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Passenger Traffic, Service Quality, Satisfaction & Intention: Trends in Post-Pandemic Era from the Indian Airline Industry

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Abstrac

The development of civil aviation industry in India fueled by the National Civil Aviation Policy (2016), has resulted in tremendous growth of passenger traffic moment. This study aims to evaluate this growth trends using verified published statistical secondary data from the Hand Book on Civil Aviation Statistics published yearly by 'Directorate General of Civil Aviation' (DGCA) from 2016 to 2023. Moreover, the study also aims to study the direct influence of service quality on customer satisfaction and purchase intention, as well as the mediating role of customer satisfaction in Indian cultural context. Therefore, total of (783) samples were collected from (13) airports located across the country, which accounted for (9) domestic airlines operational in the domestic civil aviation Industry, using a modified SERVPERF questionnaire, where the customer satisfaction and purchase intention dimensions were modified with the dimensions browed from the American customer satisfaction index and theory of planned behavior maintaining the same schematics of the SERVPERF scale. The data collected was computed using the mean values forming the proposed dimensions.

The secondary data collated from the DGCA Hand Book on Civil Aviation Statistics, was plotted into trend charts demonstrating the growth trends from the base year of 2016 to 2023, where a significant growth was seen at all the passenger metric dimensions, with exception of the COVID19 period. Again, the primary data collected was subjected to exploratory factor analysis revealing the construct pattern. These, factors were further computed forming the service quality, customer satisfaction & purchase intention construct for testing the hypothesized relations. The results reveled significant influence of service quality on customer satisfaction & purchase intention, while reflecting customer satisfaction as a partial mediator between service quality & purchase intention, supporting all the proposed hypothesis.

Keywords: *Civil Aviation, Growth, Service Quality, Satisfaction, Intention, India.*

Introduction

Civil aviation sector in India has experienced a drastic policy shift, ranging from, infrastructure upgradation, disinvestment of loss-making units and overall functionality of the airports. Moreover, the liberalization of the Indian economy of 1991 had fueled a growth of number of private airlines, operating mostly low-cost air services, primarily catering to the upper middle class or blue-collar job holders in the country. However, beyond the growth the industry has become a graveyard of the domestic airlines. Several, airlines, like Deccan Air, Air Sahara, Jet Airways, Kingfisher airline, Air India, most recently Go Air, had to ground all operations due to financial losses and either were sold out to different buyers or ended up filing for bankruptcy.

Indian, airline consumers, primarily consist of the middle class queuing up after discounted prices that are at par with the prices of premium segment of the Indian railways saving both on time and the uncertainty of ticket unavailability. The new National Civil Aviation Policy (2016) provides a comprehensive framework for the function of airlines, airports and other support or maintenance services, saving the industry from the horrors of bureaucratic bottle necks imposed during the license raj era. Therefore, it becomes imperative that a study is conducted tracking the evaluation of the policy in enhancing the passenger traffic growth as well as function of the service quality, customer satisfaction and purchase intention in the domestic civil aviation industry.

Literature review

1.1 Contemporary trends of the Civil Aviation Sector in India

The first Humber biplane flight of 1911, initiated the development of aviation legislation in with the formation of ‘Indian Airships Act (1911)'. This initial legislation laid the grounding work for subsequent regulatory developments, ultimately leading to the formation of key governing bodies such as Director General of Civil Aviation (DGCA), Airports Authority of India (AAI), Airport Economic Regulatory Authority (AERA) and Bureau of Civil Aviation Security (BCAS) (Vattipalli, 2020). Government of India introduced a comprehensive civil aviation framework 'National Civil Aviation Policy (NCAP - 2016)', with key focus on enhancing regional civil aviation footprint through ‘Regional connectivity scheme (RCS)’ making remote locations accessible in India. However, despite the reforms in RCS categories bifurcated as Priority RCS and Tourism RCS, the policy lacks long term sustainability, absence of demand assessment, conflict in subsidies given rises the complexities. Despite all this, regional connectivity scheme (RCS) is one of the largest global programs encouraging profitability for the airports (Das et al., 2020; Iyer & Thomas, 2020; Jayakumar, 2017; Das et al., 2022; Iyer & Jain, 2020).

