer with Aeroflot Airline”. The arithmetic mean was found to be (4.23) and standard deviation of (0.47).

**Table 13 Customer behaviour intentions analysis**

| № | Variable | Category | Frequency | Percentage | Mean | St. D |
|---|---|---|---|---|---|---|
| 6 | *I would recommend Aeroflot Airline to other people* | Strongly Disagree | 0 | 0% | **4,25** | **0,44** |
| | | Disagree | 0 | 0% | | |
| | | Neutral | 0 | 0% | | |
| | | Agree | 83 | 75% | | |
| | | Strongly Agree | 28 | 25% | | |
| | **Total** | | **111** | **100%** | | |
| | | | | | | |
| № | **Variable** | **Category** | **Frequency** | **Percentage** | **Mean** | **St. D** |
| 7 | *I would sign for loyalty passenger program in the near future/ I would continue to stay frequent-flyer with Aeroflot Airline* | Strongly Disagree | 0 | 0% | **4,23** | **0,47** |
| | | Disagree | 0 | 0% | | |
| | | Neutral | 2 | 2% | | |
| | | Agree | 81 | 73% | | |
| | | Strongly Agree | 28 | 25% | | |
| | **Total** | | **111** | **100%** | | |

Source: Self-created, 2018

## 4.6 Passenger Satisfaction

Table 14 provides the results of Passenger Satisfaction. The researcher considered to use arithmetic mean, percentage results and standard deviation and Likert scale (Strongly Disagree as "1", Disagree "2", Neutral "3", Agree "4", Strongly Agree "5") to support the calculations processes. According to the Table 14 of responses regarding the flight experience enjoyment, the researcher stated that majority of passengers with the frequency of 80 or 72 percent of passengers "Agree" that they "… enjoyed their experience with Aeroflot Russian Airline". The arithmetic mean was found to be (3.97) and standard deviation of (0.53).

**Table 14 Results overview for Passenger satisfaction (experience)**

| *№* | *Variable* | *Category* | *Frequency* | *Percentage* | *St. D* | *Mean* |
|---|---|---|---|---|---|---|
| 3 | *I enjoyed my experience with Aeroflot Russian airline* | Strongly Disagree | 0 | 0% | **0,53** | **3,97** |
| | | Disagree | 0 | 0% | | |
| | | Neutral | 17 | 15% | | |
| | | Agree | 80 | 72% | | |
| | | Strongly Agree | 14 | 13% | | |
| **Total** | | | **111** | **100%** | | |

In addition, the Table 15 describes the results about the passenger's satisfaction about their choice of Aeroflot Russian airline as service provider. Hence, the researcher observed that majority of passengers with the frequency of 86 or 77 percent of passengers are "Agree" that they "… satisfied about choice of Aeroflot Russian Airline as service provider". The arithmetic mean was found to be (4.15) and standard deviation of (0.45). For calculations procedures, the researcher used arithmetic mean, percentage results and standard deviation and Likert scale (Strongly Disagree as "1", Disagree "2", Neutral "3", Agree "4", Strongly Agree "5").

**Table 15 Results overview for Passenger satisfaction (choice of service provider)**

| *№* | *Variable* | *Category* | *Frequency* | *Percentage* | *St. D* | *Mean* |
|---|---|---|---|---|---|---|
| 4 | *I am satisfied about my choice of Aeroflot Russian airline as service provider* | Strongly Disagree | 0 | 0% | **0,45** | **4,15** |
| | | Disagree | 0 | 0% | | |
| | | Neutral | 4 | 4% | | |
| | | Agree | 86 | 77% | | |
| | | Strongly Agree | 21 | 19% | | |
| **Total** | | | **111** | **100%** | | |

Source: Self-created, 2018

## 4.7 Hypothesis Testing

For testing this hypothesis, the researcher applied the simple regression analysis to confirm the influence of Airline Image on Customer Behavioral Intentions. Table 16 shows that there is no significant influence of Airline Image on Customer Behavioural Intentions. The R was (0.031) at level (α≥ 0.05), while the R Square was (0.001). This explains the (0.001) of Customer Behavioural Intentions variability results from the variability in Airline Image. As the Pearson Correlation result is positive, it means that the increase of one unit in Airline Image will increase Customer Behavioural Intentions value (0.015), according to the result of β (0.015).

**Table 16 Hypothesis 1**

*H1: There is significant influence of Airline image on Customer Behavioural intentions*

| **H1: There is significant influence of Airline image on Customer Behavioural intentions** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | R | R Square | F Change | DF | Sig. | ***β*** | T | Sig |
| **Customer Behavior Intentions** | 0,031 | 0,001 | 0,107 | 1<br>109<br>110 | 0.745 | 0.015 | 0.327 | 0.745 |

***H1: There is no significant influence of Airline image on Customer Behavioural intentions as α ≧ 0.05***

**Descriptive Statistics**

| | Mean | Std. Deviation | N |
|---|---|---|---|
| VAR00002 | 4,2673 | ,33279 | 111 |
| VAR00001 | 3,9955 | ,69901 | 111 |

**Correlations**

| | | VAR00002 | VAR00001 |
|---|---|---|---|
| Pearson Correlation | VAR00002 | 1,000 | ,031 |
| | VAR00001 | ,031 | 1,000 |
| Sig. (1-tailed) | VAR00002 | . | ,372 |
| | VAR00001 | ,372 | . |
| N | VAR00002 | 111 | 111 |
| | VAR00001 | 111 | 111 |

Source: Self-created in SPSS, 2018

**Table 17 Hypothesis 2**

*H2: Airline image has a positive influence on Customer Satisfaction*

With the purpose to test this hypothesis, the researcher applied the simple regression analysis to confirm the influence of Airline Image on Customer Satisfaction. Table 17 shows that there is no significant influence of Airline Image on Customer Behavioural Intentions. The R was (0.05) at level ($\alpha \geq 0.05$), while the R Square was (0.003). This explains the (0.003) of Customer Satisfaction variability results from the variability in Airline Image. As the Pearson Correlation result is negative, it means that the increase of one unit in Airline Image will decrease Customer Satisfaction value (0.05), according to the result of $\beta$ (0.05).

| H2: Airline image has a positive influence on Customer Satisfaction | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | R | R Square | F Change | DF | Sig. | *β* | T | Sig |
| **Customer Satisfaction** | 0,05 | 0,003 | 0,279 | 1<br>109<br>110 | 0,599 | 0,05 | 0,528 | 0,599 |
| *H2: There is no significant influence of Airline image on Customer Satisfaction as α ≧ 0.05* | | | | | | | | |

**Descriptive Statistics**

| | Mean | Std. Deviation | N |
|---|---|---|---|
| VAR00002 | 4,0631 | ,44270 | 111 |
| VAR00001 | 3,9955 | ,69901 | 111 |

**Correlations**

| | | VAR00002 | VAR00001 |
|---|---|---|---|
| Pearson Correlation | VAR00002 | 1,000 | -,050 |
| | VAR00001 | -,050 | 1,000 |
| Sig. (1-tailed) | VAR00002 | . | ,299 |
| | VAR00001 | ,299 | . |
| N | VAR00002 | 111 | 111 |
| | VAR00001 | 111 | 111 |

Source: Self-created in SPSS, 2018

**Table 18 Hypothesis 3**

*H3: There is significant influence of perceived service quality on brand image in the consumer's mind*

With the purpose to test this hypothesis, the researcher applied the simple regression analysis to confirm the influence of Perceived Service Quality on Brand image. Table 18 shows that there is significant influence of Perceived Service Quality on Brand Image. The R was (0.443) at level (α≤0.05), while the R Square was (0.196). This explains the (0.196) of Brand Image variability's results from the variability in Perceived Service Quality. As the Pearson Correlation result is positive, it means that the increase of one unit in Perceived Service Quality will increase Brand Image in consumer's mind value (1.292), according to the result of β (1.292).

| H3: There is significant influence of perceived service quality on brand image in the consumer's mind | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | R | R Square | F Change | DF | Sig. | *β* | T | Sig |
| **Airline Image** | 0,443 | 0,196 | 26,558 | 1<br>109<br>110 | 0.000 | 1.292 | 5,153 | 0.000 |

***H3: There is significant influence of perceived service quality on brand image in the consumer's mind as α ≦ 0.05***

**Descriptive Statistics**

| | Mean | Std. Deviation | N |
|---|---|---|---|
| ai | 3,9955 | ,69901 | 111 |
| csqp | 4,6863 | ,23941 | 111 |

**Correlations**

| | | ai | csqp |
|---|---|---|---|
| Pearson Correlation | ai | 1,000 | ,443 |
| | csqp | ,443 | 1,000 |
| Sig. (1-tailed) | ai | . | ,000 |
| | csqp | ,000 | . |
| N | ai | 111 | 111 |
| | csqp | 111 | 111 |

Source: Self-created in SPSS, 2018

**Table 19 Hypothesis 4**

*H4: There is significant influence of Service quality on Customer Behavioural intentions*

With the purpose to test this hypothesis, the researcher applied the simple regression analysis to confirm the influence of Service quality on Customer Behavioral intentions. Table 19 shows that there is no significant influence of Service quality on Customer Behavioral intentions. The R was (0.052) at level (α≥ 0.05), while the R Square was (0.003). This explains the (0.003) of Customer Behavioral Intentions variability results from the variability in Service Quality. As the Pearson Correlation result is positive, it means that the increase of one unit in Service Quality will increase Customer Behavioral Intentions value (0.072), according to the result of β (0.072).

| H4: There is significant influence of Service quality on Customer Behavioural intentions | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | R | R Square | F Change | DF | Sig. | β | T | Sig |
| Customer Behavioral Intentions | 0,052 | 0,003 | 0,29 | 1<br>109<br>110 | 0,591 | 0,072 | 0,538 | 0,591 |

*H4: There is no significant influence of Customer Behavioural Intentions on Service Quality as α ≧ 0.05*

**Descriptive Statistics**

| | Mean | Std. Deviation | N |
|---|---|---|---|
| VAR00002 | 4,2673 | ,33279 | 111 |
| VAR00001 | 4,6847 | ,23953 | 111 |

**Correlations**

| | | VAR00002 | VAR00001 |
|---|---|---|---|
| Pearson Correlation | VAR00002 | 1,000 | ,052 |
| | VAR00001 | ,052 | 1,000 |
| Sig. (1-tailed) | VAR00002 | . | ,296 |
| | VAR00001 | ,296 | . |
| N | VAR00002 | 111 | 111 |
| | VAR00001 | 111 | 111 |

Source: Self-created in SPSS, 2018

**Table 20 Hypothesis 5**

*H5: Service quality dimension "Tangibles" and "Assurance" (EXP) have significant influence on Less frequent flyers ("About half the time" and "Once in a while")*

With the purpose to test this hypothesis, the researcher applied the multiple regression analysis **(**Table 20**)** to confirm the influence of Service quality dimension "Tangibles" and "Assurance" (EXP) have significant influence on Less frequent flyers ("About half the time" and "Once in a while").

