

SERVICE INNOVATION STRATEGIES AND CUSTOMER PATRONAGE OF DOMESTIC AIRLINES IN PORT HARCOURT

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ABSTRACT

This study centered on service innovation strategies and customer patronage of domestic airlines in Port Harcourt. The survey research design was adopted. Two research questions and two hypotheses guided the study. The target population consists of all three domestic airlines operating in Port Harcourt International airport, involving a census study of the entire three domestic airlines. Questionnaire was the major instrument for data collection. In course of the study, it was found that customers would be delighted and loyal when quality service is delivered. The study further found that airlines are introducing digital technologies such as artificial intelligence (AI) engines, predictive analytics, mobile apps, data mining tools and social media integration into their services to serve customers better. Based on findings the study held that there is significant relationship between prompt delivery and repeat purchase of domestic airlines. And there is significant relationship between e-service and customer retention of airlines in Port Harcourt. Consequently, the study recommended that airlines should avoid delaying customers while rendering service as prompt delivering on customer service stand to motivate customers to repeat visit patronizing the airline. Again, airline operators should seize available electronic service such as, AI, social media with associated innovations meeting customers' expectations, by serving them better and gaining customer retention that would equally serve as advocates.

Keywords: Service Innovation, Prompt Delivery, E-Service. Customer Retention, Patronage. Domestic Airlines, Repeat Purchase

INTRODUCTION

Customer patronage of airlines is quite interesting to boost the industry operations. Airline service providers who are to stand competitive are more likely to be innovative in their offerings in order to catch the attention of both old and new customers visible in excellent services like prompt response to customers, quality innovative customer service as well as their capability to promote these improvements (Johnston & Clark, 2001). The thrust remains that a customer would be satisfied if the service rendered by an airline company matches his or her expectations, and dissatisfied if the services offered fall short of his or her expectation (Daisy, 2014). Again, it takes satisfied customer to keep patronizing and even refer others to the airline service company. At this global competitive business era, airline companies strive to be innovative as to get their customers satisfied. It is only when the customer is satisfied that the customers continuously patronize the airline company and customer patronage has been regarded as a fundamental determinant of long term customer behavior. Ting (2004) posited that the more satisfied customers are, the greater their patronage, the positive word-of-mouth generated through them and the financial benefits to the firms who serve them.

Interestingly, successful airline service providers in delivering services and products by means of transportation or distribution techniques in new innovative ways tend to make use of their unique competencies like knowledge and skills. In fact, the innovative usage of prompt delivery methods is a lot more turning into a completely new resource for differentiation and innovation for firms (Wiertz, 2004; Chen & Huang, 2009). Innovations abound in aviation industry like unmanned aircraft innovations; artificial intelligence; biometrics; robotics; block chain; alternative fuels and

electric cum solar operated aircraft. Improving customer service in the airline industry with customer engagement that involves personalized communication, proactive updates on flight information, accessible feedback channels, rewarding loyalty programs, responsive social media presence, empowered frontline staff, continuous staff training, and data-driven remain available innovation strategies in the global airline services.

The strategic service innovations are geared toward supporting passenger operations and improving the quality of existing services. Therefore airlines with modern technology, e-service, prompt delivery of quality service will be more patronized in that customers will derive satisfaction using modern facilities that promotes comfort to them. The availability of innovative technology will strategically position the airline as talk of the town. Moreover, there exist a positive reasonable relationship between innovative technology and customers' preference in terms of selecting an airline (Al-Hashimi & Fuad, 2018). Again, the competition in the airline industry has been increasing rapidly when it comes to offering innovative products and innovative services along with technologies introduced in both airports and aircrafts (Southwest, 2012). As such, airline firms must employ new strategies, which contain lots of flexibilities in order to keep along with the market that is constantly changing and to be different from the competitors. This is what makes understanding trends in innovation very important among other airlines (Wensveen, 2008).

Recently, Airlines are tapping into the power of social media, offering e-service to take marketing innovation in the air to new heights. Airline marketers are responding with intricate social media strategies that include strategically timed promotions, live-tweeting, aggregated customer reviews, and branded photos on Instagram feeds, interactive check-in features on mobile sites or apps that let travelers choose seats or reserve upgrades before arriving at the airport. For instance, American Airlines offers a free checked bag for business class customers who download their advantage app and use it while checking in for their flight. Apparently, innovations in services makes successful airlines (Chen; Batchuluun; Batnasan, 2015), as well as development of new airport infrastructure (Gil; Miozzo; Massini, 2012), among others. As such, this study intends to examine the relationship between service innovation strategy and customer patronage of air line in Port Harcourt.