The Indian aviation market is considered one of the toughest markets to survive in the global aviation Industry, because of high fuel prices, overcapacity, intense competition, undesirable structural and regulatory framework impacting the performance of the airlines. The Indian aviation industry is characterized mainly as a low-cost industry and most airlines including the full-service carriers operate in huge losses (Mittal & Gupta, 2020; Mohapatra et al., 2021; Kolte, et al., 2018; Singh, et al., 2021;

Seth, et al., 2024). Thus, it is imperative to maintain high standards of technical efficiency that is required for managing operational efficiency, cutting down on costs and achieve market performance offering services at a premium charge (Saranga & Nagpal, 2016; Mahtani & Garg, 2018; Sakthidharan & Sivaraman, 2018; Singh, Sharma, & Srivastava, 2019; Mahtani & Garg, 2020; Kar & Khandelwal , 2020; Garg & Thakur, 2021).

Majority of airports in India operate efficiently throughout the year. Indian airports located in the big cities, near industrial townships or with large populations are able draw large number of passenger footfall throughout the year (Iyer & Thomas, 2021). Moreover, region wise Indian airports located in the southern region have highest efficiency and productivity followed by airports in the north eastern region. Again, airports operating under a joint venture under the public private partnership model showed highest efficiency increase in productivity trends (Kashiramka et al., 2016). Atmospheric impact is a key concern in Indian aviation, with airports prioritizing renewable technologies for sustainability and increased operating efficiency (Sreenath et al., 2019; Kumar et al., 2020; Thummala & Hiremath, 2022).

1.2 Indian Civil Aviation Industry Outpacing the Standstill of COVID Crisis

The COVID-19 pandemic was the worst hit for the global aviation industry including India civil aviation industry, with ban imposed on commercial air travel for two months (March - April 2020), the determinants of operational profitability of airlines like passenger load factor (PLF), plummeted to a standstill. The measures of social distancing, along with disinfection protocol (Murthy, 2020), PLF recovered, resulting in increase of ticket prices. However, major low-cost carriers saw a tremendous drop in their share prices, leading to a decline in Gross domestic production (23.9% decline), significantly contributed by the decline in aviation industry (Sidhu & Shukla, 2021).

The cost of social distancing imposed in the aftermath of the COIVD19 pandemic, posed a threat to the sustainability of various business, particularly the for the already fragile Indian aviation Industry where operating leverage are high with low margins, liquidity crunch and raising costs. Suspended operations, reduction of both domestic and foreign tourists, decline in commercial activities had a significant impact on the demand of air travel among the passengers. the policies resulting from the fear psychosis of COVID19 period forced the aviation industry into a recession. This fear psychosis resulting in the perceived health risk influences, the experience and satisfaction of an airline (Sharma et al., 2022). The sustainability of Indian airlines depends on adapting turn around strategies focused on minimizing losses and maximizing revenue (Agrawal, 2021). These undesirable effects resulting in human fatalities from the COVID19 significantly raises the operating costs of the associated industries like hotels, and economic uncertainty negatively impact the Indian aviation industry (Dash, et al. 2021; Singh et al., 2023).

The changes in the pattern of air travel, type of passengers as well as travel frequency, airlines would need to re-strategize there, network choices, pricing policy and flight frequency. The zero-case policy, would restrict international travel, with less disruptions in the regional or domestic connectivity.

Modern technologies like, zero touch check in, surveillance system, automated disinfection system (Murthy, 2020; Khyati, et al., 2022), demand driven operations powered by data science and artificial intelligence would not only rise security but will also promote business sustainability of the airlines. Airlines would eventually have to do away with non-fuel-efficient aircrafts in order to maintain sustainability. Moreover, airlines would need to form micro alliances for increasing network connectivity and coverage area. Implementing these micro strategies would help the airlines to be prepared for any future pandemics and remain operational even during such unpresented scenarios (Sun et al., 2022).

