Customer satisfaction in business:
A case study of Moon Travel LTD, Finland

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Laurea University of Applied Sciences   **Abstract**
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Today, competition among businesses has become increasingly intense and organizations realize that they cannot compete with each other solely on price, but need to focus on their valued customers. The purpose of this thesis was to measure the current level of the customer satisfaction in the case company as well as to better understand customers' needs from the company's point of view in order to improve customer service. Another purpose was to analyze the reasons and factors that might obstruct efforts to affect satisfaction levels.

The theoretical section of the thesis concentrates on service, service quality and factors affecting the satisfaction level. At the beginning of the theory, elements of service are first discussed and then, the importance of customer satisfaction and measuring customer satisfaction is described. All the data for the theoretical section was collected from the literature.

This research was accomplished using a quantitative research approach by means of a questionnaire and small interview conducted with the company owner. The questionnaire was divided into three parts, containing multiple choice questions and including an open question about customer feelings and opinions at the end. The questionnaire was distributed to the company over a period of one month.

In conclusion, the research revealed that the current service level of Moon travel can be judged as positive and customers are very satisfied with the service they have received. However, several areas were found that need to be improved. In order to improve the level of customer satisfaction, it is recommended that the company should improve its' service environment, implement staff training, and adjust the price of the service, as well as conducting regular advertising campaigns to attract new customers and to inform exiting customers about special offers and upcoming events.

Table of contents

1 Introduction

In today's modern competitive, fast paced and global economy, a company has to consider its customers more than ever. The increasing power of the customer and fierceness of the competition mean that many organizations are seeking their marketplaces and profit margins eroded.

'The challenge for business today is to move from product orientation to customer focus. This is becoming more difficult because now customers are increasingly sophisticated, educated and well informed. They have high expectations of the service they want to receive. They want greater choice and will not be 'sold to' or manipulated. Therefore, now- a - days, customers are willing to be treated as individual. They want to be valued and to feel their custom important. Service organizations constantly strive for the higher level of customer services.' (Sarah Cook 2002, 3)

Total care of the customer can only be achieved when the need of the internal as well as external customers is considered. A good customer service meet customers' expectation which is influenced by such factors as competitive pricing, employees courtesy and behavior, good value, service quality. However, a good employee tries with heart and mind to ensure the best possible service for the customer. The purpose of the thesis therefore was to investigate the factors affecting the level of customer satisfaction and thereby improving the quality of services and products.

1.1 Scope of the study

To provide excellent service, an organization needs to exceed customer expectations. An important factor in providing good service is to keep promises always and not to guarantee things that cannot be delivered. The main reason behind the research is to measure whether the current situation of customer service was satisfactory of company Moon travel. Furthermore, to consider the possible way that can be improved.

The company Moon Travel is small size Travel Company that sells airline ticket and a few additional services to the customers. The company situated at Hakaniemi, Helsinki, Finland. The interest of this thesis comes from the fact of being involved as an employee for the company as well as a student of business management the author finds attractive to measure customer satisfaction.

In this modern internet era, a non internet based travel agency as like Moon Travel need to very strategic to make a good impression in front of the customer. The current customer satisfaction level, factors affecting those satisfactions and customer loyalty factors will be discussed in this thesis.

1.2 Purpose of the study

The purpose of this study is to measure the current satisfaction level of the customer as well as better understand the customer's needs from company's point of view for improving the service level.

It will also analyze the reason and factors that influences customers' satisfaction level and assist to find out the problems with the service of the case company. The analysis combined with empirical study in order to solve practical problems and find logical solution as well as give insight that might help the company to improve satisfaction level of customer and service level of the company.

1.3 Research approach

The main reason of this thesis is to measure the satisfaction level of the customer with current services provided by the case company Moon Travel, which is selling air line tickets and a few additional services with that. The research approach used in this thesis is a quantitative method in the form of a questionnaire to customers. All the data will be collected through questionnaire and analyzed by the statistical software SPSS. Based on those data result, author will finally give suggestion in conclusion part that might help the case company to improve their service level.