Statement of the Problem

It has been observed that most domestic airlines suffer low patronage and customers switching from one airline to another due to their dissatisfaction with service delivery of domestic airlines (Adewoye, 2013). Customers' actually switch from one airline to another in search of quality service considered innovative enough, with state of the art facilities. Managers of airline companies are much worried with the frequency of customers switch. Scholars have carried out studies on service innovation in recent times, yet there exist a dearth in literature in developing theory-based structures of Service Innovation in service-oriented businesses and in knowing the significance of Service Innovation therefrom in the aviation industry (Wooder & Baker, 2011; Chae, 2012). Consequently, the need for a more thorough exploration for theory and practice arises (Essen, 2009). Schumpeter (1950) was the first among contemporaries to make use of innovation (Hana, 2013) and conceptualized it as the "products process and organizational alteration that do not essentially originate from new scientific findings but arose from the blend of already prevailing technologies and their use in a new context" (Zizlarsky, 2011). It takes adoption and use of modern technology and prompt delivery of service in the aviation industry to be innovative and to remain competitive. It's against this backdrop this study is set to empirically investigate service innovation strategies and customer patronage of domestic airlines in Port Harcourt.

Conceptual Framework

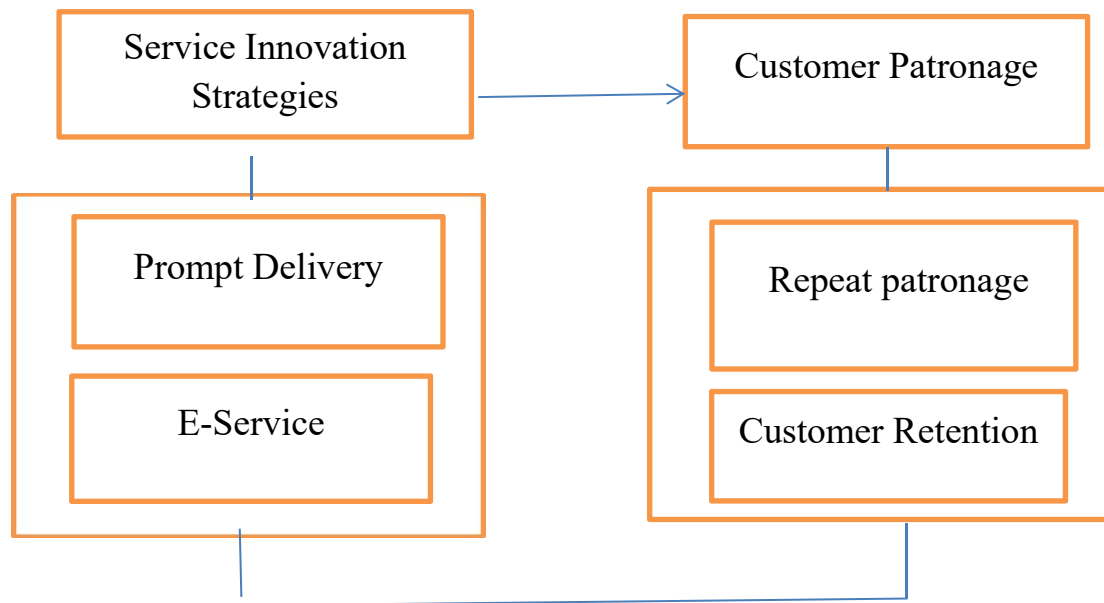


Fig.1.1: Conceptual Framework of Service Innovation Strategy and Customer Patronage of Airlines

Source: Mansharamani, (2004): Parasuraman, Zeithami & Berry (1985)

Purpose of the Study

The primary aim of this study is to investigate service innovation strategy and customer patronage of domestic airlines in Port Harcourt. The specific objectives are to:

1. Determine the extent to which prompt delivery enhance customer repeat patronage of domestic airlines in Port Harcourt.
2. Find out the extent to which e-service enhance customer retention of airlines in Port Harcourt.

Research Questions

To achieve the objectives of the study, the following research questions are posed:

1. To what extent does prompt delivery enhance customer repeat patronage of domestic airlines in Port Harcourt?
2. To what extent does e-service enhance customer retention of airlines in Port Harcourt?

Research Hypotheses

The study was guided by the following hypotheses stated in null form acceptance or rejection of which helped to re-enforce the findings of the study.

H0₁: There is no significant relationship between prompt delivery and repeat purchase of domestic airlines in Port Harcourt.

H0₂: There is no significant relationship between e-service and customer retention of airlines in Port Harcourt.