1.3 Linkages of Quality with Satisfaction and Intentions in Service Industries

Cronin & Taylor (1992) proposed the measurement of service quality as an attitude with the SERVPERF scale, stating a significant relationship exists between service quality, customer satisfaction and purchase intention. Moreover, (Taylor & Baker, 1994; Bou-Llusar et al., 2001; Olorunniwo et al., 2006; Taylor et al., 1997; Yu & Ramanathan, 2012; Naik Jandavath & Byram, 2016; Agyapong et al., 2017; Tandon et al., 2017) specified the nature of relationship between service quality and purchase intention is mediated through customer satisfaction. However, (Baker & Taylor, 1998) study based on investing the moderating role of satisfaction proposed by (Taylor & Baker, 1994) in health services scenarios was unsuccessful in replicating the moderating role of satisfaction, indicating that dynamic alteration could occur in the relationship between quality, satisfaction and intention based on the consumers involvement in the service settings. Again, (Oh, 1999) states consumers repurchase intention is moderated by the perceived value acting as an antecedent of satisfaction. Thus, resulting with the repurchase intention followed by another behavioral outcomes of Word-of-Mouth (WOM) or loyalty (Kaura et al., 2015). Both direct and indirect relationship exists between service quality, value, satisfaction and intention. Furthermore, based on the service scenario, service quality, value, satisfaction directly influence intention, with level of service quality acting as a determinant of the perception of value and satisfaction. Additionally, specific relationship can be determined through replication studies in that service context (Cronin et al., 2000; Zeithaml, 2000; Ha et al., 2014).

Objectives & Hypothesis

RQ1: National Civil Aviation Policy (2016) has promoted overall growth in aviation sector.

RQ2: SQ Significantly impacts CS & PI in Indian Civil Aviation Sector.

RQ2.H_1: SQ Significantly impacts CS & PI in Indian Civil Aviation Sector.

RQ2.H_2: CS is a mediator between SQ & PI in Indian Civil Aviation Sector.

Methodology

The study is conducted using secondary data available from the Hand Book on Civil Aviation Statistics published yearly by 'Directorate General of Civil Aviation' (DGCA) from 2016 to 2023, for tracking the passenger moment growth in the civil aviation sector in India. Additionally, primary data was collected from (9) domestic airlines from (13) airports (Table 1), using the modified SERVPERF scale

(Cronin & Taylor, 1992) for simultaneously measuring service quality (SQ), customer satisfaction (CS) and purchase intention (PI). The primary data collected was subjected to multiple regression analysis to assess the direct relationship of service quality with customer satisfaction & purchase intention. Moreover, the mediating role of customer satisfaction was assessed using process macro in SPSS ver. 23.

Data Sources of Primary Samples

A total of (783) samples were collected from (13) airports located across the country, which accrued for (9) domestic airlines as listed below in (Table 1).

Table 1: *Samples list airlines per airport n = (783).*

Scheduled Airline (IATA Code)	Airport (IATA Code)	Samples	Scheduled Airline (IATA Code)	Airport (IATA Code)	Samples
Alliance Air (9I)	COK	1	SpiceJet (SG)	ATQ	5
	IXT	14		MAA	2
	SHL	1		SHL	13
	UDR	2		STV	10
	Total	*18*		*Total*	*30*
Air India (AI)	ATQ	30	IndiGo (6E)	ATQ	30
	BHO	6		BHO	14
	COK	10		COK	13
	DIB	2		DED	105
	IXA	8		DIB	6
	IXC	8		IXA	25
	MAA	13		IXC	162
	STV	3		MAA	45
	UDR	4		SHL	7
	Total	*84*		STV	23
Air India Express (IX*)	COK	7		UDR	14
	IXC	1		*Total*	*444*
	MAA	4	Vistara (UK)	ATQ	16

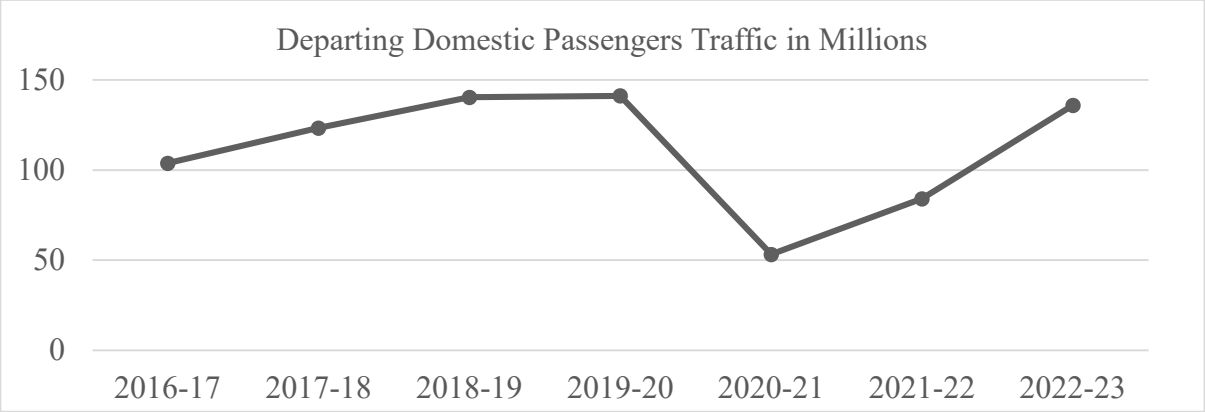
	STV	7	COK	6
	Total	*19*	DED	49
Air Asia India (AK)	COK	1	DIB	2
Akasa Air (QP)	COK	1	IXC	71
	IXA	7	MAA	13
	Total	*8*	UDR	14
Fly Big (S9)	TEI	8	*Total*	*171*