Outcomes show that there is a significant influence of Service quality dimension "Tangibles" and "Assurance" (EXP) have significant influence on Less frequent flyers ("About half the time" and "Once in a while"). The R was (1) at level ($\alpha \leq 0.05$), while the R Square was (1). This describes the (1) of *Less frequent flyers ("About half the time" and "Once in a while")* variability's results from the variability in Service quality dimension "Tangibles" and "Assurance" (EXP). According to β value (Service quality dimension "Tangibles" = 0.292; Service quality dimension "Assurance" = 0.167), this means the increase of one unit in Less frequent flyers ("About half the time" and "Once in a while") will increase Variables value (Service quality dimension "Tangibles" = 0.292; Service quality dimension "Assurance" = 0.167) based on positive Pearson Correlation analysis.

**H5: Service quality dimension "Tangibles" and "Assurance" (EXP) have significant influence on Less frequent flyers ("About half the time" and "Once in a while")**

| | R | R Square | F Change | DF | Sig. | β | | T | Sig |
|---|---|---|---|---|---|---|---|---|---|
| **Less frequent flyers** | 1 | 1 | 7,57E+15 | 5<br>21 | 0.000 | TAN<br>ASS | 0,292<br>0,167 | 36266305,09<br>28304224,38 | 0.000 |

***H5: There is significant influence of Service quality dimension "Tangibles" and "Assurance" (EXP) have significant influence on Less frequent flyers ("About half the time" and "Once in a while") as α ≦ 0.05***

**Descriptive Statistics**

| | Mean | Std. Deviation | N |
|---|---|---|---|
| SQ | 4,8426 | ,18610 | 27 |
| TAN | 4,8519 | ,17931 | 27 |
| REL | 4,7926 | ,25104 | 27 |
| RES | 4,8241 | ,23833 | 27 |
| ASS | 4,8056 | ,26251 | 27 |
| EMP | 4,9444 | ,21183 | 27 |

**Correlations**

| | | SQ | TAN | REL | RES | ASS | EMP |
|---|---|---|---|---|---|---|---|
| Pearson Correlation | SQ | 1,000 | ,845 | ,900 | ,833 | ,842 | ,705 |
| | TAN | ,845 | 1,000 | ,756 | ,556 | ,648 | ,426 |
| | REL | ,900 | ,756 | 1,000 | ,620 | ,765 | ,498 |
| | RES | ,833 | ,556 | ,620 | 1,000 | ,623 | ,751 |
| | ASS | ,842 | ,648 | ,765 | ,623 | 1,000 | ,403 |
| | EMP | ,705 | ,426 | ,498 | ,751 | ,403 | 1,000 |
| Sig. (1-tailed) | SQ | . | ,000 | ,000 | ,000 | ,000 | ,000 |
| | TAN | ,000 | . | ,000 | ,001 | ,000 | ,013 |
| | REL | ,000 | ,000 | . | ,000 | ,000 | ,004 |
| | RES | ,000 | ,001 | ,000 | . | ,000 | ,000 |
| | ASS | ,000 | ,000 | ,000 | ,000 | . | ,018 |
| | EMP | ,000 | ,013 | ,004 | ,000 | ,018 | . |
| N | SQ | 27 | 27 | 27 | 27 | 27 | 27 |
| | TAN | 27 | 27 | 27 | 27 | 27 | 27 |
| | REL | 27 | 27 | 27 | 27 | 27 | 27 |
| | RES | 27 | 27 | 27 | 27 | 27 | 27 |
| | ASS | 27 | 27 | 27 | 27 | 27 | 27 |
| | EMP | 27 | 27 | 27 | 27 | 27 | 27 |

Source: Self-created in SPSS, 2018

**Table 21 Hypothesis 6**

*H6: Service quality dimension "Reliability" and "Empathy" (EXP) have significant influence on More frequent flyers ("Always" and "Most of the time")*

With the purpose to test this hypothesis, the researcher applied a multiple regression analysis **(**Table 21**)** to confirm the influence of Service quality dimension "Reliability" and "Empathy" (EXP) on More frequent flyers ("Always" and "Most of the time"). Outcomes show that there is a significant influence of Service quality dimension "Reliability" and "Empathy" (EXP) on More frequent flyers ("Always" and "Most of the time"). The R was (1) at level ($\alpha \leq 0.05$), while the R Square was (1). This describes the (1) of *More frequent flyers ("Always" and "Most of the time")* variability's results from the variability in *Service quality dimension "Reliability" and "Empathy" (EXP)*. According to β value ( Service quality dimension "Reliability" = 0.208; Service quality dimension "Empathy"= 0.167), this means the increase of one unit in More frequent flyers ("Always" and "Most of the time") will increase Variables value (Service quality dimension "Reliability" = 0.208; Service quality dimension "Empathy"= 0.167) based on positive Pearson Correlation analysis.

**H6: Service quality dimension "Reliability" and "Empathy" (EXP) have significant influence on More frequent flyers ("Always" and "Most of the time")**

| | R | R Square | F Change | DF | Sig. | β | | T | Sig |
|---|---|---|---|---|---|---|---|---|---|
| More frequent flyers | 1 | 1 | . | 5 | . | REL | 0,208 | . | . |
| | | | | 78 | | EMP | 0,167 | | |

***H6: There is significant influence of Service quality dimension "Reliability" and "Empathy" (EXP) have significant influence on More frequent flyers ("Always" and "Most of the time") as α ≦ 0.05***

**Descriptive Statistics**

| | Mean | Std. Deviation | N |
|---|---|---|---|
| SQ | 4,4563 | ,31487 | 84 |
| TAN | 4,3724 | ,26240 | 84 |
| REL | 4,4857 | ,37806 | 84 |
| RES | 4,5000 | ,41616 | 84 |
| ASS | 4,4792 | ,34972 | 84 |
| EMP | 4,5000 | ,45918 | 84 |

**Correlations**

| | | SQ | TAN | REL | RES | ASS | EMP |
|---|---|---|---|---|---|---|---|
| Pearson Correlation | SQ | 1,000 | ,930 | ,815 | ,864 | ,909 | ,871 |
| | TAN | ,930 | 1,000 | ,750 | ,717 | ,850 | ,757 |
| | REL | ,815 | ,750 | 1,000 | ,540 | ,729 | ,527 |
| | RES | ,864 | ,717 | ,540 | 1,000 | ,735 | ,816 |
| | ASS | ,909 | ,850 | ,729 | ,735 | 1,000 | ,713 |
| | EMP | ,871 | ,757 | ,527 | ,816 | ,713 | 1,000 |
| Sig. (1-tailed) | SQ | . | ,000 | ,000 | ,000 | ,000 | ,000 |
| | TAN | ,000 | . | ,000 | ,000 | ,000 | ,000 |
| | REL | ,000 | ,000 | . | ,000 | ,000 | ,000 |
| | RES | ,000 | ,000 | ,000 | . | ,000 | ,000 |
| | ASS | ,000 | ,000 | ,000 | ,000 | . | ,000 |
| | EMP | ,000 | ,000 | ,000 | ,000 | ,000 | . |
| N | SQ | 84 | 84 | 84 | 84 | 84 | 84 |
| | TAN | 84 | 84 | 84 | 84 | 84 | 84 |
| | REL | 84 | 84 | 84 | 84 | 84 | 84 |
| | RES | 84 | 84 | 84 | 84 | 84 | 84 |
| | ASS | 84 | 84 | 84 | 84 | 84 | 84 |
| | EMP | 84 | 84 | 84 | 84 | 84 | 84 |

Source: Self-created in SPSS, 2018

**Table 22 Hypothesis 7**

*H7: There is significant influence of Service expectations on Customer perceptions*

With the purpose to test this hypothesis, the researcher applied the simple regression analysis to confirm the influence of Service expectations on Customer perceptions. Table 22 shows that there is significant influence of Service quality on Customer perceptions. The R was (0.945) at level ($\alpha \leq 0.05$), while the R Square was (0.894). This explains the (0.894) of Customer perceptions variability results from the variability in Service Expectations. As the Pearson Correlation result is positive, it means that the increase of one unit in Service Expectations will increase Customer perceptions (0.945), according to the result of β (0.945).

**H7: There is significant influence of Service expectations on Customer perceptions**

| | R | R Square | F Change | DF | Sig. | β | T | Sig |
|---|---|---|---|---|---|---|---|---|
| **Customer Perceptions** | 0,945 | 0,894 | 917,775 | 1<br>109<br>110 | 0.000 | 0,945 | 30,3 | 0.000 |

***H7: There is significant influence of Service expectations on Customer perceptions at level α ≦ 0.05***

**Descriptive Statistics**

| | Mean | Std. Deviation | N |
|---|---|---|---|
| VAR00002 | 4,6847 | ,23953 | 111 |
| VAR00001 | 4,5503 | ,33272 | 111 |

**Correlations**

| | | VAR00002 | VAR00001 |
|---|---|---|---|
| Pearson Correlation | VAR00002 | 1,000 | ,945 |
| | VAR00001 | ,945 | 1,000 |
| Sig. (1-tailed) | VAR00002 | . | ,000 |
| | VAR00001 | ,000 | . |
| N | VAR00002 | 111 | 111 |
| | VAR00001 | 111 | 111 |

Source: Self-created in SPSS, 2018

**Table 23 Hypothesis 8**

*H8: There is significant influence of Cabin Class on the Passenger Expectations*

With the purpose to test this hypothesis, the researcher applied the simple regression analysis to confirm the influence of Cabin Class on the Passenger Expectations. Table 23 shows that there is significant influence of Cabin Class on the Passenger Expectations. The R was (0.425) at level ($\alpha \leq 0.05$), while the R Square was (0.181). This explains the (0.181) of Passenger Expectations variability results from the variability in Cabin Class. As the Pearson Correlation result is positive, it means that the increase of one unit in Cabin Class will increase Passenger Expectations (0.352), according to the result of β (0.352).

| H8: There is significant influence of Cabin Class on Passenger Expectations | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | R | R Square | F Change | DF | Sig. | β | T | Sig |
| Passenger Expectations | 0,425 | 0,181 | 24,013 | 1<br>109<br>110 | 0.000 | 0,352 | 4,9 | 0.000 |
| *H8: There is significant influence of Cabin Class on the Passenger Expectations as α ≦ 0.05* | | | | | | | | |

**Descriptive Statistics**

| | Mean | Std. Deviation | N |
|---|---|---|---|
| EXP | 4,5503 | ,33272 | 111 |
| CabClass | 1,1441 | ,40106 | 111 |

**Correlations**

| | | EXP | CabClass |
|---|---|---|---|
| Pearson Correlation | EXP | 1,000 | ,425 |
| | CabClass | ,425 | 1,000 |
| Sig. (1-tailed) | EXP | . | ,000 |
| | CabClass | ,000 | . |
| N | EXP | 111 | 111 |
| | CabClass | 111 | 111 |

Source: Self-created in SPSS, 2018

**Table 24 Hypothesis 9**

*H9: Perceived quality, linked to service quality "Tangibles" will have significant impact on customer satisfaction*

With the purpose to test this hypothesis, the researcher applied the simple regression analysis to confirm the influence of service quality "Tangibles" on customer satisfaction. Table 24 shows that there is no significant influence of service quality "Tangibles" on customer satisfaction. The R was (0.143) at level ($\alpha \geq 0.05$), while the R Square was (0.02). This explains the (0.02) of customer satisfaction variability results from the variability in service quality "Tangibles". As the Pearson Correlation result is positive, it means that the increase of one unit in service quality "Tangibles" will increase positive customer satisfaction (0.143), according to the result of β (0.143).