Literature Review

Conceptual Review

Service Innovation Strategies

Webster dictionary defined innovation as a "new and different outcome". It is derived from the Latin word "innovatus" meaning "the use of different methods in social, administrative and cultural fields" (Günay & Çalık, 2019). Basically, innovation is conceptualized as a process and an outcome of service offerings (Chrysochoidis, 2003; Srinivansan et al., 2002; North et al., 2001; Rogers, 1995). Innovations abound in aviation, e.g. unmanned aircraft innovations; artificial intelligence; biometrics; robotics; block chain; alternative fuels and electric aircraft. Aviation is therefore ideally positioned to support the innovation discourse and its potential impacts on new mobility. To Johnston and Clark, (2001) Banks are more likely in a position to catch the attention of new customers due to enhanced or excellent service quality as well as their capability to promote these improvements. Service quality delivery is designed to satisfy customers by means of innovating service delivery and as a result stretching out firms' service range. In order to attain excellent service positioning, service firms need to deliver services and products by means of distribution techniques in new innovative ways that make use of their unique competencies like knowledge and skills (Wiertz, 2004; Chen & Huang, 2009).

Service Innovativeness would require the participation of stakeholders in an innovative service process to meet customer needs (Zhang et al., 2015; Melton & Hartline, 2010). Notably, researches have proven that at the introduction of an innovative service, business managers ought to take cognizance of the presence of rivals and their business capabilities as undermining their presence may jeopardizes chances of success. In effect, Innovativeness has become a tactics employed to fast-track development and performance in service based businesses, contributing in so many ways in creating value (Berry, et al. 2006). The main aim of this strategic direction is to support passenger operations and improve the quality of existing services. The most common airline related diversification strategies involve cargo; maintenance, repair and overhaul; catering; information technologies; and leisure management. As a result of increasing aviation activities, Coşkun, and Sarigül, (2022) maintained that enterprises need to create innovations in the products and services they produce in order to maintain their market share and ensure the sustainability of the enterprises. When these innovations are turned into strategic plans for businesses, they guide businesses to adapt to changing conditions in the aviation sector, which has a high uncertainty environment. In this sense, the projection of the strategies created in the enterprise to all departments and the adoption by all personnel is a measure taken against the risks that may occur in the enterprise.

Interestingly, Dursun (2017) examined the necessity of innovation strategies for companies operating under intense competitive conditions in order to develop themselves and maintain their presence in the market in a study called "A Theoretical Investigation on Innovation". According to the results of the analysis of the study, companies should implement appropriate innovation efforts in the marketing processes of their enterprises in order to realize their objectives, ensure continuity and increase market share. In a developing and changing world, individuals and companies need to develop their ideas and behaviors in order to keep up with the period (Pala & Pilatin, 2020). Konyalılar, (2020) opted that innovation is unusual practices that occur in enterprises, stressing that "Innovation is not only for companies to do something new, but for these innovations to add economic value to the business." The processes of change of innovation from the past to the present are defined as waves of innovation (Gürsu, 2014). Successful organization pays attention to its service atmospherics in its innovativeness to enjoy patronage. Hence, Chukundah, (2022) noted that cleanliness enhance customer preference of Port Harcourt pleasure park and strongly recommended constant lighting and cleaning to having serene environment for customer to keep visiting as well as favourable words of mouth.

Digging into innovations targeted at customers is Chukundah and Mekuri-Ndimele, (2020) study on spatial layout and customer patronage an empirical assessment of restaurants in Port Harcourt, Chukundah and Mekuri-Ndimele, (2020) held that there is significant relationship between spatial layout and customer repeat visit as well as customer loyalty. It stands to reason that airport with good spatial layout are to enjoy repeat visits and customer loyalty. Chen, Batchuluun, and Batnasan (2015) described two relatively recent trends in customer care at airports. One relates to the use of social media as a means of communication used by airports, facilitating information for users. The other is the concept of airport micro-hotel, in which passengers can access in-terminal cabins and boxes for rest during short periods. Airports such as London Heathrow Airport (LHR), London Gatwick Airport (LGW), Munich Airport (MUC), and Moscow Sheremetyevo Airport (SVO) already employ similar concepts, displaying positive feedback from users. The introduction of similar services may be viewed as highly innovative in other large airports worldwide, but it is unclear whether and how smaller airports would benefit.

In a study conducted at Amsterdam Schiphol Airport (AMS), Silvester et al. (2013) considered different future scenarios for the use of electric vehicles at the airport, connecting the airside to the landside, providing fast links between vehicles and aircrafts as well as links between the airport and the subway system. While electric vehicles may no longer be viewed as cutting edge innovations in themselves, the way in which they are used in airport operations provides an interesting example of process innovation. Matin-Domingo and Martín (2016) sought to identify the most innovative airport, looking at a broad sample of 75 European airports and taking the adoption of mobile internet and PC-Website as reference. According to the study, only Amsterdam Schiphol Airport (AMS), Copenhagen Airport (CPH), London Heathrow Airport (LHR), and London Stansted Airport (STN), about 5% of the total airports analyzed, are considered successful innovators in this field. This is because these airports not only adopted new technologies or new services relatively early-especially free Wi-Fi, auto website in mobile devices, or easy access through apps-but they have already reached "maturation" in the use of these technologies, providing stable and reliable services.