The data represented in (Table 1) is approximately equal to the representative market share of the airlines operating in the domestic Civil Aviation Industry.

Analysis 1

The number of domestic departing passengers was approximately 104 million, in the year ending 2016-17; subsequently the following year ending 2017-18, the number of passengers grew to 123 million and by the year ending 2019-2020 there was highest number of domestic departing passengers of approximately 141 million. However, due to the lockdown restrictions imposed by the COVID-19 pandemic, there was sharp decline seen in the passenger traffic data for the year ending 2020-2021. However, the number of departing passenger data reached to almost the pre-covid levels and, approximately, 136 million domestic departing passengers were reported for the year ending 2022-2023 (Figure 1).

Figure 1: *Departing Domestic Passenger Traffic.*



Similarly, the total passenger traffic including both domestic & international passengers was approx. 158 million passengers in the year ending 2016-2017, which grew to approx. 204 million for the year ending 2018-2019, but saw a decline starting from starting of the covid era. However, as the global civil aviation industry recovered from the covid era, the total passenger count recorded was approx. 191 million passengers for the year ending 2022-2023, which is much above the base year of 2016-17 of the policy implementations (Figure 2).

Figure 2: *Total Passenger Traffic in India.*

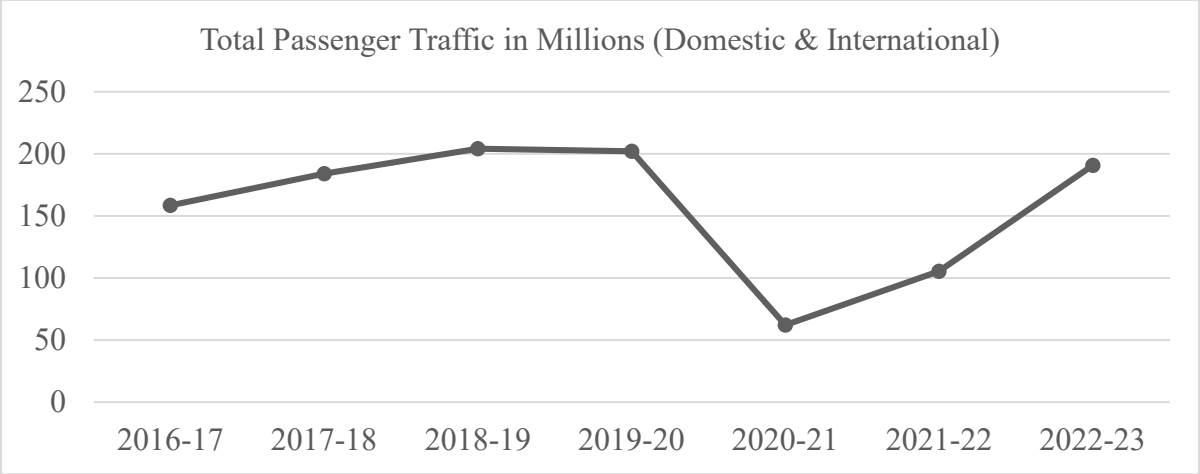
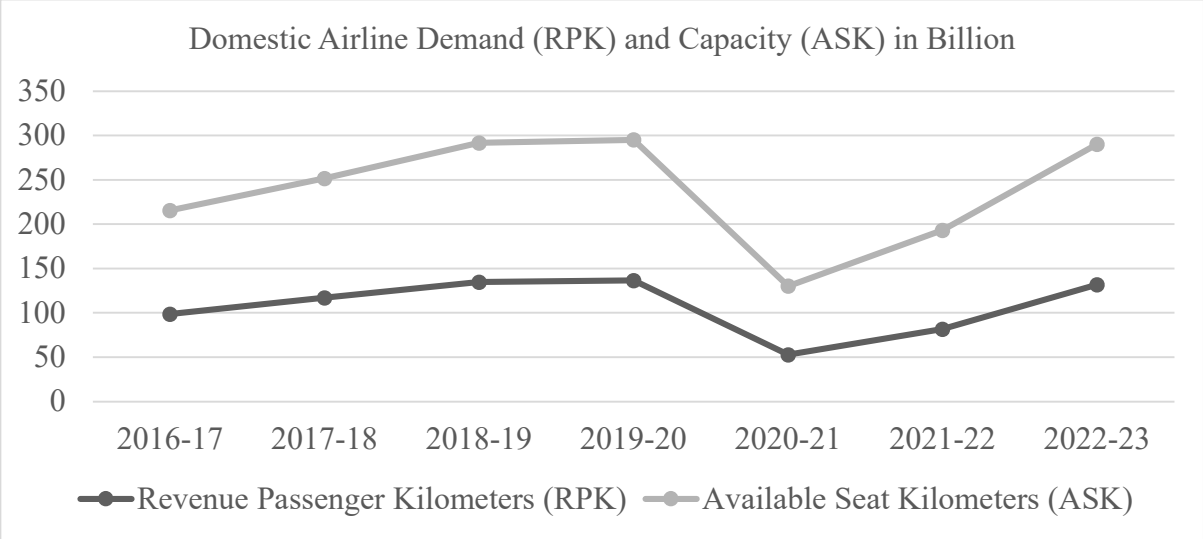