1.4 The structure of the study

The research is divided in to six different parts. At first, it has an introduction. Introduction area includes the objectives of the study, a research approach, the scope of the study and the purpose of the study. The second part, theoretical background, frames the general idea of services, customer satisfaction, price influences on satisfaction and customer loyalty.

The third part relates to methodology of the study that describes about how the data have been collected and what method will be used in the research. This section also explains about the reliability and validity of the study. The next part is the empirical study that explains SWOT and the current situation of the case company. Actually this part focused on how theoretical frame connects to real case company about customer satisfaction.

The final part of the research is the conclusion; the findings and recommendation for the future development of customer satisfaction level of the company.

Introduction

Theoretical background

Methodology of the study

Emperical study, Moon travel

Analysis of the research

Conclution and recoomendation
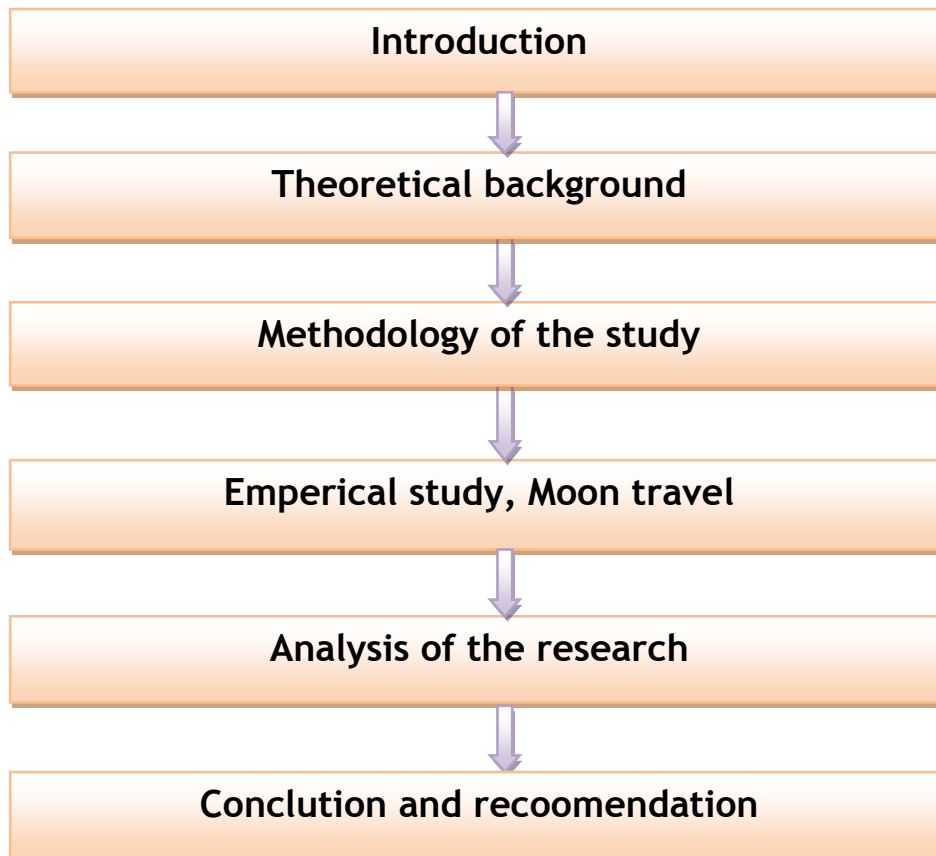
Figure 1: The structure of the study

1.5 Theoretical approach

In this thesis, theoretical background was divided into three parts which are service, service quality and customer satisfaction.

In the first part of theory, general idea of service, service characteristics, service classification, and elements of good service will be discussed. The second part will be included with service quality dimensions, gap in service quality. The third section of the theory will be discussed about the importance of customer satisfaction, measuring customer satisfaction, factors that affect customer satisfaction.