| H9: Perceived quality, linked to service quality tangibles will have significant impact on customer satisfaction. | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | R | R Square | F Change | DF | Sig. | β | T | Sig |
| Customer Satisfaction | 0,143 | 0,02 | 2,272 | 1<br>109<br>110 | 0,135 | 0,143 | 1,507 | 0,135 |
| *H9: There is no significant influence of Perceived quality, linked to service quality tangibles on customer satisfaction as α ≧ 0.05* | | | | | | | | |

**Descriptive Statistics**

| | Mean | Std. Deviation | N |
|---|---|---|---|
| VAR00002 | 4,0631 | ,44270 | 111 |
| VAR00001 | 4,7181 | ,19114 | 111 |

**Correlations**

| | | VAR00002 | VAR00001 |
|---|---|---|---|
| Pearson Correlation | VAR00002 | 1,000 | ,143 |
| | VAR00001 | ,143 | 1,000 |
| Sig. (1-tailed) | VAR00002 | . | ,067 |
| | VAR00001 | ,067 | . |
| N | VAR00002 | 111 | 111 |
| | VAR00001 | 111 | 111 |

Source: Self-created in SPSS, 2018

**Table 25 Hypothesis 10**

*H10: There is a significant influence of Passenger Satisfaction on positive Word-of-Mouth*

With the purpose to test this hypothesis, the researcher applied the simple regression analysis to confirm the influence of Passenger Satisfaction on Word-of-Mouth. Table 25 shows that there is significant influence of Passenger Satisfaction on Word-of-Mouth. The R was (0.482) at level ($\alpha \leq 0.05$), while the R Square was (0.232). This explains the (0.232) of positive Word-of-Mouth variability results from the variability in Passenger Satisfaction. As the Pearson Correlation result is positive, it means that the increase of one unit in Passenger Satisfaction will increase positive Word-of-Mouth (0.482), according to the result of β (0.482).

**H10: There is a significant influence of Passenger Satisfaction on positive Word-of-Mouth**

| | R | R Square | F Change | DF | Sig. | β | T | Sig |
|---|---|---|---|---|---|---|---|---|
| **Word-of-mouth** | 0,482 | 0,232 | 32,936 | 1<br>109<br>110 | 0.000 | 0,482 | 5,739 | 0.000 |

***H10: There is significant influence of Passenger satisfaction on positive word-of-mouth as α ≦ 0.05***

**Descriptive Statistics**

| | Mean | Std. Deviation | N |
|---|---|---|---|
| VAR00002 | 4,2523 | ,43627 | 111 |
| VAR00001 | 4,0631 | ,44270 | 111 |

**Correlations**

| | | VAR00002 | VAR00001 |
|---|---|---|---|
| Pearson Correlation | VAR00002 | 1,000 | ,482 |
| | VAR00001 | ,482 | 1,000 |
| Sig. (1-tailed) | VAR00002 | . | ,000 |
| | VAR00001 | ,000 | . |
| N | VAR00002 | 111 | 111 |
| | VAR00001 | 111 | 111 |

Source: Self-created in SPSS, 2018

**Table 26 Hypothesis 11**

*H11: Passenger Satisfaction has significant influence on Repurchase Intention*

With the purpose to test this hypothesis, the researcher applied the simple regression analysis to confirm the influence of Passenger Satisfaction on Repurchase Intention. Table 26 shows that there is no significant influence of Passenger Satisfaction on Repurchase Intention. The R was (0.03) at level (α≥0.05), while the R Square was (0.001). This explains the (0.001) of Repurchase Intention variability results from the variability in Passenger Satisfaction. As the Pearson Correlation result is positive, it means that the increase of one unit in Passenger Satisfaction will increase Repurchase Intention (0.03), according to the result of β (0.03).

**H11: Passenger Satisfaction has significant influence on Repurchase Intention**

| | R | R Square | F Change | DF | Sig. | β | T | Sig |
|---|---|---|---|---|---|---|---|---|
| **Repurchase intention** | 0,03 | 0,001 | 0,1 | 1<br>109<br>110 | 0,753 | 0,03 | 0,315 | 0,753 |

***H11: There is no significant influence of Passenger Satisfaction on Repurchase Intention as α ≧ 0.05***

**Descriptive Statistics**

| | Mean | Std. Deviation | N |
|---|---|---|---|
| VAR00002 | 4,3153 | ,53906 | 111 |
| VAR00001 | 4,0631 | ,44270 | 111 |

**Correlations**

| | | VAR00002 | VAR00001 |
|---|---|---|---|
| Pearson Correlation | VAR00002 | 1,000 | ,030 |
| | VAR00001 | ,030 | 1,000 |
| Sig. (1-tailed) | VAR00002 | . | ,377 |
| | VAR00001 | ,377 | . |
| N | VAR00002 | 111 | 111 |
| | VAR00001 | 111 | 111 |

Source: Self-created in SPSS, 2018

**Table 27 Hypothesis 12**

*H12: Passenger Satisfaction has a positive influence on Passenger Behaviour Intentions*

With the purpose to test this hypothesis, the researcher applied the simple regression analysis to confirm the influence of Passenger Satisfaction has a positive influence on Passenger Behavior Intentions. Table 27 shows that there is significant influence of Passenger Satisfaction has a positive influence on Passenger Behavior Intentions. The R was (0.491) at level (α≤0.05), while the R Square was (0.241). This explains the (0.241) of Passenger Behavior Intentions variability results from the variability in Passenger Satisfaction. As the Pearson Correlation result is positive, it means that the increase of one unit in Passenger Satisfaction will increase Passenger Behavior Intentions (0.491), according to the result of β (0.491).

| H12: Passenger Satisfaction has a positive influence on Passenger Behaviour Intentions | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | R | R Square | F Change | DF | Sig. | β | T | Sig |
| Passenger Behaviour Intentions | 0,491 | 0,241 | 34,687 | 1<br>109<br>110 | 0.000 | 0,491 | 5,89 | 0.000 |
| *H12: There is significant influence of Passenger Satisfaction on Pasenger Behavioural Intentions as α ≦ 0.05* | | | | | | | | |

**Descriptive Statistics**

| | Mean | Std. Deviation | N |
|---|---|---|---|
| VAR00002 | 4,2673 | ,33279 | 111 |
| VAR00001 | 4,0631 | ,44270 | 111 |

**Correlations**

| | | VAR00002 | VAR00001 |
|---|---|---|---|
| Pearson Correlation | VAR00002 | 1,000 | ,491 |
| | VAR00001 | ,491 | 1,000 |
| Sig. (1-tailed) | VAR00002 | . | ,000 |
| | VAR00001 | ,000 | . |
| N | VAR00002 | 111 | 111 |
| | VAR00001 | 111 | 111 |

Source: Self-created in SPSS, 2018

# 5. Results and Discussion

The data from the practical part guided the researcher to rather interesting findings. According to the Table 9**,** it can be seen that the overall satisfaction of passengers is at a good level with mean gap score (0.34), meaning that passengers' expectations exceeded passengers' perceptions within the most of service quality dimensions. It is also noteworthy that all the service attributes within "Tangibility category" show a rather high service quality with highest mean gaps score of (0.23). It means that passengers expected less than they actually get, which is a preferable state for the company's performance. *"Aircraft and in-flight facilities"* has an especially big gap and points that the company's efforts have a successful, positive impact on passengers' satisfaction.
Similarly, the "Reliability" service attribute also added up to represent a positive mean gap score of (0.16). Most importantly, "Time management of performance" has high score (0.32) in comparison to other service dimensions within the category, indicating that customers' perceptions about this attribute exceeded customers' expectations. Moreover, the passengers found that airline managed to complete the services with proper timing management and managerial control.

The "Responsiveness" service quality attribute reported with a mean gap score of (0.09) and displayed stable results between perceptions and expectations with a small difference between service performances. It means that passengers got the perceived services to those that they initially expected.

Under "Assurance" service quality category, the mean gap score of (0.09) was the same as for "Responsiveness." The dimension of "*Knowledgeable employees*" had highest score (0.11) within this category, which explains high level of staff professionalism. However, the category "Empathy" of an airline indicated lower mean gap score (0.04) due to the negative result (-0.03) in the dimension "*Individual attention to passengers*". It means that even though the dimension of "Assurance" had quite a good result in the dimension of "Knowledgeable employees", the "*Individual attention to passengers*" was below customers' expectations, which highlights a rather poor service provided and a consequently arising low level of passengers' satisfaction with this attribute. Nevertheless, the rest of the dimensions within the "Empathy" category had stable outcomes.

The researcher found the best scores of mean gaps within the service dimensions. Those are "Aircraft and in-flight facilities," "Inflight entertainment," "Time management of performance," and "Appearance of employees," all of which indicated a high level of service performance based on passengers' perceptions that greatly exceeded their expectations in the mentioned dimensions.

In general, the overall level of passenger satisfaction can be described as "very good" with a mean gap score of (0.12), despite the individual results of service quality dimensions within five categories. Within this particular flight from Prague to Moscow, the airline performance exceeded customers' expectations that can further contribute to passengers' considering flying with Aeroflot Airline again, whether it is for the same detection or a different one.

During the hypothesis testing, the researcher decided to compare the collected data to the authors' opinions based on the literature review. It was established that Airline image has direct influence on Customer Behavioral Intentions, meaning that these results were agreed with Dowling (1994). Thus, findings confirmed that the more appealing the company's image is, the more chances a company has to attract more customers and to build customer loyalty. Dowling (1994), Fombrun and Shanley (1994) also agreed with the above and noted that it can help a company to create a more appealing corporate image in the eyes of a customer.

The results also align with those of Ostrowski *et al.* (1993), who outlined the level of customer satisfaction against a corporate image as perceived by the customers. Moreover, the results are consistent with those of Nguyen and LeBlanc (1998) whose findings confirmed that the higher level of perceived service quality would lead to the higher level of brand image recognition and respect in a consumer's eyes. However, some researches oppose the conclusions, for example, Pham (2006) claims that most of the airline customers do not think of "Tangibles" and "Assurance" as the most important service quality dimensions. Hereby, it was found that, for this particular category of customers, the most important service quality dimensions were "Tangibles" and "Reliability. Also, the researcher found different results from Pham (2006), who claimed that passengers, travelling more often consider "Reliability" and "Empathy" dimensions of quality as the most important. The hypothesis testing showed that "Tangibles" and "Assurance" were the most important dimensions for a more frequent customer.

The results agree with Tiernan, Rhoades and Waguespack (2008) who found the link between the passengers' cabin class and their service expectations. It explains that the higher one's travelling class, the higher level of service he or she would expect. At the same time, it explains that higher-class level passengers tend to be highly valued by the company in comparison to the lower cabin class travellers, which means that they get special "service rewards". Since the research did not obtain the large amount of cross segment passengers, extended sampling size and demographics should be deliberated in the future research.

The research results confirm the statements made by Richins (1983) and Dabholkar *et al.* (1996), whose results found the direct dependence of customer's satisfaction and positive word-of-mouth, where the most satisfied customer will have high probability to recommend the service to other people. Furthermore, the results agree with Kim *et al.* (2004), Mirzapur *et al.* (2014), who mainly emphasized the significant impact of passenger satisfaction with service quality and its loyalty. Meaning that the more satisfied the customer is, the more probability of repurchasing will be established. In addition, the research results match with research results by Park *et al*. (2004, 2006), who asserted that passenger satisfaction is very important in explaining customer behaviour intentions within airline industry.

