

CHAPTER 1

INTRODUCTION

Introduction

Airports are one of the crucial elements of modern transportation systems offering the facilities needed for air transportation of passengers and cargo. The basic airport infrastructure and facilities consist of two components based on the distinct features of being airside or landside. Airside is directly related to aircraft operations, including runways, taxiways, aprons, air traffic control systems, and other navigation facilities. Landside may be described as the area in which passengers and also service staff enter or leave the airport, enplane and deplane, and go through necessary processes for departure or arrival such as the check-in counter, security check, immigration/passport control and baggage claim. In general, landside consists of airport access roads or other modes of public transportation, parking lots, and facilities at passenger terminals (Yen, Teng, & Chen, 2001, p. 17).

This study focuses on passengers' perceptions and expectations of services offered by Suvarnabhumi International Airport compared to the perceptions and expectations of staff and service providers at the airport.

Suvarnabhumi International Airport has a virtual monopoly regarding international air transport in Thailand and therefore has little direct incentive

to focus on the level of service; however, the Airport Authority of Thailand has a strategic plan to make the airport a hub connecting Europe with South East Asia, China, Australia and New Zealand. To fulfill this ambition, it has to meet International Airlines Transport Authority standards.

Airports bring together a wide range of facilities and services in order to fulfill their function in the air transportation industry. The services covering passengers within the terminal and include allowing baggage and shipments to be successfully transferred between aircraft and terminal as quickly as possible. Airports also offer a large variety of commercial facilities ranging from shops, restaurants, business centers, hotels, conference services, and duty free shops (Sohail, & Al-Gahtani, 2005, p. 482).

As well as playing a critical part within the air transport sector, airports have an important strategic role regarding the regions, cities and countries they serve. In a number of countries, they are increasingly becoming integrated within the overall transport system infrastructure by establishing links to high-speed rail, large international harbors, and highway networks. Airports can bring greater wealth, provide substantial employment opportunities, encourage economic development and aid the development of isolated communities. For that reason, they do have a very significant effect, both in economic terms and in the quality of life, on residents living nearby (Fodness & Murray, 2007, p. 492).

Since Suvarnabhumi International Airport opened on September 28, 2006, it has become one of the keys to economic strength for Thailand. Prior to the establishment of this new airport, Bangkok was served by the old Don Mueang International Airport, which is now used for low cost airline domestic routes and charter flights. Suvarnabhumi is located in eastern Bangkok and a modern motorway connects the airport with the heavily industrial eastern seaboard of Thailand, where most of the export oriented manufacturing in the country takes place. Suvarnabhumi airport's effort to become the "aviation hub of Southeast Asia" has caught the attention of other countries in the region because it has become a national priority of the government and represents a huge national investment involving a long period of preparation and construction (Yen, Teng, & Chen, 2001, p. 18).

Since this new airport opened, however, it has experienced a number of service problems. They started with computer break-downs at several check-in counters, leaky roofs and delays in getting baggage from the airplanes to the terminal. Many passengers complained that the facilities were not adequate and services were substandard. Airport management has tried to solve these problems by conducting surveys of passenger needs and suggestions regarding how to improve airport service quality to meet international standards (Fodness & Murray, 2007, p. 493).

One of the biggest challenges for Suvarnabhumi International Airport management is how to best provide and maintain passenger satisfaction. Even though airports usually have little competition within their countries, improving the elements of airport service has become critically important. Management

teams have increasingly done research that focuses on the passenger's perspective and previous research findings show that airport service quality and passenger satisfaction are key success factors in regional battles of air transportation facilities (Sohail, & Al-Gahtani, 2005, p. 483).

Suvarnabhumi International Airport has a great opportunity to build its reputation, meet the highest international standard, and generate substantial additional revenue from financial and commercial services, including retail and entertainment businesses in airport area. Thus, it may have a significant direct impact on Thailand's economic future and image. To improve the quality of services, it is necessary to measure passengers' satisfaction levels regarding airport service quality as well as the perceptions of the staff who work there.