Prompt Service Delivery

Service delivery is a business idea and framework, the main goal of which is to provide services from a vendor to a customer. This includes the regular interactions between the two parties throughout the entire process of the business supplying the service and the client purchasing it. Prompt Delivery shall refer to any delivery that is completed within the Contractor's specified guaranteed delivery time. The Federal Airports Authority of Nigeria (FAAN) has again restated its resolve to improve service delivery at Airports to ensure passengers promptly go through security for a flight. The issue of how much before flight can one go through the gates at the airport depends on the airport, the airline, and the cabin/class of service booked. Some pax may complete check in and go through security four or five hours before departure, but others may not be allowed through until two hours before. Interestingly, Olubunmi Oluwaseun Kuku, MD/CEO, Federal Airport Authority of Nigeria (FAAN) like the National Coordinator, Service Compact with All Nigerians (SERVICOM), Mrs Nnenna Akajemeli gave promise of prompt service delivery to customers.

Repeat Purchase

Chukundah and Mekuri-Ndimele (2020) noted that customers are divided into new customers and repeat customers. They held that repeat purchase is the backbone of customer retention, and a retained customer is a satisfied one. There exist many customer satisfaction definitions, but the Cambridge Dictionary describes it as: 'A measure of how happy customers feel when they do business with a company. To gain customer satisfaction in the airline industry attention is paid: On-time performance, friendly and helpful staff, comfortable seating, quality in-flight entertainment. Client satisfaction service occurs when a company can provide passengers with

benefits that are equivalent to or better than their expectations, Customer satisfaction has become a significant part of service in the airline industry. Customers are the boss of any airline they go. And airlines invest a lot of work and effort to fulfill their customers' needs and travel them safely. Unhappy customers mean disengaged customers, which represent fewer passengers, leading to fewer revenues. Customers must have an excellent time every time they fly. Customers' happy trial shouldn't just start from their entry into the plane but right from booking their tickets to entering the airport, buying food there, check-in, and reaching their preferred destinations.

One common method for measuring customer satisfaction is conducting surveys, either online, by phone, or in person. Surveys can help airlines collect feedback on various aspects of their service, such as check-in, boarding, in-flight entertainment, food and beverages, cabin crew, baggage handling, and so on. Hence, strategies for Improving Customer Satisfaction in the Airline Industry include:

- i) Enhance the Booking and Check-In Process.
- ii) Improve In-Flight Services and Amenities.
- iii) Provide Efficient and Timely Customer Service.
- iv) Offer Personalized and Tailored Experiences.
- v) Implement a Comprehensive Loyalty Program.

Some of the factors of customer value with airline services include seat comfort, cabin staff service, food and beverages, value for money, time, quality, and in-flight entertainment. No doubt Ensuring customer satisfaction in airports is crucial for numerous reasons. Firstly, it significantly enhances the overall traveler experience, leading to positive reviews and recommendations. Furthermore, satisfied customers are more likely to return, increasing airport revenue. The importance of customer satisfaction stems from the widely held belief that a firm must enhance the customer experience in order to be successful and profitable. Because of the benefits it provides to companies, customer happiness has become a key intermediary goal in service operations. Several studies have found that customer acquisition is more expensive than retaining an existing one. Furthermore, client happiness leads to positive word-of-mouth publicity that provides important in-direct advertising for a company. Customers who are satisfied are less likely to file complaints, which really is helpful in many industries.

Sometimes small things can get your customer happy, like some extra leg-room as a complimentary gift or different (and better) snacks. Hence, we see that flight and plane are not the only aspects of the airline industry but a whole ingrained procedure. One new thing that has been evolving in airlines is self-service innovation. Customers get to choose their seats, book it, choose their meal, even get their insurance before boarding the flight. Want to get checked in before others? Now you get to do it independently through the app and mail through your home. Self-service is a boon to airlines since it is easy to do and efficient. Customer care can easily handle any queries, and since it is self-service, they don't have to engage themselves all the time. By introducing digital technologies such as chatbots, artificial intelligence (AI) engines, predictive analytics, mobile apps, data mining tools and social media integration into their services, airlines can greatly improve how customers interact with them online to having wonderful experience.

Customer experience (CX) is the sum of all interactions a customer has with a company, from the moment they become aware of the brand to the moment they finish using its product or service. It is a critical factor in the airline industry, where customers have many choices and can easily switch to a competitor. While those are the aspects we hear about the most, the customer experience is more than simply the flight. Everything from buying a ticket on the company's website or through a mobile app to checking bags in at the airport or using a smartphone app to waiting in the terminal is handled. Since the introduction of airport kiosks that allow customers to check in, upgrade their seats, and even change their flights, airlines have prioritized self-service. Such approach has been adapted to the post-security, onboard, and post-flight experiences, and it continues to remain so. Most academics believe that a high degree of service quality should be supplied by the service provider to attain a customer satisfaction, as service quality is typically considered an antecedent of customer contentment. The exact relationship among service quality and customer satisfaction, on the other hand, has been described as a complicated topic.