## 5.1 Implications of the results to the company's management

Airline companies should be more proactive in creating value and proper resource allocation in short (less than 3 hours flights) international air travels by establishing practices respective to passengers' expectations about the company's assurances in order to increase customers' satisfaction. As a result, it will help the company's management to gain competitive position on the market among other air service providers and improve service quality indicators.

During the research process and results analysis, the researcher found the main gap between perceptions and expectations within the category of service quality dimension "Empathy" (0.04) and mainly in the "*Individual attention to passengers*" (-0.03). Consequently, researcher decided to offer some reasonable improvements, which might change the situation to positive outcomes.

Once again, referring to PWC (2015), it is crucial to continuously make improvements not only for aircraft facilities, but mainly among frontline employees to enhance passenger expectations. Hereby, the researcher proposed the conceptual changes to the company's management (Table 28), which will enhance the service quality outcomes, especially these recommendations might be very useful to remove the negative gap *Individual attention to passengers*".

According to the Appendix 17 the company spends rather large amounts on management, operations and in-flight service segments. Based on the information, extracted from the company's annual report (2017), the Table 29 displays the annual total expenses on R&D and the percentage costs of operations and in-flight service. Hereby, the researcher recommends the management to increase the expenditures on R&D by 3 percent in particular in operations and in-flight service segments. Thus, the Table 29 shows the estimated results for 2018 and 2019 accordingly, which in return will provide more precise information about the target market and their demands.

Moreover, it is recommended to arrange and invest more in staff trainings, retraining and professional development. It will be useful to maintain the high-quality level of service. In addition, it was found that outsourced companies could provide learning sessions for approximate course price of 195 EUR per person. The management can consider this point to remove the gap in "*Individual attention to passengers*".

Another aspect to be accounted for is loyalty programs offered by the company. From the Total Quality Management perspective, a passenger's loyalty is a key indicator of a successful business. It is important to mention that the company might consider further improvements of a loyalty program called Aeroflot Bonus. Some of the corrections might be applied by the airline. By showing the gratitude to the customer, a company ensures a positive impact on future customer behavior and his or her intentions. Some other loyalty programs might include, but are not limited to, sending messages with additional information for arriving passengers about the carousel number of luggage, sending personalized birthday messages, etc. Passengers with loyalty cards might get a special option to use "birthday discounts" through the Aeroflot Bonus application for on-board shopping. To implement it, the management might need to establish contracts with telecommunications provider and ground airport companies. Another recommendation relates to the airport taxi discounts for loyalty passengers. In this case, the airline needs to establish the contracts with local taxi companies.

Lastly, to achieve the proper understanding of customers, it is recommended to increase the number of surveys. Hereby, the customer can be asked to fill in the information about his/her "expectations" regarding the flight performance.
This procedure can be made either online after ticket purchasing or in the travel agency. It should be noted, that this procedure is not obligatory, but very valuable for the company's service improvements. In case of collecting the data from passengers in the ticket offices, it is recommended to use electronic devices such as tablets or iPads for more convenience and further data analysis. Online questionnaire can be also added to the flight ticket after it was purchased. With the purpose to obtain more data and increase reliability of results, the Research and Development department should create a short set of questions, which will provide a clear overview of customer's expectations, regarding the service performance and also, some of the questions about demographics. As a result, the collected data will provide the management with an overview of what specifically customers expect.

Furthermore, the customers' segmentations can then be defined. Another important point can be also gained, which will provide the manager with an understanding of the dependence of customers' expectations on demographic characteristics. To understand if the company met or not customers' expectations, it is also recommended to send the automatically the questionnaire links to after the flight by mail or message. Likewise, it can be also possible to provide a short questionnaire to the passengers at the end of the flight in the paper form, or also in an electronic device. However, the company should make a decision regarding the resource allocation based on the financial performance in terms of electronic devices procurement for each aircraft. Alternatively, the electronic onboard surveys can be collected in the long-distance flights, where the electronic screens are already set for each of the seats. As a result, the management can identify what their customers expect from one or another flight performance and afterwards, to develop the strategy in terms of service quality aspects with continuous improvements.

Controlling the details in service delivery is a key of service quality. Hence, the management should consider the results of research to evaluate the service quality based on passengers' expectations and perceptions. This will help to understand weak areas and create the action plan for further improvements. In addition, managers should be conscious about the passengers' expectations increase for service quality dimensions and might want to focus on the employees' development and greater passengers' perceptions. As the main

purpose of travel was leisure, hence the company might create attractive packages to inspire passengers to choose flight with them.

**Table 28 Conceptual changes for Aeroflot Airline company**

| № of Recommendation | Proposed activity | Description of proposed activity | Required Time for completion | Involved people | Resources needed | Potential outcomes | Complexity level "1" – Lowest & "10" – Highest |
|---|---|---|---|---|---|---|---|
| 1 | **Expenditures on R&D** | The recommendation involves an increase by 3% of expenditures on R&D in particular in operations and in-flight service segments | 4-6 months | Management board, Financial Department, R&D Department | Reports about customer satisfaction, Budget Allocation reports, Annual reports, Analytics skills | More precise information about the target market and their demands will be determined; Increased customer satisfaction; Obtained data about the supply & demand sides. Development of customized programs | 10 |
| 2 | **Staff training, retraining and professional development sessions** | Invest more in staff training and development programs in order to increase and maintain the high-quality level of service | Depending on the Staff training program, the duration varies from 1 week to 1 month | Outsourced companies, specialised in employees' development and training within the airline industry; Human Resources Department; Total Quality Management Department, Management board | Employees' performance; Reports about customer satisfaction, which identify the areas of improvements; reports from Total Quality Management Reports about staff specifications; the approximate price of training program is 195 EUR per employee | Elimination of gaps between the expectations and perceptions; In particular, to remove the gap in "Individual attention to passengers". Increased knowledge of airline service quality. Employees' certification after program completion; Increased customer satisfaction | 6 |
| 3 | **Enhanced Loyalty Programs** | "Redesigning" loyalty programs with additional bonuses for the customers (on-board shopping, personalized messaging & birthday discounts etc.) | 6-8 months months | IT Department, Financial Department, R&D Department, Marketing Department | Establishing contracts with telecommunications providers and ground airport companies (ex. local taxi companies) Aeroflot Bonus Application, IT Department support | Individual gratitude to the customer. Positive impact on future customer behavior intentions | 8 |
| 4 | **Survey procedures** | Data collection about customers' "expectations" and "perceptions" regarding the flight performance | Depending on the method of data collection (either online or with paper questionnaires) the duration of procedure varies from 5 min to 15 min | Travel agencies, R&D Department, Customers, Marketing Department, Frontline employees of Aeroflot Russian airline | Electronic devices such as tablets or iPads; paper and online questionnaires | Overview of what specifically customers expect and require. Customers' segmentations can be defined as well; Increased customer satisfaction and retention | 5 |
| 5 | **Attractive packages** | Creation of customized packages for customers based on their profiles characteristics | 4-6 months | R&D Department, IT Department, Marketing Department | Contracts with hospitality related companies (hotels, ground transportation, event planning etc.); Customer database reports | Proposal of attractive offers based on the customer's purchasing behaviours, feedback and profile characteristics | 10 |

Source: Self-created, 2018

**Table 29 Proposed changes for R&D expenditures**

| | Year | Total Expenses (in Millions RUB) | Operations (30% of Total Expenses) | In-flight service (16% of Total Expenses) |
|---|---|---|---|---|
| | *2016* | 1201 | 360.3 | 192.16 |
| | *2017* | 1192 | 357.6 | 190.72 |
| **Estimated* | *2018** | 1200 | 360 | 192 |
| | *2019** | 1216.56 | 370.8 | 197.76 |

Source: Self-created, 2018

## 5.2 Recommendations

Schindler (1993) stated that in order to stay informed, the company needs to continuously consider old-fashioned method of asking the "user-customers" for their feedback and suggestions. This thesis applied this technique with the support of SERVQUAL model for sample study. As a result, the work represents reliable and valid materials that shaped interesting findings.

Customers should be always involved in the service quality processes to confirm their loyalty and satisfaction in the long perspective. The crucial part is to arrange different service quality elements and their association with the integrated strategy of communication, to create a harmonious corporate image among customers, which would play an important role in building the basis of relationships between the customer and the company. Which, in return, will be a result of establishment of customer loyalty.

As the research had the limitations mentioned above, it will be reasonable to consider following aspects to apply in future research. First of all, it would be appropriate to collect more primary data from the passengers during a longer period frame of time (at least one year) and to try reaching the same flight sample as it flights two times per a day. For further research, it will be very helpful to examine several flights to get details that are more precise for analysis.

Therefore, these procedures will provide more comprehensive results that can contribute to a more in-depth investigation. Moreover, research strategy might involve interview procedures to enhance value of present study.

Further communication with Aeroflot Company would be a great opportunity for cooperation to continue the research investigation and to test the reliability and validity of this work and make improvements if needed. Future research work might provide the parametric analysis of the most sensitive areas of airline service quality. In order to develop the investigating scope, it would be appropriate to add extra questions in the survey, such as reasons for choosing this company, etc. Further research would positively contribute to continuing with more of a statistical method analysis and determining the factors that influence customer satisfaction, customer behavior intentions, airline image and service quality attributes. Besides that, the researcher is planning to continue the research work and involve employees of the company to understand how the employees evaluate their "perfect" performance and "actual" performance in regards to passenger's expectations and perceptions. The analysis of dependence of passengers' segmentation on service quality will enhance value of topic's investigation and results.

### 5.2.1 Suggested fields for further research

This study was limited in the context of one particular flight analysis. Comparison to several flights of the same route (Prague-Moscow) can provide the researcher with a greater overview of data of passengers' opinions. So, further empirical study is recommended to be undertaken with the purpose to evaluate if there the collected data from several flights is different from the present study results.

As the airline industry is closely related to the regulations and control requirements in service delivery, the growing demand for severe requirements on the regulations within the airline sector is being posed by the customers. As a result, this might have an impact on service quality, customer loyalty and satisfaction. Consequently, the researcher finds it very interesting to obtain future information on the topic concerning the influence of airline regulations on passenger loyalty and satisfaction.

# 6. Conclusion

Since the airline industry is described as "cyclical industry", there is a strong relationship between supply and demand sides. Recently, economists found a rapid economic growth of airline industry and its significant role in the global economy. As well as airline industry drives social and economic progress accordingly. Nowadays, it became more available to travel by air since there is a big choice of air service providers on the market. Therefore, this number of carriers try to differentiate themselves in the competitive environment. Which becomes an additional challenge for company's management in the development of business strategy. Moreover, one of the key aspects of airline services is the company's ability to define and understand customer's expectations and perceptions about service performance.

This research provided a precise analysis of primary data, supported by the rich literature review within the theoretical framework of service quality, airline image, customer satisfaction and behaviour intentions within the airline industry. Current thesis is based on the data analysis of Aeroflot Russian airline, which is largest airline company and one of the world's recognized and oldest carriers. In accordance with the research findings, service quality and customer satisfaction were evaluated among 111 passengers of the flight SU2011 from Prague to Moscow/Sheremetyevo. The methodology was designed in accordance with research onion model (Saunders *et al.*, 2007). Furthermore, the thesis involved the SERVQUAL instrument (Parasuraman *et al.*, 1988) with the analysis of 5 service quality dimensions as "Tangibles", "Reliability", "Responsiveness", "Assurance" and "Empathy". For both passengers' expectations and perceptions' reliability of the results analysis was confirmed with Cronbach's Alpha. According to the obtained results, values represent high enough Cronbach's Alpha, which confirms the reliability of outcomes. To support the calculations processes in primary data analysis, the researcher used the arithmetic mean, percentage results, standard deviation and Likert scale.

