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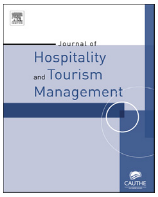

Origin and money matter: The airline service quality expectations of international students

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ABSTRACT

International students represent a relevant market for national tourism organisations, educational institutions, travel agencies and transport providers. These potential tourists may travel for a variety of touristic and non-touristic reasons and an understanding of their origin, financial status and the service quality levels they require for an airline service is relevant for destination stakeholders to remain competitive and potentially adjust to these tourists' requirements. Data was collected from 563 international students studying at a university in Queensland, Australia to determine 1) the airline service quality expectation factors of international students; and 2) if significant differences existed between these potential tourists based on their source of funding, country or origin and employment status. Five service quality expectations factors were produced and significant differences existed between the expectations of ancillary services for students that were current employed and those that were not. Furthermore, students rated ancillary service, employee service and service indicators differently based on their country of origin. Conversely, the relationship between service quality expectations and source of funding was insignificant. Recommendations as a result of the findings are made and future opportunities to direct research are also outlined.

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1. Introduction

International students represent a substantial, growing market to the global economy. The youth and student travel market is estimated to represent approximately US$165 billion and a fifth of global travel (WYSE Travel Confederation., 2013). By 2020, it is anticipated that this market will increase to 370 million youth travellers (World Tourism Organization, 2016). Undeniably, air travel is indispensable for international students. These students will travel using air transport for reasons such as going on holiday during a vacation break or visiting friends and relatives in their home country. Despite a growth in airline student travel internationally, it is argued that the converge of airline business models and the competition for the same customer will significantly impact how airlines design their fare products and manage their revenue (Dieter, 2012). Consequently, there will be increased pressure to maintain profitability by focusing on yield management.

Several considerations will invariably influence international students' choice of airline, such as an airline's perceived service quality. Service quality represents an attitude or verdict around the superiority of a service (Parasuraman, Zeithaml, & Berry, 1988) and expectations play an indispensable role in service quality evaluation. Consumers (e.g. international students) will compare their expectations of the level of service with what they have experienced. Consumer satisfaction will become apparent if the perceived service quality exceed what consumers expect (Grönroos, 1984; Parasuraman et al., 1988).

Whilst many studies have been conducted into measuring airline service quality and personal characteristics amongst a variety of airline passengers (e.g. Chiou & Chen, 2012; Jager, Zyl, & Toriola, 2012), little research has been conducted into identifying what international students expect when considering travelling by air transport to an international destination. Given that international students from a variety of backgrounds may expect different levels of quality from airlines based on their financial situation (e.g. source of funding and employment status), or country of origin, research into this potential heterogeneous and growing market is required to provide greater understanding of this possibly financially attractive market.

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2. Literature review

2.1. Tourism and air transport

Transport and tourism are symbiotically linked; tourism cannot happen without transport options to bring tourists to a destination (Prideaux, 2000). Transport, or the journey itself, can often be a key part of the tourism experience; hence, attesting to the importance of the provision of service quality within. Among the range of tourism transport modes, air transport is possibly the most important and widely used means of travel (Bieger & Wittmer, 2006). Airplane services typically involve a complex service procedure which involves aspects from ground services to in-flight meals and cabin service to baggage delivery (Chiou & Chen, 2012).

Full service carriers (FSC), also known as legacy airlines that focus on providing a wide range of pre-flight and on-board services (e.g. different service classes and connecting flights) have traditionally controlled what passengers receive for an aviation service. However, the market deregulation in the United States and Europe between the 1970s and 1980s respectively transformed the airline industry (Cento, 2009). As multiple airlines started to compete on the same route, consumers started to have more choices (Martin, Roman, & Espino, 2008). The operations strategies of airlines changed from using pricing as a competitive tool to a greater focus on marketing and service quality (Eldad, 2006). Intense competition accelerated the need for customer-based and competition-sensitive marketing, which is now regarded as crucial competitive advantages in light of the ease in replicating price moves (Tiernan, Rhoades, & Waguespack, 2008). As a consequence, new sets of business models have emerged (Cento, 2009).

Low cost carriers (LCCs), or budget airlines commonly operate a basic point-to-point network which offer no frills service and generally offer lower fares and fewer comforts (O'Connell & Williams, 2005). The LCC business model was first conceptualised by Southwest Airlines in the United States in the early 1970s as a niche option for price-sensitive consumers (Franke, 2004). A study by O'Connell and Williams (2005) revealed that the LCC model can be replicated in any part of the world as passengers' expectations to airline choice are consistent throughout different markets. Testament to this, operators such as Jetstar and AirAsia are increasingly establishing themselves in the Asia Pacific region (Graham & Vowles, 2006). The proliferation of LCCs and concurrent growth in the number of travellers has intensified competition. As a result, passengers are becoming more sophisticated in sieving out airlines with lower fares and higher service standards (Dolnicar, Grabler, Grun, & Kulnig, 2011; Forgas, Moliner, Sanchez, & Palau, 2010).