Background of the Problem

Service quality has increasingly concerned all type of service organizations (Zeithaml, Berry, & Parasuraman, 1996, p. 13). Service providers such as hotels, healthcare facilities, insurance companies, airlines, restaurants, telecommunications companies, hospitals, banks, and travel agents suffer from lower service quality standards all over the world (Hoffman & Bateson, 1997, p. 244; Racine, 2004, p. 45). As the airport service industry plays an important role in the world economy, more attention should be focused on airport passengers. Passengers demand a greater level of airport service quality and want to be treated as important people; therefore, continuously

improving airport service quality has become a top priority for airports worldwide.

As airport passengers come from different countries and cultures around the world, it is difficult for airport management to determine the appropriate level of service that passengers expect from airport service providers and what their perceptions of services will be. To better serve a variety of passengers, it is important to have a clear understanding of what they expect and how they perceive service quality. This research addresses these issues by conducting a parallel study of two groups of people, that is, passengers who use Suvarnabhumi International Airport and staff who work in the terminal area of the airport, analyzing the differences in the perception of service levels and satisfaction levels of airport service facilities.

Purpose of the Study

Service quality is a key component in the ability to compete effectively and remain profitable in any service industry. This study examines the relationships between airport service quality and the level of satisfaction of passengers and staff. The level of satisfaction was measured by expectations and perceptions of passengers who travel using Suvarnabhumi International Airport and staff who work in the terminal area of the airport. The researcher adapted the SERVQUAL model (Berry, Parasuraman & Zeithaml, 1988, p. 35) to assess the perceptions of airport service quality. The SERVQUAL refined model measure contains a 22-item scale for measuring the five dimensions.

SERVQUAL measures service quality by subtracting customers' expectation scores from their perception scores on 22 questions. The original SERVQUAL instrument (Berry et al., 1988, p. 36) has been revised, refined and adapted to airport industries by grouping items into 7 service sectors in and nearby the airport terminal (Berry, Zeithaml, & Parasuraman, 1985, pp. 42-43; Berry et al., 1988, pp. 41-43).

The results can be used to help airport management to better understand passenger and staff needs and enhance the quality of service offerings. Results of this study will also suggest how to attract new passengers to increase productivity, and profitability for all airport-related businesses.

Research Objectives

In order to accomplish the aim of the research, 6 research objectives were developed as follows:

1. To determine the relationship between passengers' satisfaction in terms of their expectations and perceptions and airport service quality.
2. To determine the relationship between staffs' perception of passenger satisfaction in terms of the expectations and perceptions and airport service quality.
3. To determine how the attributes of service quality dimensions (tangibles, reliability, responsiveness, assurance, and empathy) affect passenger and staff expectations and perceptions.

4. To compare the overall satisfaction level of passengers and staff regarding airport service quality in terms of the gap between their expectations and perceptions.

5. To determine the influence of passenger and staff demographic variables on satisfaction about airport service quality.

6. To determine the influence of passenger and staff demographic variables on their expectations and perceptions about airport service quality.

7. To identify the gap between staff perceptions of passenger expectations and actual passenger expectations, and the gap between staff perceptions of staff expectations and the actual service quality that staff believe they provide.

Research Questions

The research questions were developed for guiding the investigation for this research. These research questions are:

1. Is there the relationship between passengers' satisfaction level of both expectations and perceptions and airport service quality.

2. Is there the relationship between staffs' satisfaction level of both expectation and perception and airport service quality.

3. What are significant differences of passengers' expectation and perception compared with staffs' expectations and perceptions toward airport service quality?

4. Are there significant differences in perceptions of service quality and satisfaction levels of passengers based on demographic and other factors?

5. Are there any significant differences between different levels of staff and their biographic data and staff perceptions of service levels and satisfaction levels of passengers?

6. What, if any, are the gaps between the staff expectations and actual perceptions of service compared to passenger expectations and actual experiences?