The researcher provided the detailed descriptive statistics for passengers' expectations and perceptions, which is presented in the chapter "Practical part". Hereby, the lowest gap scores of (-0.03) between expectations and perceptions were related to "Individual attention to passengers", meaning that the passengers' expectations were not met. And the highest gap scores of (0.49) was found for the item "Aircraft and in-flight facilities", meaning that the passengers' perceptions exceeded their expectations.

Consequently, the lowest gaps result in the categories was referred to the item "Empathy" and the highest gaps score result was found for the item "Tangibles".
In addition to that, One Way ANOVA test presented the significance of differences between expectations and perceptions based on service quality dimensions results and gaps. The results determined the significant difference between perceptions and expectations with the p-value ($p = 0.000<0.05$) within all the service quality dimensions of SERVQUAL model with the exception to the TAN 4 "Aircraft and in-flight facilities" with the p-value ($p=0.315>0.05$). The general results showed that the performance of the airline was at high level and the passengers' perceptions exceeded passengers' expectations. With exception of one negative gap (-0.03), which was found in the dimension "Empathy". Hence, the researcher proposed the plan of improvements for company's management.

The results showed Aeroflot Russian airline company reflects positive impression about the company. And almost half of the respondents consider this airline as their priority choice for the route Prague-Moscow. Besides, positive results are found in the category of customer behaviour intentions regarding word-of-mouth about the company and customer's loyalty. Passenger satisfaction was also measured regarding the flight enjoyment and service provider experience. Thus, passenger satisfaction presented a high level of service satisfaction among respondents' answers.

Furthermore, the hypothesis testing was made with the use of simple and multiple regression analysis as well as Pearson Correlation consideration with the purpose to determine the significance of the influence of the relationship of the items. For instance, the influence of Airline image on Customer Behaviour Intentions was accordingly determined along with positive Pearson Correlation analysis. The influence of Airline image on Customer Satisfaction was also measured along with negative Pearson Correlation analysis. Furthermore, the relationship between service quality and customer behaviour intentions were evaluated along with negative Pearson Correlation analysis. Nevertheless, it was confirmed that there is the significance of service expectations on customers' perceptions at level ($\alpha \leq 0.05$). The more detailed overview of the hypothesis testing results can be found in the "Hypothesis Testing" section, which is explained in details and supported by the literature review discussion.

In conclusion, it is necessary to mention, that researcher found this topic very interesting and future research should be obtained more in-depth. Due to the research limitations, it is recommended to continue the investigation in the given topic with a larger size of the sample and a longer period of investigation. Moreover, these results might become very useful not only for the company's management but also to perform as a contribution to the existing literature sources.

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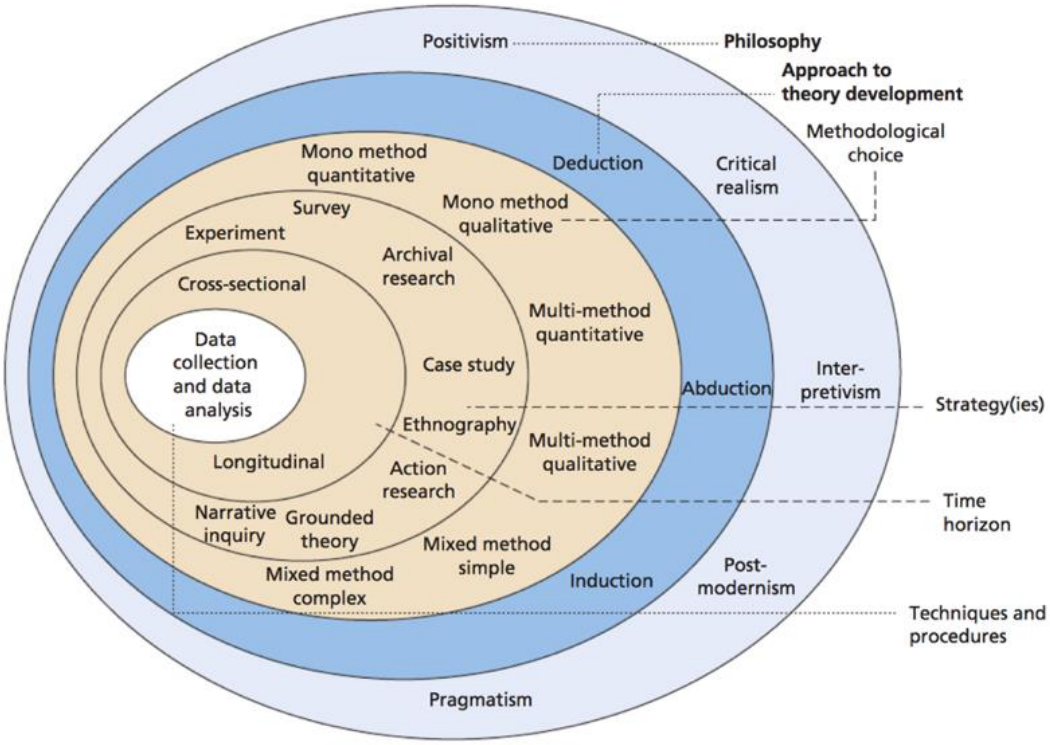
# 8. Appendix

## Appendix 1 Research onion




Source: Saunders *et al.*, 2015

## Appendix 2 Paradigms

| Element | Paradigm | | | |
|---|---|---|---|---|
| | Positivism | Constructivism | Critical theory | Realism |
| Ontology | Reality is real and apprehensible | Multiple local and specific "constructed" realities | "Virtual" reality shaped by social, economic, ethnic, political, cultural, and gender values, crystallised over time | Reality is "real" but only imperfectly and probabilistically apprehensible and so triangulation from many sources is required to try to know it |
| Epistemology | Findings true – researcher is objective by viewing reality through a "one-way mirror" | Created findings – researcher is a "passionate participant" within the world being investigated | Value mediated findings – researcher is a "transformative intellectual" who changes the social world within which participants live | Findings probably true – researcher is value-aware and needs to triangulate any perceptions he or she is collecting |
| Common methodologies | Mostly concerns with a testing of theory. Thus mainly quantitative methods such as: survey, experiments, and verification of hypotheses | In-depth unstructured interviews, participant observation, action research, and grounded theory research | Action research and participant observation | Mainly qualitative methods such as case studies and convergent interviews |

Source: Perry *et al.*, 1999

# Appendix 3 Expectation part


Dear Sir/Madam,

I am a second year Masters student at Czech University of Life Sciences Prague.
Currently, I am completing my Diploma Thesis by conducting survey of Aeroflot airline at flight Prague-Moscow/Sheremetyevo.
This survey discovers the service quality of airline based on customers expectations and perceptions using "SERVQUAL" model to analyze and determine service quality gaps, customer satisfaction and identify what shapes the service variables.

All the data, obtained from the respondents would be used for academic research purposes only.

Please answer the questions honestly, accurately, and accordingly.

* 1. How often do you fly with Aeroflot Russian airline (flight Prague-Moscow/Sheremetyevo)?

- ◯ Always
- ◯ Most of the time
- ◯ About half the time
- ◯ Once in a while

* 2. What is your main purpose of travelling?

- ◯ Leisure
- ◯ Business

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* 3. Which of the following best describes your current occupation?

- ◯ Student
- ◯ Employed
- ◯ Retired
- ◯ Self-employed
- ◯ Not employed

* 4. What is the highest degree you have received?

- ◯ Less than high school degree
- ◯ Bachelor degree
- ◯ Master
- ◯ PhD

* 5. Please rank the extent to which you think Aeroflot airline "should" perform the following features based on your expectations?

| | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|---|
| TAN 1 Employees should be well dressed (uniform), have neat appearance, appropriate attitude | ◯ | ◯ | ◯ | ◯ | ◯ |
| TAN 2 Registration and boarding procedures should be smooth and hassle free | ◯ | ◯ | ◯ | ◯ | ◯ |
| TAN 3 Baggage handling process should be efficient | ◯ | ◯ | ◯ | ◯ | ◯ |

| | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|---|
| TAN 4 Aircraft and Inflight facilities should be modern, clean and up-to-date | ◯ | ◯ | ◯ | ◯ | ◯ |
| TAN 5 Expected In-flight entertainment (magazines, brochures, books, games, newspapers, movies, etc.) | ◯ | ◯ | ◯ | ◯ | ◯ |
| TAN 6 Expected Inflight meal (freshness, variety, appearance, quantity, tastes) | ◯ | ◯ | ◯ | ◯ | ◯ |
| TAN 7 Expected seating comfort | ◯ | ◯ | ◯ | ◯ | ◯ |
| REL 8 Performance should be made on time | ◯ | ◯ | ◯ | ◯ | ◯ |
| REL 9 Expected sincere interest in solving problems | ◯ | ◯ | ◯ | ◯ | ◯ |
| REL 10 All the records should be accurate and error free | ◯ | ◯ | ◯ | ◯ | ◯ |
| REL 11 Special needs of customers should be met appropriately | ◯ | ◯ | ◯ | ◯ | ◯ |
| REL 12 Customers should proceed efficient check-in process | ◯ | ◯ | ◯ | ◯ | ◯ |
| RES 13 Customers should be informed online when any event occurs | ◯ | ◯ | ◯ | ◯ | ◯ |
| RES 14 Employees should be able to provide prompt attention to passengers to meet special needs | ◯ | ◯ | ◯ | ◯ | ◯ |

| | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|---|
| RES 15 Employees should be capable to report to emergency situations | ◯ | ◯ | ◯ | ◯ | ◯ |
| RES 16 Employees should be capable to respond to flight delays | ◯ | ◯ | ◯ | ◯ | ◯ |
| ASS 17 Employees should be knowledgeable in order to provide any necessary information to passenger | ◯ | ◯ | ◯ | ◯ | ◯ |
| ASS 18 Employees should reflect confidence and inspire trust towards passengers | ◯ | ◯ | ◯ | ◯ | ◯ |
| ASS 19 Customers should feel safe with the airline | ◯ | ◯ | ◯ | ◯ | ◯ |
| ASS 20 Employees should provide politeness and sincerity in problem resolution | ◯ | ◯ | ◯ | ◯ | ◯ |
| EMP 21 Employees should provide personal assistance and care for passengers | ◯ | ◯ | ◯ | ◯ | ◯ |
| EMP 22 Airline company should have efficient loyalty programs and rewards for frequent flyers | ◯ | ◯ | ◯ | ◯ | ◯ |
| EMP 23 Flight schedule should be convenient | ◯ | ◯ | ◯ | ◯ | ◯ |
| EMP 24 Airline should have their customers' best interest at heart | ◯ | ◯ | ◯ | ◯ | ◯ |

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* 6. I have a good impression of Aeroflot airline

| Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|
| ◯ | ◯ | ◯ | ◯ | ◯ |

* 7. I would consider flying Aeroflot Airline (Prague-Moscow/Sheremetyevo) again in the future

| Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|
| ◯ | ◯ | ◯ | ◯ | ◯ |

* 8. What is your age group?

