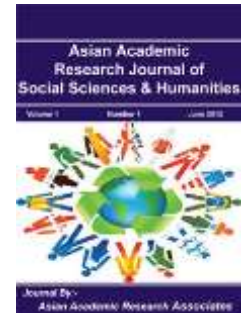




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**ANTECEDENTS OF CUSTOMER SATISFACTION-A STUDY ON THE INDIAN  
DOMESTIC LOW COST AIR CARRIERS**

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**ABSTRACT**

It has always been a great challenge to run airlines profitably (cf. Doganis, 2006). In addition to cut throat competition, reducing airline profits, exposure to market volatility, legal regulations restricting operations and a disadvantageous cost structure with high fixed costs have put many airlines in troubled waters. Low cost carriers have become a driving force in this competitive arena. Unlike traditional network carriers that focus on service differentiation strategy, low cost carriers focus basically on keeping their operating cost low, thus trying to make cost leadership as their competitive advantage. These developments have had extensive effects on the Indian airline industry's market structure, resulting in increased price competition. In an industry that always has been marked by marginal profitability (Doganis, 2006), this competition on price has led to further profit decline. Today, many airlines in India are struggling to make profits. Customer demands and expectations are ever changing in today's world. In the airline industry, many companies have lost track of their passenger's actual needs and they are just sticking to old paradigms. One of the most basic questions troubling marketing managers in service organizations is how to allocate scarce marketing resources to retain their valuable and best customers. Therefore, this paper attempts to identify the antecedents of customer satisfaction, and how can companies satisfy and retain profitable customers.

**Keywords:** carriers, differentiation, expectations, paradigms, antecedents

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