Figure 3: *Total Domestic Airline Demand (RPK) & Capacity (ASK) in India.*



Again, similar passenger growth trends are also seen in the Domestic Airline Demand (RPK) as well as increase in Domestic Airline Capacity (ASK), from the base year of 2016-17 in comparison of the reported data for the year 2022-2023 (Figure 3)

Table 2: *Passenger Traffic Statistics of the Indian Civil Aviation Industry from 2016.*

Passenger Traffic Unit (Million)	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Domestic Departing	103.75	123.32	140.33	141.2	53.3	84.2	136

International Departing & Arriving	54.68	60.58	63.88	60.8	8.8	21.2	54.6
Total (Domestic & International)	158.43	183.9	204.21	202	62.1	105.4	190.6
Revenue Passenger Kilometres (RPK)*	98.64	117.04	134.88	136.7	52.9	81.8	132
Available Seat Kilometres (ASK)*	116.94	134.54	156.78	158.6	77.4	111.5	158.4

Note: *Denotes Domestic Airline Demand (RPK) & Capacity (ASK) in Billion

The National Civil Aviation Policy (2016), streamlined the legal compliances for the firms, functional in the Indian civil aviation industry. That in turn promoted holistic growth trends particularly in the number of passengers utilizing air transport services in the country. Moreover, there was a significant growth trends seen in the new regional routes promoted by the authorities (Das et al., 2022). Thus, it was evident from the data presented in (Table 2), indicating significant growth in both the demand and capacity growth in the sector compared to the base year of 2016 when the bill was introduced for the industry. Hence, it can be asserted that National Civil Aviation Policy (2016), has promoted overall growth in the Indian Civil Aviation Industry.

Analysis 2

The demographic variables & travel behavioral variables are listed in (Table 3).

Table 3: *Demographic Variables & Travel Behavioral Variables.*

Demographics	Sample	%	Travel Behaviour	Sample	%
Gender			**Purpose of Travel**		
Male	563	71.9	Leisure	285	36.4
Female	220	28.1	Business	173	22.1
Total	*783*	*100.0*	Official	204	26.1
Age			Regular Commute	121	15.5
Below 18 Years	17	2.2	*Total*	*783*	*100.0*
18 to 35 Years	432	55.2	**Type of trip**		
36 to 49 Years	210	26.8	One Way Trip	355	45.3
50 to 60 Years	99	12.6	Round Trip	352	45.0
Above 60	25	3.2	Multi-City Trip	76	9.7
Total	*783*	*100.0*	*Total*	*783*	*100.0*