- ◯ Less than 24
- ◯ 25 to 34
- ◯ 35 to 44
- ◯ 45 to 54
- ◯ 55 to 64
- ◯ 65 to 74
- ◯ 75 or older

* 9. What is your gender?

- ◯ Female
- ◯ Male


* 10. What is your nationality? (Passport)

Source: Self-created, 2017

# Appendix 4 Perceptions part


Dear Sir/Madam,

I am a second year Masters student at Czech University of Life Sciences Prague.
Currently, I am completing my Diploma Thesis by conducting survey of Aeroflot airline at flight Prague-Moscow/Sheremetyevo.
This survey discovers the service quality of airline based on customers expectations and perceptions using "SERVQUAL" model to analyze and determine service quality gaps, customer satisfaction and identify what shapes the service variables.

All the data, obtained from the respondents would be used for academic research purposes only.

Please answer the questions honestly, accurately, and accordingly.

* 1. Which cabin did you have for this flight?

- ◯ Economy Class
- ◯ Premium Economy
- ◯ Business Class

* 2. Please rank the extent to which following statements reflect your perceptions of service quality delivered by Aeroflot airline.

| | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|---|
| TAN 1 Employees are well dressed (uniform), have neat appearance, appropriate attitude | ◯ | ◯ | ◯ | ◯ | ◯ |
| TAN 2 Registration and boarding procedures are smooth and hassle free | ◯ | ◯ | ◯ | ◯ | ◯ |
| TAN 3 Baggage handling process is efficient | ◯ | ◯ | ◯ | ◯ | ◯ |

AEROFLOT Russian Airlines

| | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|---|
| TAN 4 Aircraft and Inflight facilities are modern, clean and up-to-date | ◯ | ◯ | ◯ | ◯ | ◯ |
| TAN 5 In-flight entertainment (magazines, brochures, books, games, newspapers, movies, etc.) | ◯ | ◯ | ◯ | ◯ | ◯ |
| TAN 6 Inflight meal (freshness, variety, appearance, quantity, tastes) | ◯ | ◯ | ◯ | ◯ | ◯ |
| TAN 7 Seating comfort | ◯ | ◯ | ◯ | ◯ | ◯ |
| REL 8 Performance is managed on time | ◯ | ◯ | ◯ | ◯ | ◯ |
| REL 9 Sincere interest in solving problems | ◯ | ◯ | ◯ | ◯ | ◯ |
| REL 10 All the records are accurate and error free | ◯ | ◯ | ◯ | ◯ | ◯ |
| REL 11 Special needs of customers are met appropriately | ◯ | ◯ | ◯ | ◯ | ◯ |
| REL 12 Customers are proceed through efficient check-in process | ◯ | ◯ | ◯ | ◯ | ◯ |
| RES 13 Customers are well informed online when any event occurs | ◯ | ◯ | ◯ | ◯ | ◯ |
| RES 14 Employees are able to provide prompt attention to passengers to meet special needs | ◯ | ◯ | ◯ | ◯ | ◯ |

| | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|---|
| RES 15 Employees are capable to report to emergency situations | ◯ | ◯ | ◯ | ◯ | ◯ |
| RES 16 Employees are capable to respond to flight delays | ◯ | ◯ | ◯ | ◯ | ◯ |
| ASS 17 Employees are knowledgeable in providing any necessary information to passenger | ◯ | ◯ | ◯ | ◯ | ◯ |
| ASS 18 Employees reflect confidence and inspire trust towards passengers | ◯ | ◯ | ◯ | ◯ | ◯ |
| ASS 19 Customers feel safe with the airline | ◯ | ◯ | ◯ | ◯ | ◯ |
| ASS 20 Employees provide politeness and sincerity in problem resolution | ◯ | ◯ | ◯ | ◯ | ◯ |
| EMP 21 Employees provide personal assistance and care for passengers | ◯ | ◯ | ◯ | ◯ | ◯ |
| EMP 22 Airline company have efficient loyalty programs and rewards for frequent flyers | ◯ | ◯ | ◯ | ◯ | ◯ |
| EMP 23 Flight schedule is convenient | ◯ | ◯ | ◯ | ◯ | ◯ |
| EMP 24 Airline has their customers' best interest at heart | ◯ | ◯ | ◯ | ◯ | ◯ |

* 3. I enjoyed my experience with Aeroflot Russian airline

| Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|
| ◯ | ◯ | ◯ | ◯ | ◯ |


* 4. I am satisfied about my choice of Aeroflot Russian airline as service provider

| Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|
| ○ | ○ | ○ | ○ | ○ |

* 5. I would consider flying Aeroflot Airline (Prague-Moscow/Sheremetyevo) again in the future

| Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|
| ○ | ○ | ○ | ○ | ○ |

* 6. I would recommend Aeroflot Airline to other people

| Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|
| ○ | ○ | ○ | ○ | ○ |

* 7. I would sign for loyalty passenger program in the near future/I would continue to stay frequent-flyer with Aeroflot Airline

| Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|
| ○ | ○ | ○ | ○ | ○ |

* 8. I choose Aeroflot airline as my priority choice for the route Prague-Moscow

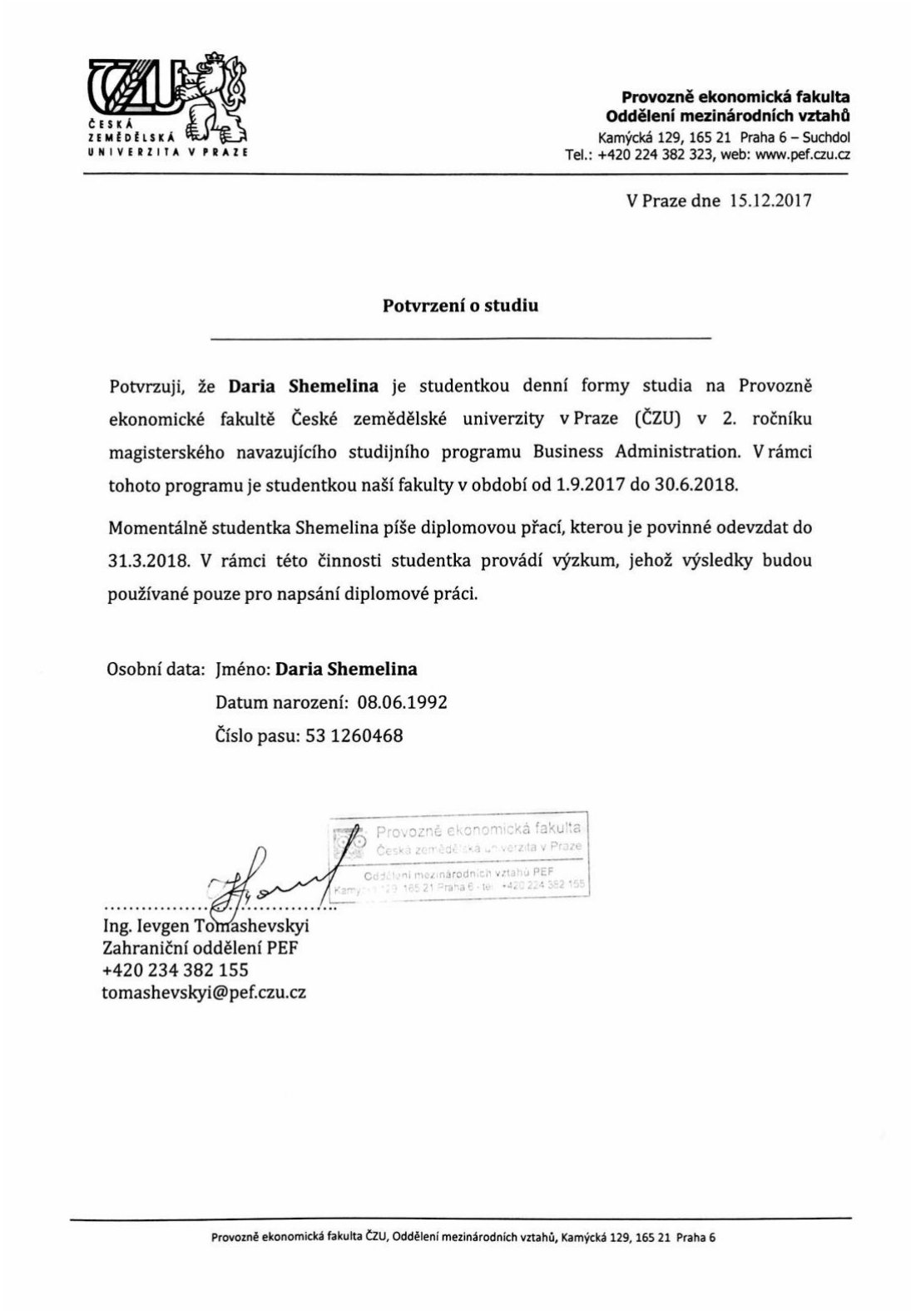
| Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
|---|---|---|---|---|
| ○ | ○ | ○ | ○ | ○ |

Source: Self-created, 2017

## Appendix 5 Top flights from Prague airport


Source: Flightradar24. (2018). Flightradar24.com - Live flight tracker!. (online) Available at: https://www.flightradar24.com/data/airports/prg (Accessed 10 Dec. 2017).

# Appendix 6 Confirmation form from CZU



ČESKÁ ZEMĚDĚLSKÁ UNIVERZITA V PRAZE

**Provozně ekonomická fakulta**
**Oddělení mezinárodních vztahů**
Kamýcká 129, 165 21 Praha 6 – Suchdol
Tel.: +420 224 382 323, web: www.pef.czu.cz

V Praze dne 15.12.2017

**Potvrzení o studiu**

Potvrzuji, že **Daria Shemelina** je studentkou denní formy studia na Provozně ekonomické fakultě České zemědělské univerzity v Praze (ČZU) v 2. ročníku magisterského navazujícího studijního programu Business Administration. V rámci tohoto programu je studentkou naší fakulty v období od 1.9.2017 do 30.6.2018.

Momentálně studentka Shemelina píše diplomovou přací, kterou je povinné odevzdat do 31.3.2018. V rámci této činnosti studentka provádí výzkum, jehož výsledky budou používané pouze pro napsání diplomové práci.