Satisfaction was described as just an attitude in relation to a single total transaction service quality. This meant that perceived service quality was a broad judgment, or attitude, about the service's superiority. Although quality was only one of several factors that went into determining satisfaction, it was also a factor that could impact future quality views. In recent years, businesses have been forced to provide additional services in addition to their products. In recent years, rapid technological advancements have shifted customer attitudes and behaviors. Simultaneously, technology has fuelled the growth of on-demand services through digital channels, which provide consumers with immediate access to goods and services in areas such as food delivery, e-commerce, and even healthcare, as well as convenient and speedy delivery, in some cases the same day. For example, airlines may develop better software to make inflight wi-fi more available, or cut the cost of accessing inflight Wi-Fi so that more premium economy passengers can take advantage of services. In addition, airlines should priorities Ease of Online Booking, as business travelers' value expediency and ease of travel.

Any marketer's ultimate purpose or objective in any type of organization is to satisfy the consumer. In today's cutthroat competitive market, high passenger happiness is one of the most valuable assets for the airline industry. Because of the fast evolution and competition in service quality, airlines in both developed and developing countries must measure and evaluate service quality on a regular basis. Passenger pleasure has also been discovered to be a key mediator between perceived service quality and passenger loyalty. Low-cost airlines' brand image has a huge impact on consumer happiness, which leads to customer loyalty. Passenger satisfaction is also affected by the performance of the in services and pricing. Client satisfaction service occurs when a company can provide passengers with benefits that are equivalent to or better than their expectations, and this is referred to as value-added. Customers who are happy with the goods and service provided by the firm are more likely to buy more or continue to utilize the service. Customer satisfaction is a critical goal for any airline that provides passenger services. For the customers, there is still something special on the experience board. Customers have a vast range of airline products from which to choose, according on their needs and preferences. As a result, airlines businesses are continuously working on the in product development and innovation in order to distinguish themselves from their market competitors.

The factors of customer value with airline services include airline image, service value, passenger satisfaction, service expectation, and service perception. During the pandemic, most major airlines implemented travel waivers, allowing passengers to amend or cancel their reservations without incurring the usual penalties. Customer satisfaction with a service or product is determined by a company's performance. Customer sovereignty depends on passenger contentment. Customers can be loyal without being extremely satisfied, or they can be highly pleased but not loyal. Companies must obtain a deeper grasp of the relationship between customer satisfaction and behavioral intention in the online environment, as well as assign online marketing tactics between satisfaction initiatives and behavioral intention programmes. Furthermore, the outcomes of this study will aid airline managers in better serving their clients, tracking and improving service quality, and achieving the highest degree of passenger happiness. Though the primary goal of a low-cost airline is to provide the most basic service, namely, low-cost travel, airlines may benefit from new business opportunities while also facing more competition. Customers must consider budget advantages while choosing an airline, but service quality must also be considered. The airline sector has been focused on the constant need for and importance of improving service quality in order to deliver maximum satisfaction to passengers. In reality, because the airline industry is dynamic and consumer, there is always room for service innovation. Airlines' efficiency is largely determined by the quality of their services, as well as consumer satisfaction and loyalty.

Customer Loyalty

Customer loyalty is an ongoing positive relationship between a customer and a business. It's what drives repeat purchases and prompts existing customers to choose your company over a

competitor offering similar benefits. One way to look at loyalty is in the context of brand. Loyalty to an airline is determined by the specifics of the services provided by the airlines, the quality of the service, the image, the reputation, and the loyalty programs, the value perceived by the consumer over the price, satisfaction, and trust. An airline loyalty program is a customer loyalty scheme operated by an airline to reward loyal passengers for their continued patronage. These programs allow travelers to collect loyalty points, which can be redeemed for air travel, upgrades, hotel stays, car rentals, and more. Customer loyalty is important in the airline industry because it leads to repeated purchases and repurchases of the same brands, despite situational influences and marketing efforts that may cause brand switching behavior. Managing passenger loyalty is essential for airline success and competitiveness.

Many loyalty programmes solely focus on acquiring new customers and encouraging repeat business, but this in itself is not necessarily indicative of loyalty. The elephant in the room is the recent press that airlines have been receiving with passenger videos showing less than favourable customer service on flights. This is damaging the reputation of many airlines. Whilst this is a separate issue, it does demonstrate that the best loyalty scheme must be backed up with impeccable customer service at all service points. Airlines can design loyalty programs that offer attractive benefits, such as free flights, upgrades, lounge access, priority boarding, and extra baggage allowance. Loyalty programs should also be easy to join, use, and redeem, and allow customers to earn and spend points across multiple partners and channels. When people have a preferred airline, they tend to give them repeat business. For leisure and business travellers, 43.9% give 76-100% of their business to their preferred airline. Overall having the best loyalty scheme ranked 9th in importance to factors for a preferred airline; however, 33% said that they would not switch loyalty schemes even once they'd achieved the highest status level.