Education			**Ticket Type**		
Elementary Education	6	.8	Business Class Ticket	32	4.1
High School	16	2.0	Economy Ticket	693	88.5
High School Graduate	59	7.5	Economy Flexible Tickets	58	7.4
Bachelor's Degree	303	38.7	Total	783	100.0
Master's Degree	374	47.8	**Type of Airline**		
Other technical School	25	3.2	Low-Cost Carrier	484	61.8
Total	*783*	*100.0*	Full-Service Carrier	126	16.1
Income			Regional Connectivity Flight	173	22.1
Below Rs.25,000	82	10.5	*Total*	*783*	*100.0*
Rs.25,000 to Rs.50,000	151	19.3	**Time saved**		
Rs.50,000 to Rs.75,000	202	25.8	Up to 24 Hours	496	63.3
Above Rs.75,000	348	44.4	Up to 48 Hours	199	25.4
Total	*783*	*100.0*	Up to 72 Hours	62	7.9
Employment			More than 72 Hours	26	3.3
Salaried Employee	450	57.5	*Total*	*783*	*100.0*
Unemployed	34	4.3	**Last 12 Months Flights**		
Self-Employed	114	14.6	Single Flight	81	10.3
Home Maker	18	2.3	Between 2 to 5	305	39.0
Student	103	13.2	Between 5 to 10	181	23.1
Business Owner	51	6.5	10 or More Flight	216	27.6
Retired	13	1.7	*Total*	*783*	*100.0*
Total	*783*	*100.0*			

The sample comprised of approximately 72% males and 28% females. Maximum respondents 55% were from the age range of 18 to 35 years followed by 36 to 49 years with approximately 27% respondents. Education of most of the respondents were 87 % approximately reported above graduation. Again, majority of the respondents had an income level above 50000 monthly. Similarly, the travel behavior sample patterns are also listed in (Table 3).

Descriptive Statistics

The descriptive statistics for service quality, customer satisfaction and purchase intention items are listed in (Table 4). The minimum value denotes strong disagreement (1) and the maximum value denotes strong agreement (7). Most of the items were reported in agreement above the mid-point, with exception to rresponsiveness of the service quality construct. The standard deviation of the items ranged from 1.06 to 1.68.

Table 4: *Descriptive Statistics*

	Items	N	Min	Max	Mean	SD
SQ	Tangibility	783	1	7	5.50	1.23
	Reliability	783	1	7	5.70	1.15
	Responsiveness	783	1	7	3.48	1.68
	Assurance	783	1	7	5.55	1.18
	Empathy	783	1	7	3.70	1.51
CS	Expectations	783	1	7	4.82	1.54
	Quality	783	1	7	5.21	1.34
	Value	783	1	7	4.97	1.61
	Complaints	783	1	7	4.91	1.52
	Loyalty	783	1	7	4.74	1.42
PI	Intention	783	1	7	6.01	1.16
	Future behaviour	783	1	7	6.20	1.08
	Attitude	783	1	7	6.11	1.10
	Norm	783	1	7	6.12	1.06
	Behavioural Control	783	1	7	4.74	1.42

Exploratory factor analysis (EFA) using principal component analysis with varimax rotation was conducted, applying eigen values above 1 and minimum factor loading of 0.50. Communality values, representing the variance explained by each dimension, were also measured, with all exceeding 0.50, confirming acceptable levels. During the initial factor loadings two factors Responsiveness & Empathy from the service quality construct failed to load along with the items of its own construct. Hence, these two items were removed and EFA was repeated. The result of the repeated EFA confirmed the dimensional structure fitting into three dimensions, theoretically proposed for the study (See Table 5).

Bartlett's Test of Sphericity was used to evaluate the statistical probability and overall significance of the correlation matrix, confirming significant correlations among the components x^2 (n = 783) =

6827.425, $p < 0.001$). Additionally, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was found to be 0. 868, indicating that the data was suitable for factor analysis. MSA values above 0.800 specify suitability for factor analysis. The data analysis resulted in three factors, explaining 72.27% of the variance.

Table 5: *Exploratory Factor Analysis Results.*

Components	Purchase Intention (PI)	Customer Satisfaction (CS)	Service Quality (SQ)
Tangibility			.863
Reliability			.853
Assurance			.758
Expectations		.777	
Quality		.802	
Value		.758	
Complaints		.864	
Loyalty		.801	
Intention	.848		
Future Behaviour	.917		
Attitude	.928		
Norm	.902		

Construct values for the Cronbach's alpha & composite reliability were above (0.700). Hence, Construct Reliability was established using Cronbach's alpha & composite reliability. The AVE values were above (0.500), hence, convergent validity for the item constructs were established.