2 Theoretical background

2.1 Services

2.1.1Defining services

In today's economy, service is everywhere and it has increased in importance over the last decade with the advent competition. Intense competition, encouraged by deregulation in both the financial and professional markets as well as the application of modern technology, has fuelled this growth. Kotler and Keller (2009, 789) define service as 'service is any act and

performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything'.

Zeithaml et al. (2006, 4) define services as 'Services are deeds, processes and performances'. They elaborate their definition as- all economic activities whose output is not a physical product and construction, is usually consumed at the time it is produced, and provides added value in forms that are essentially intangible concerns of its first purchaser.

Almost same said by James Fitzsimmons (2008, 4), 'A service is a time perishable, intangible experience performed for a customer acting in the role of co-producer.'

2.1.2 Services classification

Kotler and Keller mentioned (2009, 387-388) that the service component can be distinguished to five categories by offerings, first is pure tangible good with no service accompanying with the goods-such as toothpaste, salt. The second offering is tangible good accompanied by one or more services. More technologically advanced product is categorized here- cell phone, crucial car etc. The third consist of equal parts of goods and services, such as restaurant. The fourth consist mainly with major services, additional services and supported by the goods-like airline travel package. Finally the pure services offering- babysitting.

Isovita and Lahtinen (1994, 110-111) described services can be classified in different ways but mainly they highlight in three main categories, 1) standard vs. customized services- like telephone company and the newspaper provided the same services to every customer but fitness club, bank, restaurant, insurance companies provide more tailored services to the customer according to their needs. 2) Consumer vs. industrial service- the service that is given to final consumer is the consumer service and services that given to the customer to shape their own final product is industrial services. A bank provides both industrial and consumer services. 3) Personal vs. non personal service- the basis is whether personal contacts are needed in the service transaction. The examples- medical treatment, hair cut need direct contact with customers on the other hand security companies, power plants, auditing companies provide services without personal contacts with customer.

2.1.3 Services characteristics

Kasper, Helsdingen and Gabbott (2006, 58) defined services characteristics can be referred as the five 'I' of services. The five 'I' are Intangibility, Inseparability, Inconsistency, Inventory and Inability of own.

Intangibility- the degree of (in) tangibility- as services is an activity or an experience not a thing thus normally it is not like tangible goods. Though many services cannot be provided without tangibles- as for example, transportation services need truck, planes cars or any sort of vehicles.

Inseparability- a degree of simultaneous production and consumption- generally the consumer of the services will have to participate in the production of that service. Hair cut, doctor's treatment, theatre performance, even in internet services requires the consumer participation. (Kasper et al. 2006, 58)

Inconsistency- a degree of heterogeneity- in services process, the service provider and customer are influenced by the service environment to create a right atmosphere. Service widely varied at this point because it depends on who provides them, when and where, to whom. (Kasper et al. 2006, 59-60)

Inventory- a degree of perish ability- Service is hard to store if the service is more intangible or in other words perish ability increases. This characteristic also create problem to match the demand-supply problem of service. (Kasper et al. 2006, 60)

Inability to own- a degree of lack of ownership- referring from the service definition, the service does not always result in the transfer of title or ownership. Services are deeds and performances, thus when a customer rent a car he/she got the rights to have some facilities and not own the car. (Kasper et al. 2006, 61)