A loyal relationship is a lasting one and can lead to customers becoming brand evangelists - encouraging others to use your brand above others. This is not without challenges in a free market where the customer has many alternatives. For travel - specifically airlines and hotels, the picture is a little clouded. Whilst most airports will have several or more carriers serving them, at others, customers won't have much choice with whom they'll fly. For hotels, location is everything - for major hotel brands they will be vying for customer attention in key cities across the world. Building customer loyalty is crucial for airlines to survive in times of crisis, such as COVID-19 pandemic. Loyalty programs are effective tools for forming long-term and mutually beneficial relationships with customers. Customer satisfaction and loyalty have a significant impact on maximizing sales in the airline industry. By focusing on factors such as perceived value, service quality, complaint handling, satisfaction, trust, airline image, and commitment, airlines can ensure passenger loyalty and the success of their business. Additionally, customer trust and satisfaction, as well as perceived value, are key factors that influence customer loyalty and should be prioritized by airlines. Results indicate that, at aggregate level, frequent flyer membership, price, the status of being a national carrier and the reputation of the airline as perceived by friends are the variables which best discriminate between travellers loyal to the airline and those who are not.

Customer Retention

A customer retained could be a major force in referrals as the customer tells others favourable things about the airline being satisfied. A satisfied customer recommends a product or service to someone they know. This can happen through casual conversations, social media, or more formal referral programs set up by businesses. Essentially, it's a way for happy customers to share their positive experiences and spread the word. A retained customer is signal of success in his word-of-mouth marketing tactic where existing customers tell their friends, family, and colleagues about your brand, products, or services. Typically, the customer receives a loyalty reward from the company when the person they refer makes their first purchase or patronizes the firm.

In laying foundation for referrals, an airline has to consider the following:

- i) Provide excellent customer service.
- ii) Facilitate relationships between customers and your brand.
- iii) Generate online reviews - and use them!
- iv) Exceed expectations.
- v) Know your top referrers.
- vi) Be sure to ask.
- vii) Express gratitude.

It takes satisfied retained customer to serve influencer, and business advocates to share their experience of your products and services with their sphere of friends and partners. Ultimately, the aim is to generate targeted, high quality leads directly to your business. Retaining customers therefore fosters long-term relationship and competitive advantage, reducing acquisition cost (Akimbodunse & Omotayo, 2021). Chukundah and Kalio (2024) agreed that it's generally more cost effective to retain customers as lost customer can hardly be regained.

Theoretical Review

Our study is anchored on diffusion of innovation theory. Rogers defines diffusion as "the process in which an innovation is communicated through certain channels over time among the members of a social system". Rogers' Diffusion of Innovation Theory seeks to explain how new ideas or innovations (such as the HHK) are adopted, and this theory proposes that there are five attributes of an innovation that effect adoption: (1) relative advantage, (2) compatibility, (3) complexity, (4) trialability, and (5), observeability.

The diffusion of innovation model refers to the five-step process by which an individual decides to adopt an innovation. The steps are knowledge, persuasion, decision, implementation, and confirmation. Adopters are groups of people who adopt an idea at a certain speed. The diffusion of innovation model refers to the five-step process by which an individual decides to adopt an innovation. The steps are knowledge, persuasion, decision, implementation, and confirmation. Adopters are groups of people who adopt an idea at a certain speed. Certainly, without the shadow of a doubt, customers will notice any given changes as a form of innovative service alteration. This impact depends on how ready the customer is to accept service innovation: the readier they are, the better the experience they will have. Hence, we assume that future scholars can apply diffusion theory to understand the factors that influence service innovation performance. Diffusion theory (Rogers, 1995) can be applied for understanding the factors that can influence the customer's decision to adopt innovative service offerings. The goals of the diffusion researcher and the marketer are to shorten the time lag between Introduction of an idea or product and its widespread adoption.

Empirical Review

Demir (2019), in his study titled "The Impacts of Service Innovations at Airports on Service Quality Perception and Passenger Satisfaction", examined the service quality and the extent to which innovations in this field affect innovation expectations by using the survey method. The survey method used in the study was completed with 341 passengers selected from Istanbul Airport. According to the results of the survey analyzed, it is concluded that increasing technological developments increase service expectations and oblige businesses to innovate.

