


Unveiling Key Differentiated Service Dimensions of the Airlines Performances in the COVID-19 Aftermath: An Empirical Investigation on Operational and Service Outcomes on Market Share and Load Factor

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ABSTRACT

The study examines service dimensions provided by each operating flight to explore their impact on airline operational performance. The results suggested that after COVID-19, better quality of responding to requests, service efficiency, check-in processes, and arrival service are crucial operational factors contributing to increased market share. Regression analysis reveals a crucial link between service quality and operational outcomes. Moreover, networks or number of operating countries have positive impacts on load factor. The study reveals the interconnected nature of service quality and operational outcomes, shedding light on how factors such as passenger interactions, efficient airport services, and in-flight service execution collectively impact both market share and load factors in the post-COVID-19 context. This study provides valuable insights into the intricacies of missing gaps in the service of the industry that have a pivotal role in customer experience and shaping operational achievements.

KEYWORDS

Airlines, COVID-19, Marketing-Operations Interface, Service Operations, Service Quality

INTRODUCTION

In the aftermath of the COVID-19 pandemic, the aviation industry has undergone unprecedented challenges, prompting a re-evaluation of service dimensions crucial to airline performances. This study aims to unveil the key differentiated service dimensions that have emerged as pivotal factors in shaping passenger experiences during and after the pandemic. As travelers' expectations and preferences continue to evolve, understanding the distinctive aspects of airline services becomes imperative for industry stakeholders seeking to adapt and thrive in the post-COVID era. Prior to COVID-19, when making purchasing decisions, passengers evaluated the quality of airline products

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or services through personal experiences, physical attributes, and awards or certificates, seeing them as indicators of designed quality from the airlines. The pandemic has induced a significant shift in airline perception, fundamentally altering how passengers and industry stakeholders perceive and prioritize various aspects of air travel such as space for hygiene and comfort and flexibility in travelling plans. Airlines that have demonstrated agility in adapting to these changing expectations and that have effectively communicated their commitment to passenger safety have gained a competitive edge in the post-COVID landscape.

Encompassing service quality dimensions such as reliability, responsiveness, assurance, empathy, and tangibles plays a pivotal role in influencing passengers' choices when selecting an airline (Chou et al., 2011; Kavus et al., 2022; Pakdil & Aydin, 2007). In the competitive aviation industry, passengers evaluate airlines based on their perceived service quality to make informed decisions. Reliability, ensuring consistent and dependable services, is crucial for flight punctuality and baggage handling. Responsiveness involves the airline's ability to address passengers' needs promptly and effectively. Assurance relates to the competence, courtesy, and credibility of airline staff, instilling confidence in travelers. Empathy involves understanding and caring for passengers, creating a positive emotional connection. Tangibles encompass the physical elements of service, from aircraft condition to cabin comfort. Airlines that excel in these dimensions are more likely to attract and retain customers, as passengers increasingly prioritize service quality and overall experience in their decision-making process, recognizing the value of a comprehensive and satisfying travel encounter. One approach to enhancing quality perception is through awards, which serve to assure passengers of performance and capture customer attention. Award-winning services create positive perceptions even without direct customer experience. In wine tourism, for instance, the aesthetic appeal of a cellar gate and numerical rankings or awards reinforce wine quality (Lockshin & Spawton, 2001), bridging the gap between tangible appearances and intangible value. Similarly, Zagat ratings drive restaurant choices based on the belief that top-ranked establishments offer superior food and services. Higher rankings generally indicate better overall quality, yet variations in specific service aspects exist. A 5-star restaurant signifies excellent food taste and premium decor, while a 4-star one may excel in food with moderate decor or vice versa. Awards and certificates emphasize certain facets of product or service performance, potentially overlooking other dimensions. Nevertheless, some characteristics have a greater impact on the overall perception of a product, particularly in service sectors that handle several subtle distinctions.

Following the COVID-19 pandemic, the delivery of business class services has been restructured to promote safety and well-being. Airlines have enforced rigorous health regulations – such as intensified sanitation processes – minimized points of contact, and enforced strict compliance with social distancing measures in order to guarantee a secure and pleasant atmosphere for business class travelers. Several carriers have used altered seating configurations to provide enough spacing, in addition to enhancing ventilation systems to enhance air quality. Furthermore, the inclusion of customized amenities such as hygiene kits, contactless services, and pre-packaged meals has become essential in the business class experience. These modifications demonstrate a deliberate endeavor by airlines to synchronize high-quality services with the current health-conscious travel environment, with the goal of reinstating customer trust and providing a smooth and safe experience for business travelers. Comprehending these crucial characteristics helps service providers concentrate their efforts on the most influential factors, assuring improved compatibility with consumer expectations.

In the context of the challenges posed by the COVID-19 pandemic, this study aims to evaluate the correlation between service dimensions and airline operational performance. As the airline industry undergoes substantial shifts and adaptations, understanding the relevance of accolades in capturing service quality amid evolving circumstances becomes paramount. Furthermore, the research endeavors to discern the pivotal attributes influencing overall airline rankings during this unprecedented period and recognizing that the significance of certain service dimensions may have changed due to the pandemic's impact on travel experience and regulations. By analyzing these relationships,

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