Intense competition has forced many airlines to rethink their corporate strategy such as the level of services that they will provide for the price offered. Evidently, there is no consensus as to which strategy is better. In what could be perceived as a response to this challenge, a new model of hybrid airlines that adopt certain attributes of LCCs and FSCs to meet customer needs are emerging. Though hybrid airlines are still in their early stages of inception, a connection can be drawn to the challenge of airlines in finding a sustainable way forward between cost and the provision of service quality. Airlines which did not initially have a low-cost strategy began adopting cost-cutting measures to survive (Martin et al., 2008). Graham and Vowles (2006) found that FSCs adopted two divergent responses. Some employed a “carrier-within-a-carrier” strategy where they either set up or invested in a separate LCC to compete with their competitors. On the other hand, others tried to compete directly on cost through the mainline carrier. FSCs also started unbundling and charging for service products which were typically included as part of the ticket. For instance, charging for checked baggage has become commonplace in the United States and many airlines now require passengers to pay extra for specific seat selection (Dorman, 2013). Today, consumers provide FSCs with bigger amounts of ancillary revenue than LCCs as part of their total income (Dieter, 2012).

Concurrently, LCCs started adapting parts of the traditional business model to overcome limits in their growth potential. Some LCCs offer frequent flyer programs, implement codeshare agreements and even join airline alliances (Dieter, 2012). O'Connell and Williams (2005) contended that the ideal scenario for passengers would be a combination of low fares and selected full service products offered by FSCs. Given this new equilibrium, expectations in service quality need to be known, wherein the new dynamics present an opportunity for airlines to make suitable adjustments to their product (see Fig. 1).

2.1.1. Airline service quality

Airlines are increasingly aiming to utilise customer centric strategies such as focusing on service quality to target potential passengers in the face of intense competition (Gursoy, Chen, & Kim, 2005; O'Connell & Williams, 2005). Whilst customers are likely to be attracted by lower prices, service quality has consistently been found to be a decisive factor affecting behavioural intentions in recent times (e.g. Chiou & Chen, 2012; Jou, Lam, Hensher, Chen, & Kuo, 2008). Consequently, airlines are committing to service quality in the long run and the providers which offer superior services at an acceptable price are likely to be market leaders (Chang & Yeh, 2002; Prayag, 2007).

Service quality is a customer's assessment of the overall excellence and superiority of the service (Parasuraman, Zeithaml, & Berry, 1985). Despite the frequent usage of this definition across multiple service contexts, there is no correct way to measure this construct. However, a number of studies have recently emerged to better understand airline service quality. For the purpose of this research, a comprehensive meta-analysis of 17 relevant studies is provided and is outlined in Table 1. The meta-analysis identified a total of 32 items, some of which were more commonly used than others. The most commonly used items were: employee appearance (15 studies), seating comfort (14 studies), meal service (14 studies), employee responsiveness (13 studies), in-flight entertainment services (12 studies), baggage delivery (12 studies), and convenient flight schedule (12 studies). Taiwan was used as the country of focus in four studies, while South Korea was employed as the study site twice. Other countries where studies were conducted included Spain, Cyprus, South Africa, China, Australia, Iran, Hong Kong and the United States. The type of respondents ranged from passengers of designated airlines and travel classes to domestic and international tourists and licensed tour guides.

The replication of airline service quality studies across different contexts is warranted. Philip and Hazlett (1997) argued that no two passengers are alike due to differing expectations stemming from

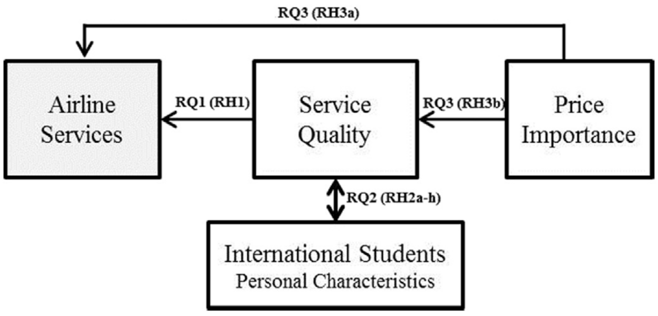

Fig. 1. Conceptual Framework.

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