

The Impact of Service Quality on Passenger Retention in the Airline Industry: Case Study on Sri Lankan Airlines

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Air travel facilitates economic growth, world trade, international investment and tourism and is therefore central to the globalization-taking place in many other industries. The service quality has become a one of the most important factors, which determine survival of airline industry. Therefore, it is mandatory to maintain the service quality in order to compete with other competitors in the Airline Industry. The purpose of this study is to explore the impact of service quality on passenger retention in the airline industry. The SERVQUAL model was used as an instrument to measure service quality on passenger retention. The methodology adopted in this study was quantitative. Data was gathered through face-to-face interviews from 364 frequent flyers of Sri Lankan airlines using semi-structured questionnaires. The cronbach alpha was used to test the reliability of the data. Correlation and Multiple regression analysis were used to measure the effect of service quality on passenger retention. The findings of the study revealed the importance of the tangibility reliability, responsibility assurance and empathy in service quality towards the passenger retention. The practical implication of the finding is that Sri Lankan airlines should consider service quality as a critical element in passenger retention.

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