Osobní data: Jméno: **Daria Shemelina**
Datum narození: 08.06.1992
Číslo pasu: 53 1260468

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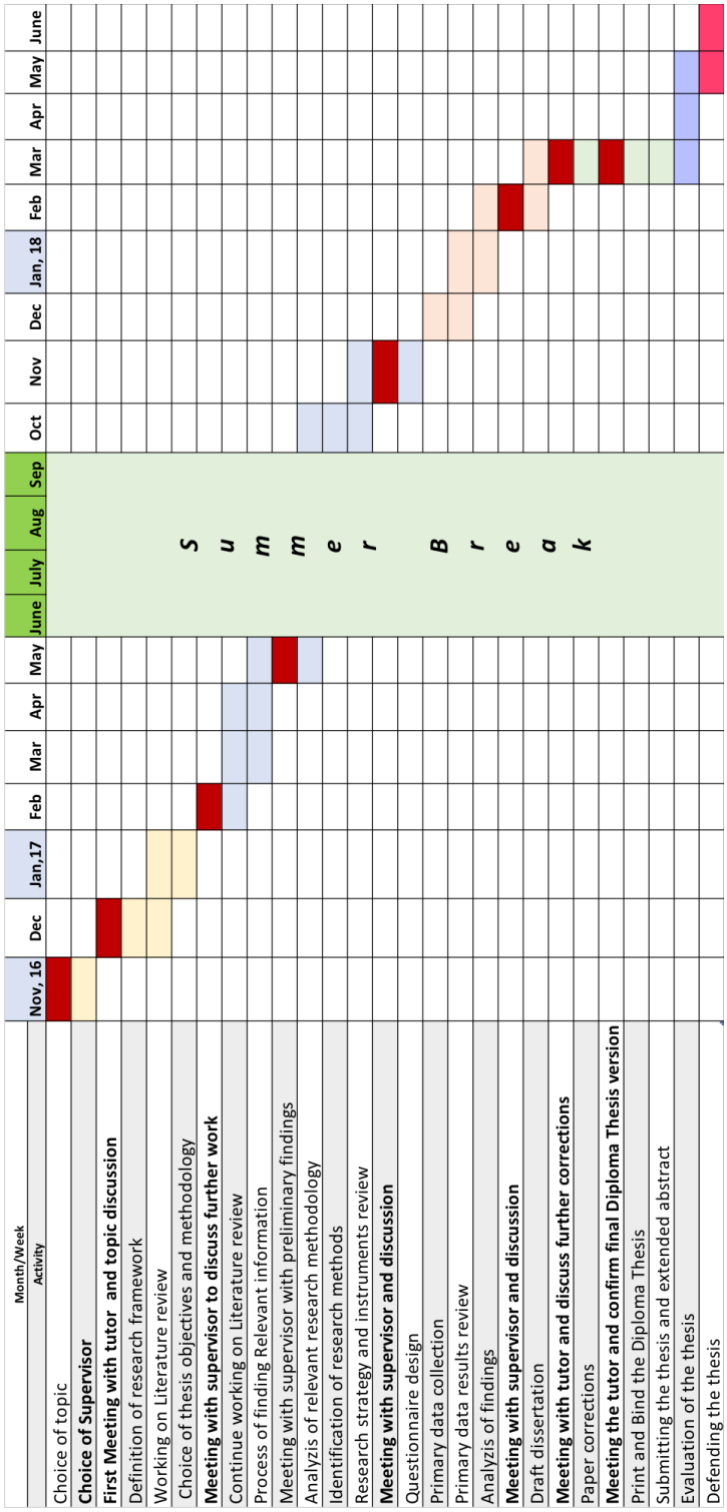
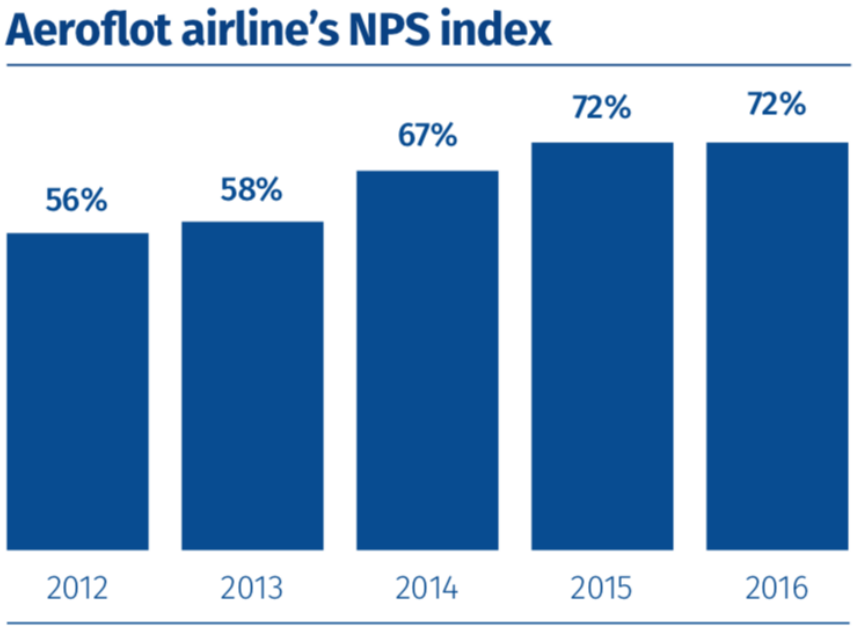
Source: CZU, 2017

# Appendix 7 Gantt chart



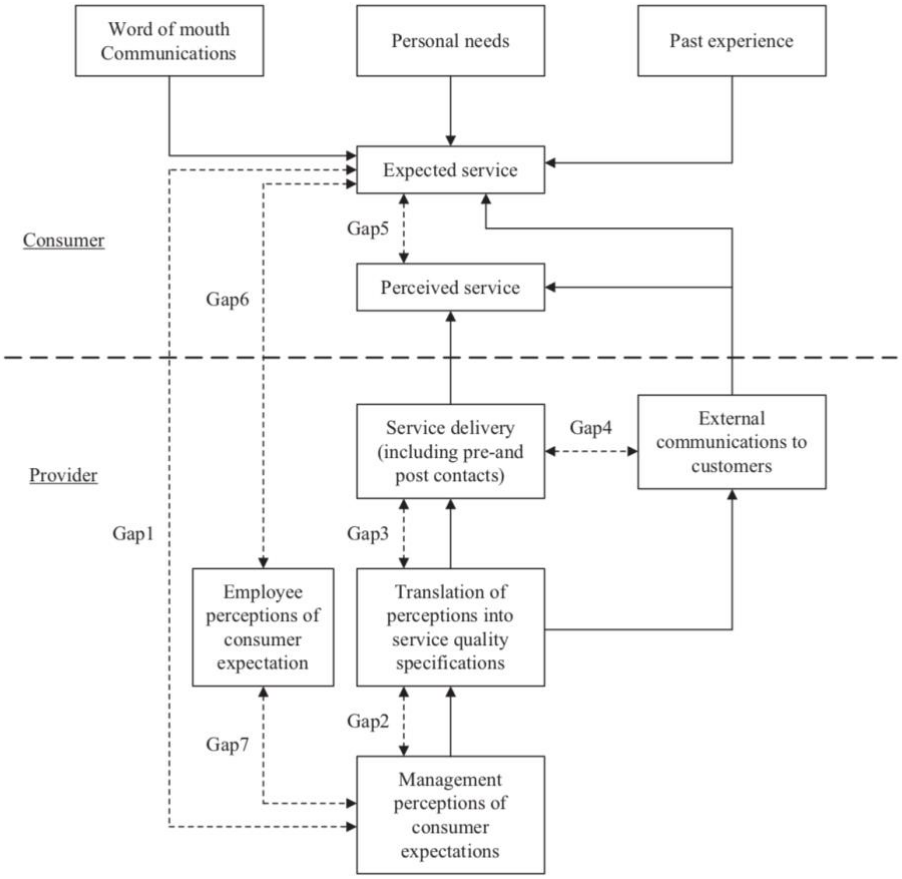

Source: Self-created, 2017

## Appendix 8 Aeroflot airline's NPS index



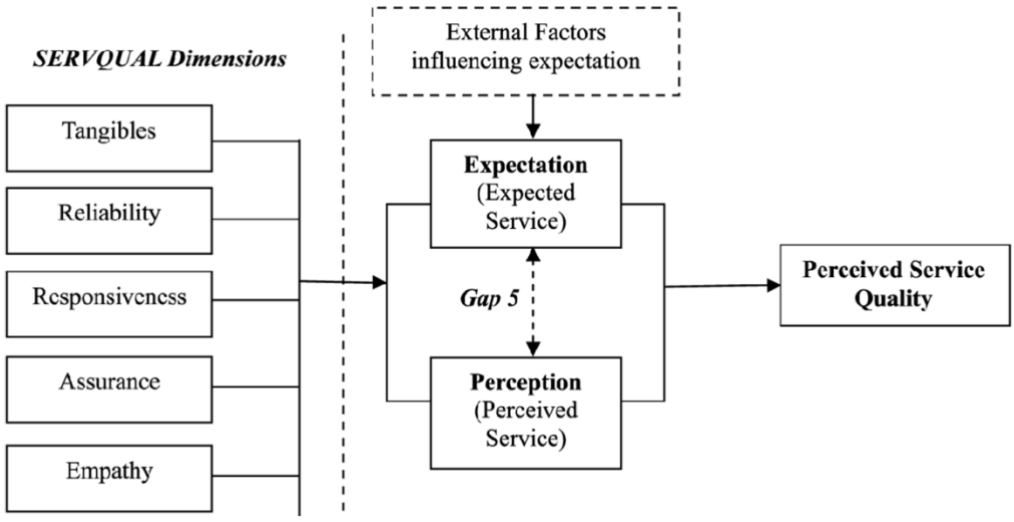

Source: Ir.aeroflot.com. (2018). Annual Reports 2017 | Aeroflot. [online] Available at: http://ir.aeroflot.com/reporting/annual-reports/ [Accessed 25 Jan. 2018].

## Appendix 9 Model of Service quality gaps



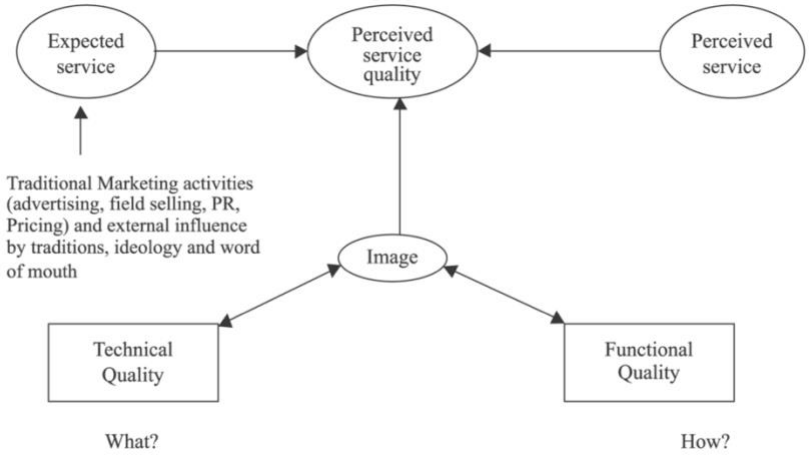

Source: Parasuraman *et al*., 1985; Curry, 1999; Luk and Layton, 2002

## Appendix 10 Importance of Gap 5 in SERVQUAL instrument




Source: Kumar *et al*., 2009

## Appendix 11 Gronroos Service quality model




Source: Gronroos, 1984

## Appendix 12 SERVQUAL model

| Dimensions | Items |
|---|---|
| Tangibles: physical facilities, equipment, and appearance of personnel | 1. should have up-to-date equipment<br>2. physical facilities should be visually appealing<br>3. employees should be well dressed and appear neat<br>4. appearance of physical facilities should be in keeping with the type of services |
| Reliability: to perform the promised service dependably and accurately | 5. should do things by the time they promise<br>6. when customers have problems, they should be sympathetic and reassuring<br>7. should be dependable<br>8. should provide their services at the time they promise<br>9. should keep accurate records |
| Responsiveness: to help customers and provide prompt service | 10. should not be expected to tell customers when services will be performed*<br>11. not realistic for customers to expect prompt service*<br>12. employees do not always have to be willing to help customers*<br>13. is OK if they are too busy to respond to requests promptly* |
| Assurance: courtesy knowledge, ability of employees to inspire trust and confidence | 14. customers should be able to trust employees<br>15. customers should feel safe in their transactions with these stores' employees<br>16. the employees should be polite<br>17. employees should get adequate support to do their jobs well |
| Empathy: caring, individualized attention the firm provides its customers | 18. company should not be expected to give customers individual attention*<br>19. employees cannot be expected to give customers personal attention*<br>20. unrealistic to expect employees to know what the needs of their customers are*<br>21. unrealistic for them to have customers' best interests at heart*<br>22. should not be expected to have operating hours convenient to all customers* |