7. Are there any gaps between staffs' perception of passenger expectations and passengers' actual expectations?

8. Are there any gaps between staff perceptions of staff expectations and the service quality that staff believe they provide?

Hypotheses

In this research 17 hypothesizes were developed as follows:

Hypothesis 1: There is a significant difference between passenger and staff expectations of airport service quality.

Hypothesis 2: There is a significant difference between passenger and staff perceptions of airline service quality.

Hypothesis 3: There is significant difference between passenger and staff overall satisfaction and perceived airport service quality.

Hypothesis 4: There is no significant difference between the males and the females in terms of their perceptions of the seven service dimensions.

Hypothesis 5: There is no significant difference in perception of airport service based on passengers' nationality.

Hypothesis 6: There is no significant difference in perception of airport service based on passengers' education level

Hypothesis 7: There is no significant difference in perception of airport service based on passengers' income level.

Hypothesis 8: There is no significant difference in perception of airport service based on passengers' occupation.

Hypothesis 9: There is no significant difference in perception of airport service based on passengers' purpose of travel.

Hypothesis 10: There is no significant difference in perception of airport service based on passengers' frequency of flying.

Hypothesis 11: There is no significant difference in perception of airport service based on passengers' class of flying.

Hypothesis 12: there is no significant difference in perception of airport service based on passengers' age.

Hypothesis 13: There is no significant difference between male and female staff in perception of airport service quality.

Hypothesis 14: There is no significant difference in perception of airport service quality based on work position of staff.

Hypothesis 15: There is no significant difference between male and female passengers in expectation of airport service quality.

Hypothesis 16: There is no significant relationship regarding total perceptions and expectations.

Hypothesis 17: The desired service expectations of staff and passengers are not significantly different.

Significance of the Study

Firstly, this study provides airport organizations with a clearer understanding of passenger and staff expectations as well as their perceptions of service quality in different service sectors. Second, the study evaluates passenger and staff satisfaction in these areas. The results will help airport management to improve airport service quality and know what service quality factors influence passenger and staff satisfaction.

In addition, this study provides direction to enable airport organizations to assess and identify factors that affect service quality. If an organization understands their passengers' and also staff's expectations and perceptions regarding service quality, they will be able to improve their services and thus increase passenger and staff satisfaction as well as the number the passengers using the airport. These results could ultimately lead to higher profit margins for airport organizations and also the Thai travel industry. Additionally, the study will provide a critical appraisal of SERQUAL to determine whether it is a suitable instrument for such a study.

Definition of Terms

Service is defined by Grönroos (1990, p. 27) as “an activity or series of activities of more or less intangible nature that normally, but not necessarily, take place in interactions between the customer and the service employee and/or

physical resource or goods and/or systems of the service provider, which are provided as solutions to customers problems”.

Kotler (1999, p. 428) defined service as “any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything”. Its production may or may not be tied to a physical product.

Service quality represents the consumer’s judgment about an entity’s overall excellence or superiority of the service (Berry et al., 1988, p. 141). Berry et al. (1988, pp. 35-36) define service quality as “the overall evaluation of a specific service firm that results from comparing firm’s performance with the customer’s general expectations of how firms in that industry should perform”. Webster (1991, p. 6) defined service quality is “a measure of how well a delivered service meets customer requirements”.

Service quality is defined as “. . . the consumer’s overall impression of the relative inferiority/superiority of the organization and its services” (Bitner & Hubber, 1994, p. 77). It can also be defined in terms of user requirements rather than in terms of conformity to a formal specification. The focus is on meeting customer requirements and on the extent to which customers’ expectations of service equate with their perceptions of service actually delivered. The quality of a service depends on that service consistently conforming to customers’ expectations).

Service quality is defined as a post-consumption assessment of services by customers (Holdford & Reinders, 2001, p. 126).