Table 6: *Reliability & Validity of the Constructs.*

Component	Construct Reliability	Convergent Validity		Discriminant validity					
				*FLC -Test			HTMT ratios		
	α	CR*	AVE*	SQ	CS	PI	SQ	CS	PI
SQ	.850	.865	0.682	**.825***					
CS	.868	.899	0.642	.334	**.801***		.332		
PI	.952	.944	0.809	.360	.470	**.899***	.606	.279	

*Composite Reliability | *Average Variance Extracted | *Fornell & Lacker's criterion

Discriminant validity was established using Fornell & Lacker's criterion & HTMT ratios, the square root of the AVE values was greater than the correlations of other construct items. Moreover, the HTMT ratios were above the cutoff of (0.85), establishing discriminant validity.

Hypothesis Testing using Multiple Regression

The hypothesis tests if Service quality carries a significant impact on Purchase Intention. The dependent variable PI was regressed on predicting variable SQ, similarly, the dependent variable CS was regressed on predicting variable SQ to test hypothesis H_1. SQ significantly predicted PI, F (2,780) = 142.061, $p < 0.001$, which indicates that the SQ can play a significant role in shaping PI ($b = 0.259$, $p < .001$). These results clearly direct the positive effect of the SQ. Moreover, the $R2 = 0.267$ depicts that the model explains 26.7% of the variance in PI. Again, the dependent variable CS was regressed on predicting variable SQ to test hypothesis H_1. SQ significantly predicted CS, F (2,780) =142.061, $p < 0.001$, which indicates that the SQ can play a significant role in shaping CS ($b = 0.304$, $p < .001$). These results clearly direct the positive effect of the SQ. Moreover, the $R2 = 0.267$ depicts that the model explains 26.7% of the variance in CS. The table shows the summary of the findings.

Table 7: *Multiple Regression Results*

Hypotheses	Regression Weights	Beta Coefficients	t-Value	p-Value	Hypothesis Supported
H_1	SQ → PI	.259	7.030	< .001	Yes
H_2	SQ → CS	.304	12.087	< .001	Yes
R^2	.267				
F (2,780)	142.061				

The study assessed the mediating role of customer satisfaction on the relationship between service quality and purchase intention. The results revealed a significant indirect effect of impact of service quality on purchase intention ($b = .149$, $t = 7.568$), supporting H_2. Furthermore, the direct effect of service quality on purchase intention in presence of the mediator was also found significant ($b = .259$, $p < 0.001$). Hence, customer satisfaction partially mediated the relationship between service quality and purchase intention. Mediation analysis summary is presented in Table 8.