Renner and Ezekiel-Hart, (2022) studied Service Quality Delivery and Customer Patronage of Deposit Money Banks in Port Harcourt. They examined two (2) objectives, addressed two (2) research questions and tested four (4) hypotheses. The population of the study comprised 22 registered deposit money banks in Rivers State through the Central Bank of Nigeria. Given a population of 22 banks, which is less than thirty (30), the study adopted a census approach and undertook a study of the entire 22 banks with a focus on generating data for the study, two hundred and twenty (220) copies of questionnaires were given to the twenty-two banks in the frame of ten (10) copies per bank. The data collected for the study were analyzed through descriptive and inferential statistics. The Spearman Rank Order Correlation Technique was employed to test the various hypotheses formulated through the aid of Statistical Package for Social Sciences (SPSS). The result of the findings showed a significant relationship between service quality delivery and customer patronage of deposit money banks in Port Harcourt. The

study therefore concluded that effective service quality delivery is a panacea for customer patronage. The study recommended that deposit money banks in Nigeria, particularly those in Rivers State, should be responsive in terms of their service delivery as it would enhance customer patronage.

Ayas (2021) studied the innovation strategies of Turkish enterprises in order to adapt to increased competition in a study called "A Study on Open Innovation Practices". The study suggests that these strategies lead companies to further innovate in R&D units, as well as increases in market share. Based on Ayas' research, most companies in Turkey implement innovation strategies.

Konyalılar (2021), investigated "The Impact of Innovative Practices on the Competitiveness of Private Airlines Operating in Istanbul According to Employees", the effects of innovation strategies of 415 personnel in enterprises operating in Istanbul were examined by using the survey method. It was concluded that innovation strategies in the product, process and marketing strategies obtained by examining the study positively affected global competition but did not have a positive effect on personnel performance.

Elsevier (2023) observed that service innovation emerged more than a decade ago and is considered as the main source of competitive advantage between the market and firms. Due to the growing attention to service innovation in recent years, this study investigates the phenomenon of service innovation in greater depth to understand how service innovation has emerged, evolved, and how it will potentially advance. Considering a systematic investigation, the foundational research areas and historical development of service innovation are explored by conducting a comprehensive performance analysis (qualitative and quantitative) employing 255 articles published in two periods between 1970 and 2021. The results revealed four distinguishable clusters with each showing different characteristics of the service innovation domain including: resource focus, process focus, solution focus, and actors' focus. In particular, analyzed which research streams are related to service innovation and compare these themes over time. The findings show that the major themes in the first period (1992–2014) included innovation, customer, service, and product, while the second period (2014–2021) encompassed service, customer, value, and information as the main themes. The paper supports the assertion that service innovation has an interdisciplinary theoretical foundation and that the structure of the foundation of service innovation research changed significantly over time.

Igwe, and Kalu, (2017) investigated the relationship between Service Innovativeness and Customer satisfaction of four star hotels in Rivers State. Hypotheses were stated in null form and analyzed contextually using multiple regressions. The findings revealed a strong and positive relationship between Service innovativeness and customer satisfaction. It was therefore concluded that the dimensions of Service Innovativeness as explicated in service process and service outcome are very effective marketing tool for satisfying customers of four star hotels in Rivers State. The research was limited to data characterized by only a snapshot situation, hence, confines our ability to assess the longevity of the influence of service innovativeness on guest's satisfaction. By implication, Managers would need to make proactive changes that focus even more strongly on customer preferences, quality of service, and technological interfaces in course of business transactions.

METHODOLOGY

Research Design

The study engaged the survey research design method for the purpose of collecting data for empirical analytical purpose as it relates to the respondents view on service innovation strategies and customer patronage of airlines in Port Harcourt. The justification for choosing this method was that it enabled the researchers to collect the needed data to answer the research questions and to appropriately explain the relationship among the variables of our construct in our conceptual framework.

Research Population

For the purpose of this study, the target population consists of all three domestic airlines operating in Port Harcourt International airport. Port Harcourt International (PHC) is the fourth largest airport in Nigeria. The accessible domestic airlines include: Air Peace, Arik Air, and Dana Airlines, which are the main airlines flying from Port Harcourt to Abuja. Hence, a census study of the entire three accessible airlines was carried out that equally met the criteria below:

- a. The airline on ground and permitted to operate in Port Harcourt airport.
- b. The airline must have been in business for at least two year.

A purposive sampling technique was adopted to select the respondents to the questions in the research instrument for this study.

Method of Data Analysis

Descriptive and inferential parametric statistics were employed in the analysis of the collated data from the customers and staff of the airlines in Port Harcourt, Rivers State. The descriptive statistics used include arithmetic means, variances and standard deviations, and the inferential parametric statistic used was Pearson Product moment Correlation Coefficient (r) to test the formulated hypotheses. The SPSS (Statistical bundle for Social Sciences) version 26 aided correlating.

Data Analysis, Presentation and Discussion of Findings

Research Question One: To what extent does prompt delivery enhance customer repeat patronage of domestic airlines in Port Harcourt?

H0₁: There is no significant relationship between prompt delivery and customer repeat patronage of domestic airlines in Port Harcourt.