2.1.4 The elements of good service

In customer oriented business customer plays an important role as they are the main parts who buy the services and if they like the service than become a repeat customer and also bring new customer. Thus service should be provided in a way of service package, from the customers' point of view, of good quality. Figure-1 shows good service includes four elements, providing service, service package, service quality, and service culture. If any of these elements break the service system the total service will be incomplete. (Isovita and Lahtinen 1994, 111)
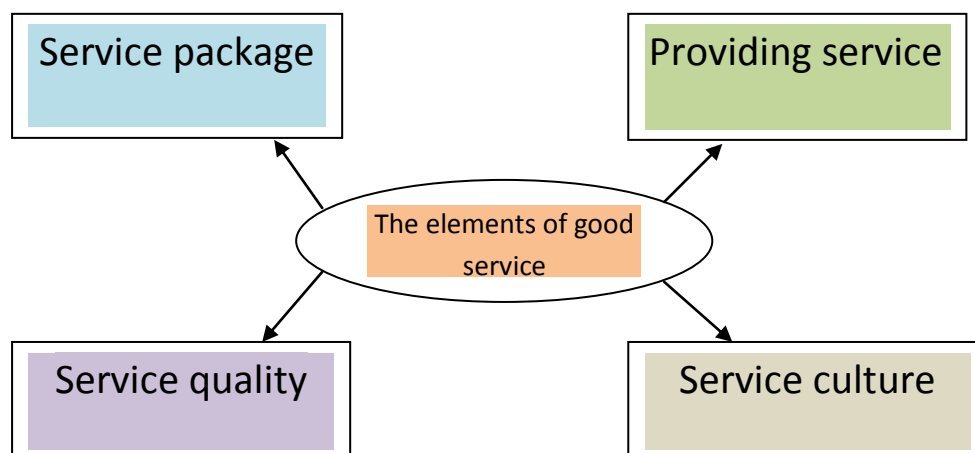

Figure 2: Elements of good service system- a basis for good service.
(Isovita and Lahtinen 1994, 111)

2.1.4.1 Providing service

When service provided to the customer three main elements participate in the service production, 1.service environment, 2.contact personnel, and 3.other customers. Providing service is actually a series of activity of these three elements. In the service proving activity some customer participates actively by sharing suggestion or giving positive and negative feedback to the personnel; other remains passive like let the personnel do their own job. Thus each customer needs be served differently but should be served with equal respect. Contact personnel may be distinguished in two grouped, both continuous and direct contact with the customer or seldom and infrequently in contact with the customer. (Isovita and Lahtinen 1994, 112)

2.1.4.2 Service package

Taking consideration into customers Service Company markets different service package that design to match different customer wants and needs. These service packages have the same core service but sometimes it is hard to define which the core service is. As for example, a customer cannot pay an invoice without paying the bank service charge. Thus additional service is built around core service to facilitate customer. It makes the service and interesting and helps to generate more revenue because sometimes it is insignificant to earn revenue only from core services. (Isovita and Lahtinen 1994, 113)

How additional services are situated around core services that finely pictured by Rao (2007, 127) that has given on next.
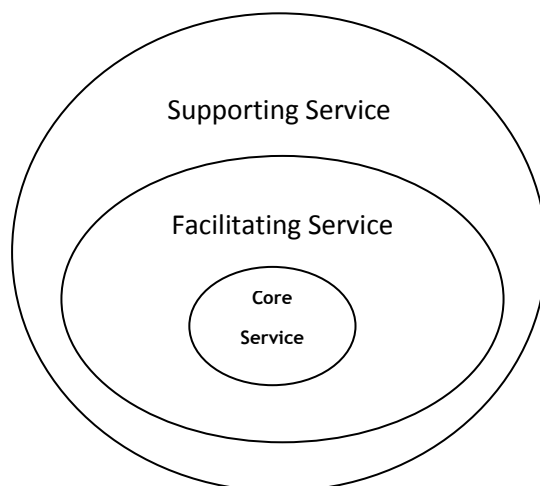

Figure 3: Basic service package.
Rao (2007, 123)