Expectations is defined by Parasuraman, Zeithaml, and Berry (1993, p. 143) as “desires or want of consumers, i.e., what they feel a service provider should offer rather than would offer.” Parasuraman and his co-authors emphasize that the term “expectations” is used differently in the service quality literature than it is in the consumer satisfaction literature, in that service expectations do not represent predictions about what service providers “would” offer, but rather what they “should” offer.

Perception is defined as customers’ beliefs concerning the service received (Parasuraman, Berry, & Zeithaml, 1985, p. 42) or experienced. Perception is one of the most important individual psychological processes (Broen & Swartz, 1989, p. 12). Berelson and Steiner (1964, p. 37) defined “a complex cognitive process by which an individual selects, organizes, and interprets information inputs to create a meaningful picture of the world”.

No product or service is perceived exactly the way it actually is. A person perceives an object in the way he or she think it is or should be. That is, people can have different interpretations of the same product or service because of the selected and subjective characteristics of perception.

Perceived Service Quality is defined as the difference between consumer expectations of a service compared to the perceptions of the outcome of the encounter or experience (Zeithaml, 1988, p. 4). Grönroos (1983, p. 28) defined perceived service quality as a global judgment or attitude comparison by consumers of expectations of service with their perceptions of actual service performance. Grönroos (1984, p. 38) identified a gap between expected and perceived service and called it perceived service quality.



According to Parasuraman et al. (1985, p. 43) the difference between perceptions and expectations are service gaps, and customer's assessment of overall service quality depends on the gap between expectations and perceptions of actual performance levels.

SERVQUAL is an instrument that evaluates customers' perception of quality by comparing their expectation with their perception of the service received, across several service quality dimensions (Parasuraman, Berry, & Zeithaml, 1988, p. 15).

Gap Analysis Model is the measurement approach of service quality (Kotler, 2000, p. 439).

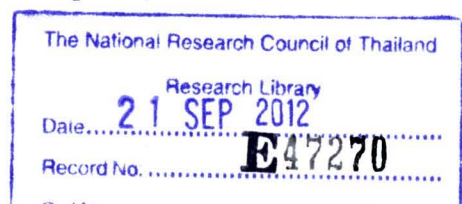
Perceived Gap is based on the image and not actual service. Studies have criticized the SERVQUAL model as emphasizing the perception of service rather than the actual experience of service.

Actual Gap is the gap between expectations and actual experience rather than perceived experience. It is contented that the actual experience of service gives us a better idea of the customers' experience.

Customer satisfaction is defined as a person's attitude of pleasure or disappointment resulting from comparing of pre-purchase expectations and perceived performance (Kotler, 2000, p. 36).

Customer Satisfaction-is defined as "the level of a person's felt state resulting from comparing a product's perceived performance or outcome in violation to his/her own expectations" (Kotler, 1997, p. 109).

Overall Service Quality is a measure of how well the service level matches customer expectations. Overall service quality is described as "the



consumer's judgment about an entity's overall service quality and can be viewed as a form of attitude resulting in comparison of expectations and perceptions of the service performance." Delivering a high level of overall service quality means conforming to customer expectations on a consistent basis (Lewis & Booms, 1983, p. 101).

Assumptions

The study was based on the following assumptions:

1. The researcher chose validity measurement scales to measure the study variables.
2. Respondents expressed their expectations and perceptions of airport service quality with personal opinions.
3. The study generated useful information for the researcher and airport management team.

Limitations of study

The study was limited as follows:

1. The participants for this study were passengers and staff randomly selected from an airport terminal of Suvarnabhumi International Airport.
2. The original questionnaire written in English was translated into Thai, Japanese and Chinese and the final results reported in English.

3. It was assumed that all of the respondents in this study could understand the meaning of the questions in questionnaire

Summary

This chapter has provided an introduction, statement of the problem, purpose of the study, overview of the of research problems, concept of service quality, research objectives, research questions, definition of terms, significance of the study, and limitations of study. Chapter II will look at the relevant literature.