Source: Parasuraman *et al.*, 1988; Finn and Lamb, 1991

## Appendix 13 Determinants of service quality

| |
|---|
| 1. RELIABILITY: consistency of performance and dependability, accuracy in billing, keeping records correctly, performing the service right at the designated time. |
| 2. RESPONSIVENESS: willingness or readiness of employees to provide service, timeliness of service such as mailing a transaction slip immediately, calling the customer back quickly, giving prompt service. |
| 3. COMPETENCE: possession of the required skills and knowledge to perform the service, knowledge and skill of the contact and support personnel, research capability of the organization. |
| 4. ACCESS: approachability and ease of contact, the service is easily accessible by telephone, waiting time to receive service is not extensive, convenient hours of operation, convenient location of service facility. |
| 5. COURTESY: politeness, respect, consideration, friendliness of contact personnel, consideration for the consumer's property, clean and neat appearance of public contact personnel. |
| 6. COMMUNICATION: keeping customers informed in language they can understand and listening to them, explaining the service itself and its cost, assuring the consumer that a problem will be handled. |
| 7. CREDIBILITY: trustworthiness, believability, honesty, company reputation, having the customer's best interests at heart, personal characteristics of the contact personnel. |
| 8. SECURITY: freedom from danger, risk, or doubt, physical safety, financial security, confidentiality. |
| 9. UNDERSTANDING/KNOWING THE CUSTOMER: understanding customer needs, learning the customer's specific requirements, providing individualized attention, recognizing the regular customer. |
| 10. TANGIBLES: physical evidence and representations of the service, other customers in service facility. |

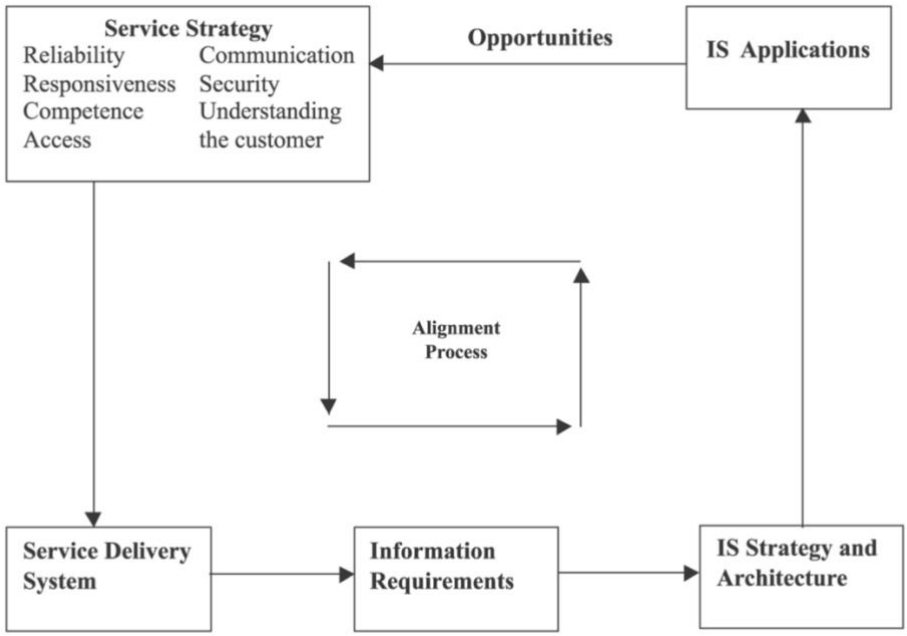
Source: Parasuraman *et al.*, 1988

## Appendix 14 Dimensions of service quality

| Study | Model | Dimension |
|---|---|---|
| Grönroos, 1984 | Service Quality Model | Technical quality, Functional quality, corporate image. |
| Philip & Hazlett, 1997 | PCP Model | Pivotal, Core, Peripheral attributes |
| Parasuraman et al., 1985 | GAP Model | Reliability, Responsiveness, Competence, Access, Courtesy, Communication, Credibility, Security, Understanding/Knowing the Customer, Tangibles |
| Haywood-Farmer, 1988 | Service Quality Attributes | Physical facilities, processes and procedures, People behavior and conviviality, Professional judgment |
| Parasuraman et al., 1988 | SERVQUAL | Tangibles, Reliability, Responsiveness, Assurance, Empathy |
| Cronin & Taylor, 1992 | SERVPERF | Same as SERVQUAL but with performance only statements |
| Frost & Kumar, 2000 | INTSERVQUAL | Reliability, Tangibles, Assurance, Responsiveness, Empathy (SERVQUAL) |
| Dabholkar et al., 1996 | RSQS | Physical aspects, Reliability, Personal interaction, Problem solving, Policy |
| Brady & Cronin, 2001 | Service Quality Model | Personal interaction quality, Physical service environment quality, Outcome quality |

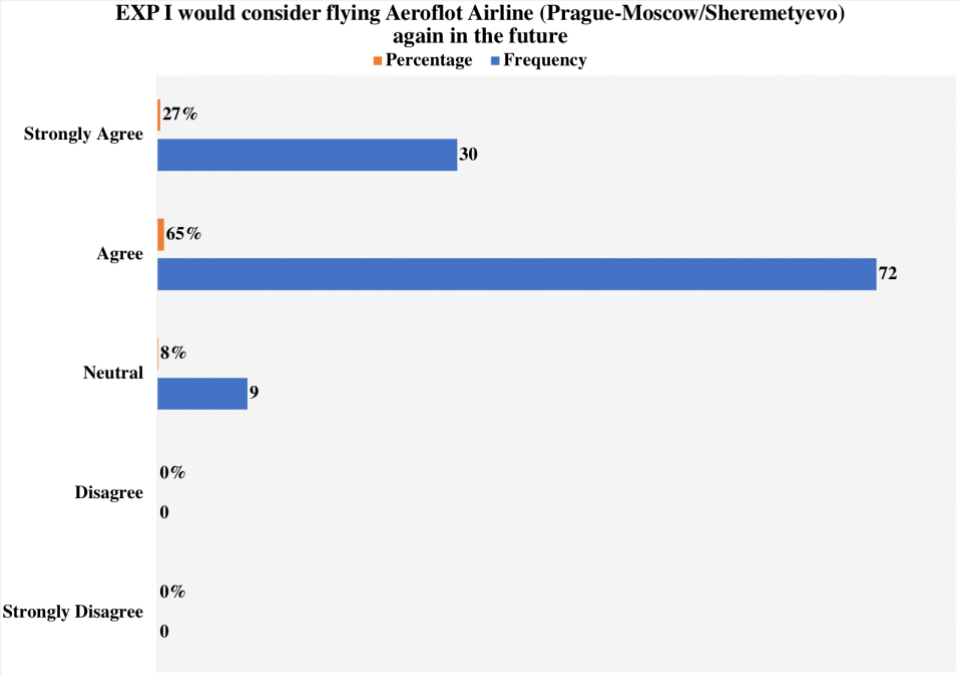
Source: Yarimoglu, 2014

## Appendix 15 Berkley and Gupta Service quality model

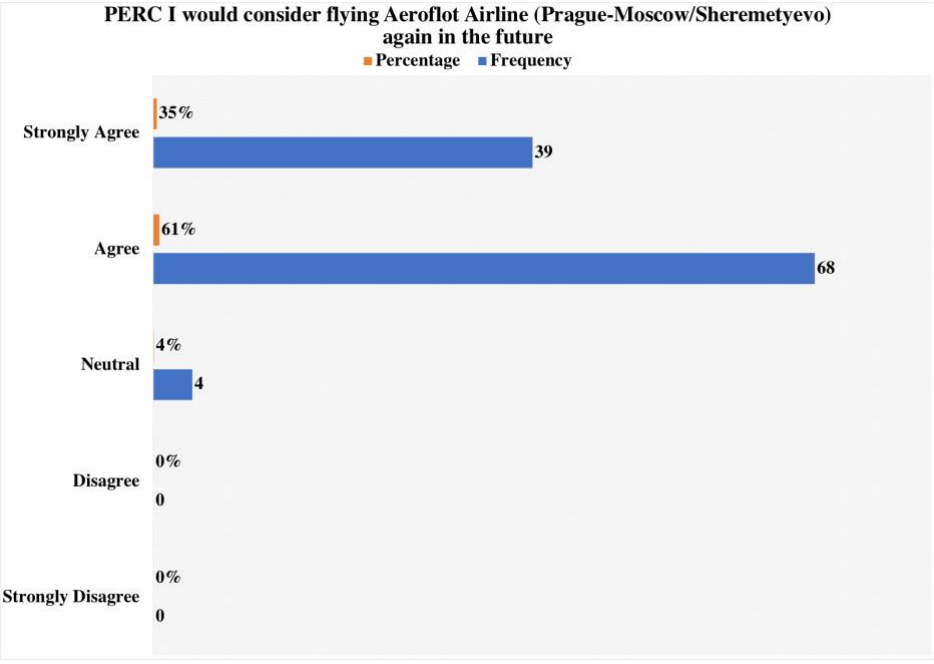



Source: Berkley and Gupta, 1984

## Appendix 16 Comparison of results for questions Q7 (EXP) & Q5 (PERC)

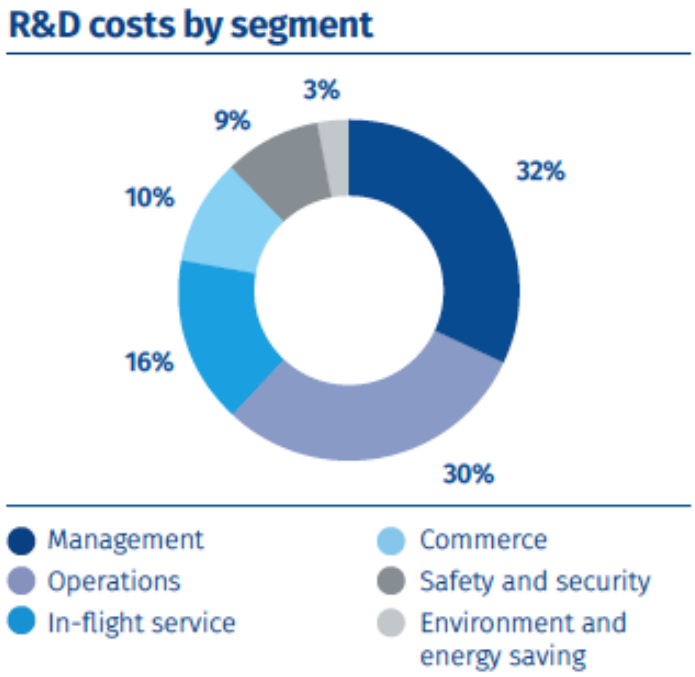



Source: Self-created, 2018




Source: Self-created, 2018

## Appendix 17 Aeroflot Airline R&D costs by segment




Source: Aeroflot Russian Airline Annual Report, 2017