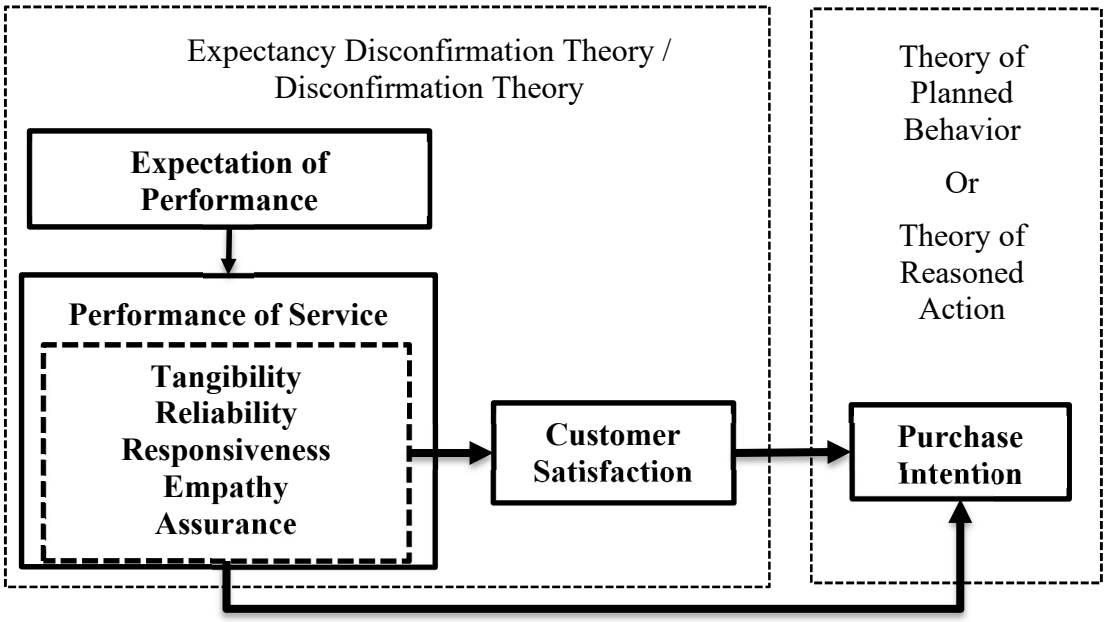
Table 8: *Mediation Analysis Results.*

Relationship	Total Effect	Direct Effect	Indirect effect	Confidence Interval		t-Value	Conclusion
				Lower Bound	Upper Bound		
SQ → CS → PI	.408 (.000)	.259 (.000)	.149	.111	.188	10.789	Partial Mediation

Discussion

The purpose of this study was to evaluate the growth of passenger traffic in the Indian civil aviation sector after the implementation of National Civil Aviation Policy (2016), followed by the assessment of the hypothesized relationship of service quality, customer satisfaction & purchase intention. The analysis of the statistical data trends complied from the Hand Book on Civil Aviation Statistics published yearly by 'Directorate General of Civil Aviation' (DGCA) from 2016 to 2023 showed significant growth trends, with exception during the period of COVID19 when, lockdown & restrictions were imposed. The findings of the study for the growth trends were consistent with the findings of (Das et al., 2022) and the hypothesized relationship were consistent with (Taylor & Baker, 1994). Service quality significantly influences both the behavioural outcome of purchase intention and the attitudinal outcome of customer satisfaction, acting as an antecedent and mediator in the process. The study provides new insights into the relationships between service quality, customer satisfaction, and purchase intention, expanding the literature on domestic commercial flights in India while empirically re-testing the SERVPERF scale of (Cronin & Taylor, 1992).

Figure 4: Disconfirmation of Performance (P/CS) resulting in Reasoned Action (PI)



Implication

The findings shows that service quality positively influences, customer satisfaction & purchase intention. This study highlights the important influence of service quality that encourages purchase intention of the domestic flyers and, customer satisfaction, that might eventually enhance brand image. Thus, managers, fleet operators, airport operators and other service providers in the industry needs to ensure maximization of service quality experience for propagation of overall business profitability. Hence, building concrete understanding of the factors that promote business sustainability is essential

from the managerial perspective, for avoiding the certain volatility imposed by the market.

Limitations & Future Directions

Future researchers may consider other appropriate techniques beyond random convenience sampling method. Future researchers should conduct a longitudinal study for examining the changing patterns in perception of performance, satisfaction and intention under the influence of constant technological change introduced in the airline sector. Future researchers may identify variables beyond traditionally used variables for study of service quality and behavioural intentions that my results in profitability of the service firm. Finally, the research is limited to the perception of performance of service quality studied from the consumer stand point, future research may include service provider or employees influence as a moderator.

Conclusion

The growth in passenger traffic moment is imperative for the overall sustainability of the civil aviation sector in India. Moreover, Indian domestic aviation market has become the third largest in the word within a decadal span (Das Gupta, 2024; ToI, 2024), despite being a graveyard of airline operators constantly faced with bankruptcy, mergers and bureaucratic red tape (Jain Agarwal & Reddy, 2020; Verma & Shome, 2020; Mishra et al., 2021; Pawar et al., 2022; Jain & Dhamija, 2023; Soman & Punjani, 2024). This study empirically tested the inter relationship of service quality with customer satisfaction and purchase intention. The results revealed that service quality influences customer satisfaction and purchase intention, while satisfaction partially mediates the relationship between quality and satisfaction reproducing the findings of (Cronin & Taylor, 1992, 1994; Taylor & Baker, 1994). This also showcases that despite the sector wide policy level changes implemented by NCAP 2016 and subsequent growth in air passenger volume service quality acts as a prime factor of the growth of the airlines. Again, influence of quality in the formation of satisfaction and behavioural outcome of purchase intention is essential for the growth of the airline operating in the domestic civil aviation industry. Thus, this study provides a baseline of the factors of growth in the domestic civil aviation industry and the underlying quality factors that ensure sustainability of a service firm in Indian context.

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