

**THE RELATIONSHIP BETWEEN SERVICE
QUALITY AND PASSENGERS SATISFACTION: A
CASE OF AIR ASIA PASSENGERS**

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**A project paper submitted to Graduate School, College of Business in partial
fulfillment of the requirements for the Degree of
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ABSTRACT

This study is to determine the level of passenger's satisfaction among Air Asia Passengers and to determine the influence of service quality on passenger's satisfaction among Air Asia Passengers. A field survey of Air Asia passengers in University Utara Malaysia (UUM) in Kedah was conducted between administration staff, academic staff and students. A total of 60 questionnaires were distributed to Air Asia passengers in UUM through judgment sampling. Mean for passengers' satisfaction state that passengers of Air Asia tend to be satisfied with the Air Asia services with the mean 4.64. Conversely, regression analysis indicated that 'Assurance' and 'Reliability' were factors that positive influence towards service quality on passenger's satisfaction among Air Asia Passengers in UUM. These findings show that Air Asia should give attention on the factors of 'Assurance' and 'Reliability' in order to retain the passengers. Recommendation for future research was also put forward.

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TABLE OF CONTENTS

CONTENT	PAGE
Permission To Use	iii
Abstract	iv
Acknowledgement	v
List Of Tables	x
List Of Figures	xi

CHAPTER 1: INTRODUCTION

1.1 Introduction	1
1.2 Problem Statement	3
1.3 Objectives of the study	4
1.4 Research Questions	4
1.5 Significance of the Study	4
1.6 Organizational of Chapters	5
1.7 Chapter Conclusion	6

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction	7
2.2 Service Quality	7
2.3 Dimension of Servqual	11
2.4 Customer Satisfaction	14

2.5 Relationship between Customer Satisfaction and Service Quality	18
2.6 Definition of Terms And Framework	20
2.7 Hypothesis Testing	22
2.8 Chapter Conclusion	22

CHAPTER 3: METHODOLOGY

3.1 Introduction	23
3.2 Population and sampling	23
3.3 Instrumentation	24
3.4 Data collection procedure	26
3.5 Type of Analysis	26
3.6 Reliability test	27
3.7 Scope and limitations	29
3.8 Chapter Conclusion	31

CHAPTER 4: FINDINGS

4.1 Introduction	32
4.2 Descriptive Statistics Of Data Collection	
4.2.1 Gender	32
4.2.2 Age	33
4.2.3 Marital Status	33
4.2.4 Ethnic	34
4.2.5 Job Sector	34
4.2.6 Education	35
4.2.7 Monthly Incomes	35
4.2.8 Frequency of Travel	36
4.2.9 Purpose of Travel	36
4.2.10 Destination use Air Asia	37
4.2.11 Reason for choosing Air Asia	37
4.2.12 Method of booking Air Asia	38
4.2.13 Sources of Information Air Asia	39

4.3 Mean And Standard Deviation Of Data Collection	
4.3.1 Passenger Satisfaction	40
4.3.2 Service Quality	
a) Reliability	40
b) Responsiveness	41
c) Empathy	42
d) Tangibility	43
e) Assurance	43
4.4 Inferential Statistics Of Data Collection	44
4.4.1 Correlation	45
a) Reliability and Passengers Satisfaction	46
b) Responsiveness and Passenger Satisfaction	47
c) Empathy and Passenger Satisfaction	47
d) Tangibility and Passenger Satisfaction	48
e) Assurance and Passenger Satisfaction	48
4.4.2 Regression	49
4.5 Chapter Conclusion	52
CHAPTER 5: DISCUSSION, CONCLUSION AND RECOMMENDATION	
5.1 Introduction	53
5.2 Discussion	53
5.3 Discussion of Finding	54
5.4 Recommendations	56
5.5 Chapter Conclusion	57
REFERENCES	58
APPENDICES	65

LIST OF TABLES

Table 2.1: Hypothesis Testing	21
Table 3.1: Summary of the Questionnaire Design	25
Table 3.2: Reliability test for reliability	27
Table 3.3: Responsiveness test for reliability	28
Table 3.4: Empathy test for reliability	28
Table 3.5: Tangibility test for reliability	28
Table 3.6: Assurance test for reliability	29
Table 3.7: Passenger's Satisfaction test for reliability	29
Table 4.1: Gender of Respondents	32
Table 4.2: Age of respondents	33
Table 4.3: Marital Status of Respondents	33
Table 4.4: Ethnic of Respondents	34
Table 4.5: Job Sector of Respondents	34
Table 4.6: Education of Respondent	35
Table 4.7: Monthly Incomes of Respondents	35
Table 4.8: Frequency of Travel of Respondents	36
Table 4.9: Purpose of Travel of Respondents	36
Table 4.10: Destination use Air Asia of Respondents	37
Table 4.11 : Reason for Choosing Air Asia of Respondents	37
Table 4.12: Method of booking Air Asia of Respondents	38
Table 4.13: Sources of Information Air Asia of Respondents	39
Table 4.19: Table of Passenger Satisfaction	40

Table 4.14: Table of Reliability	40
Table 4.15: Table of Responsiveness	41
Table 4.16: Table of Empathy	42
Table 4.17: Table of Tangibility	43
Table 4.18: Table of Assurance	43
Table 4.19: Service Quality Dimension and level	44
Table 4.20: Table of Normality Test	45
Table 4.21: Correlation between reliability and passenger's satisfaction	46
Table 4.22: Correlation between reliability and passenger's satisfaction	46
Table 4.23: Correlation between responsiveness and passenger satisfaction	47
Table 4.24: Correlation between empathy and passenger satisfaction	47
Table 4.25: Correlation between tangibility and passenger satisfaction	48
Table 4.26: Correlation between assurance and passenger satisfaction	48
Table 4.27: Regression analysis between responsiveness and passenger satisfaction	49
Table 4.28: Regression analysis between reliability, responsiveness, empathy, tangibility and assurance with passenger satisfaction	51

LIST OF FIGURES

Figure 2.1: Perceived Service Quality Model	9
Figure 2.2: The Disconfirmation Model of Consumer Satisfaction	16
Figure 2.3 : Customer Satisfaction Model	17
Figure 2.4: Theoretical Framework	21
Figure 3.1 : A representative sample from the population	23

CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

Competition in the air travel industry is very high. To gain competitive advantage airlines have resorted to various strategies such as insensitive marketing, advertising and promotion as well as ticket price wars. Besides that, the other important factor is improving service quality to their passenger. Ostrowski (1993) showed that by continuing to provide perceived high quality services, it would help airlines acquire and retain customer loyalty. This showed the importance of service quality in airlines. According to Atilgan et al. (2008), in most service setting, customers may not received the level of service they expected before the actual service experience. The performance of the service falls either under customer's expectations or above expectation. When expectations are exceeded, service is perceived to be high quality while if otherwise, service quality is deemed unacceptable. When expectations are confirmed by perceived service, quality is satisfactory.

There are many types of airline services in airline industries. The entire airline service can be dividing into four areas which are passenger services, baggage or cargo services, engineering services and catering services. There are several airlines in Malaysia, for example, Malaysia Airline, Air Asia, Firefly, Berjaya Airline, and Berjaya Transmile. But, currently Air Asia is leading in term of passenger volume.

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