Budget airlines see customer satisfaction soar

By MINDY TAN

IT appears that the adage, "you get what you pay for" is not necessarily true. Based on the Customer Satisfaction Index of Singapore (CSISG) which was conducted by the Institute of Service Excellence at Singapore Management University (ISES) between April and June this year, the budget airlines sub-sector saw the largest year-on-year increase of 6.2 points to score 65.7 points. The airlines sub-sector on the other hand saw its score go up 1.4 points to reach 73.2 points.

CSISG director, Caroline Lim, noted however, that playing the two sub-sectors off each other might not give a comprehensive picture of customer service satisfaction levels in the aviation industry since both target different markets.

She said: "Budget airlines target price-conscious travelers; they are readily after cost efficiency, operational efficiency, and selling the cheapest fare out there. So budget airlines have a role to play, to add pressure on full-service carriers to be competitive in terms of pricing. Full-service carriers not only have to price themselves competitively, they have to ensure that people see value for the services that they receive in return."

Of the budget carriers captured in the budget airlines sub-sector—AirAsia, Cebu Pacific Air, Firefly, Jetstar Asia Airways, Lion Air, and Tiger Airways—most saw their service satisfaction score go up.

Jetstar Asia was one of the top three airlines with the most significant year-on-year change. The airline posted a 7.8-point year-on-year improvement to 66.0 points this year. They credit their customer-centric policies for driving customer satisfaction.

Among these policies, Jetstar Asia offers a price beat guarantee. In the event a customer finds a published Internet fare on another airline that is lower than the lowest available comparable Jetstar fare, Jetstar will beat the other airline’s fare by 10 per cent, said Simone Pregellio, Jetstar corporate communications manager.

In addition, the airline constantly upgrades its offering to customers; according to Ms Pregellio, they added 40 weekly flights to their most popular destinations in Asia in the last month alone.

Ms Pregellio said: "We’ve also explored many ways to make the customer experience more seamless and convenient. For example, we make various payment modes available to our customers. Jetstar continues to look at innovative ways to reach out to our customers and improve our satisfaction." 

In addition, Jetstar Asia bagged the Changi Airline Awards for "Largest Growth in Passenger Traffic (Singapore)" this year, for the largest growth out from Singapore in 2010, carrying over two million passengers in the year,

a 53 per cent increase from the previous year.

Fellow budget airline, Tiger Airways saw a similarly significant year-on-year increase of 5.6 points, to achieve 63.7 points. According to a Tiger spokesman, the airline has cancelled only three flights to or from Singapore since January. These cancellations were caused by the closure of Kuching Airport and bad weather in Hong Kong.

In addition, 83 per cent of flights operated within 15 minutes of the scheduled departure time. "By all industry standards, this is an impressive operational performance and one we plan to uphold," said the spokesman.

Looking beyond operational performance, Tiger Airways launched their customer service online portal in May this year, said the Tiger spokesman. "We’ve also continually worked to raise the level of service and engagement we provide to customers via our website and call centre."

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According to the airline, they have received less than three complaints per 1,000 passengers carried this year, a figure well below the industry average.

Marcus Lee, academic director of ISES and practice assistant professor of marketing at SMU noted: "The improvement shows that you don’t need to offer a premium service to offer high satisfaction. The companies need to understand their target audience well enough, so that they focus on the right things."

While the airlines sub-sector saw an improvement of 1.4 points to 73.2, consistent high scorer Singapore Airlines saw a dip to 76.6 this round, after three years of improvement; the survey period had coincided with glitches with SIA’s revamped website. Since its launch in May, the revamped website had seen a quarter of its launches, web traffic, and unmet requests.

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