Table 1 Correlations between prompt delivery and customer repeat patronage of domestic airlines in Port Harcourt

		prompt delivery	customer repeat patronage
prompt delivery	Pearson Correlation	1	.834**
	Sig.(2-tailed)		0.001
	N	4	4
customer repeat patronage	Pearson Correlation	.834**	1
	Sig.(2-tailed)	0.001	
	N	4	4

Correlation is significant at the 0.05 level (2-tailed). **Source:** Field Survey, 2025.

Note: Range of: 1-25%= 1 scale (VLE), 26-50%=2(LE), 51-75%=3(HE) and 76-100%=4(VHE)

Table 1 shows a correlation coefficient of .834 and probability value of 0.001 which is less than 0.05 significant levels. This unveiled that 83.4 percent (VHE) of customer repeat patronage of domestic airlines was as a result of prompt delivery. This implies that prompt delivery to a very high extent enhance customer repeat patronage of domestic airlines in Port Harcourt. While for the hypothesis test, the obtained significant value of 0.001 which is less than 0.05 significant levels warrants the rejection of the null hypothesis and the alternate hypothesis accepted. Meaning, there is a significant relationship between prompt delivery and customer repeat patronage of domestic airlines in Port Harcourt.

Research Question Two: To what extent does e-service enhance customer retention of airlines in Port Harcourt?

H0₂: There is no significant relationship between e-service and customer retention of airlines in Port Harcourt.

Table 2: Correlations between e-service and customer retention of airlines in Port Harcourt

		e-service	customer referrals
e-service	Pearson Correlation	1	.760**
	Sig.(2-tailed)		0.000
	N	3	3
customer referrals	Pearson Correlation	.760**	1
	Sig.(2-tailed)	0.000	
	N	3	3

Correlation is significant at the 0.05 level (2-tailed). **Source:** Field Survey, 2024. **Note: Range of: 1-25%= 1 scale (VLE), 26-50%=2(LE), 51-75%=3(HE) and 76-100%=4(VHE)**

Table 2 shows a correlation coefficient of .760 and probability value of 0.000 which is less than 0.05 significant levels. This revealed that 76 percent (VHE) of customer referrals of domestic airlines was as a result of e-service. This means that e-service to a high extent enhance customer referrals of domestic airlines in Port Harcourt. While for the hypothesis test, the obtained sig. value of 0.000 which is less than 0.05 significant levels, therefore the null hypothesis was rejected and the alternate hypothesis accepted. Meaning, there is a significant relationship between e-service and customer referrals of airlines in Port Harcourt.

Discussion of Findings

The airline industry is quite competitive one and being innovative in service rendered could make the difference. In course of our study, it was revealed that prompt delivery enhance customer repeat patronage of domestic airlines in Port Harcourt as 83.4 percent indicated (VHE) of prompt delivery being responsible to customer repeat patronage of domestic airlines. This implies that prompt delivery to a very high extent enhance customer repeat patronage of domestic airlines. This is in agreement with Igwe, and Kalu, (2017) that innovative delivery gives satisfaction to customers. Interestingly, our test result is in collaboration with a correlation coefficient of .834 and probability value of 0.001 which is less than 0.05 significant levels.

The study further revealed there is significant relationship between e-service and customer retention of airlines in Port Harcourt. Airlines that are innovative using electronic measures like digital computer, artificial intelligence (AI) engines, predictive analytics, mobile apps, data mining tools and social media integration into their services, can greatly improve how customers interact with them online to having wonderful experience and are retained. This is in line with Ayas (2021) that studied the innovation strategies of Turkish enterprises in order to adapt to increased competition in a study called "A Study on Open Innovation Practices". The study suggests that these strategies lead companies to further innovate in R&D units, as well as increases in market share. The advent of computer and internet to use of email, social media, has enhanced customer retention easily accessed online in keeping the relationship. Interestingly the test result revealed a correlation coefficient of 0.712 and probability value of 0.021 which is less than 0.05 significant levels. This revealed that 71.2 percent (HE) of customer loyalty of domestic airlines was as a result of use of innovative service delivery system. This implies that service delivery system to a high extent enhance customer loyalty to airlines in Port Harcourt. Therefore the null hypothesis like in others was rejected and the alternate hypothesis accepted. Meaning, there is a significant relationship between use of e-service and customer retention to airlines in Port Harcourt.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Based on the findings of the study, the following conclusions were drawn:

1. There is significant relationship between prompt delivery and repeat purchase of domestic airlines in Port Harcourt.
2. There is significant relationship between e-service and customer retention of airlines in Port Harcourt.

Recommendations

Based on the findings and conclusions thereof, the following recommendations were put forward:

1. The study strongly recommend that airlines should avoid delaying customers while rendering service as prompt delivering on customer service stand to motivate customers to repeat visit in patronizing the airline.
2. Airline operators should seize available electronic service with associated innovations meeting customers' expectations, by serving them better and gaining customer retention that would equally refer others, serving as advocates.

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