2.1.4.3 Service culture

However, customer contact at service quality stage on the basis of core service and additional services. At this point, customer becomes very judgemental about the product quality and they create an image quickly whether the service is good or bad. Thus if contact person does give the right information or become rude every effort goes negatively, and they do not get a second chance to make this positive. Customers' expectation and experience are to be conflicted here. In the figure 3 showing that service quality image is spared in 2 dimension where customer already hold an image about the experience of owning or some others statements, on the other hand after experiencing service with company personnel, environment, equipments etc. if the everything goes positively, customer experience goes overwhelmed and they do not notice and fault or defect. But if experiences do not meet the expectation then they see all the faults and reinforces. (Isoviita and Lahtinen 1994.114-116)
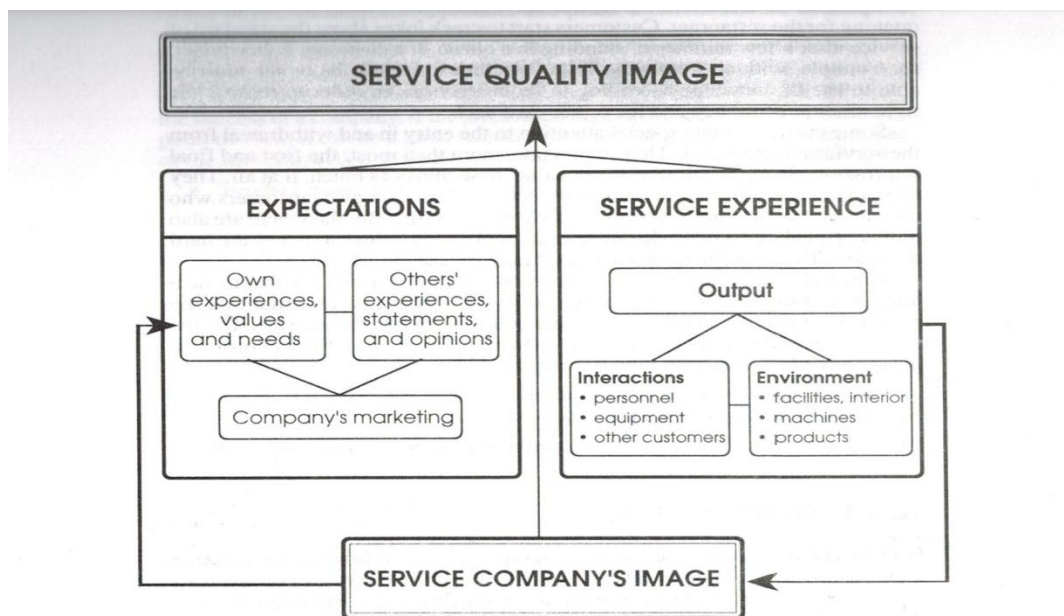
Figure 4: The elements of service quality
(Isovita and Lahtinen 1994, 115)

2.1.4.4 Service culture

Service culture is overall atmosphere of service process that gives customers an experience, feel and what they see in company or in organization. It reflects company's values and norms where it is an implied and tacit agreement about what is permitted and forbidden in the service organization. (Lahtinen and Isoviita 1994, 117)

2.2 Service quality

2.2.1 Service quality definition

Kasper and Gabbott (2006, 186) define 'service quality is a complex and ephemeral concept which refers to some attribute of what is offered, provided whereas satisfaction or dissatisfaction refers to a customer's reaction to that offer'.

Zeithaml et al. (2006, 106) refer service quality focuses specifically on dimensions of service.

'Service quality is the totality of features and characteristics of service that bear on its ability to satisfy stated or implied needs'. (Kotler and Keller 2009, 169)

2.2.2 Service quality dimensions

The evaluation of service quality is formed during the service supply is process. In the figure-4 depicting service qualities is focused evaluation that reflects the customer's perception. Showing in the figure that five principal dimensions that customers use to judge service. quality- reliability, responsiveness, assurance, empathy and tangibles. (Fitzsimmons and Fitzsimons 2006, 108)

| Word of mouth | Personal needs | Past experience |

Dimensions of service quality

Reliability
Responsiveness
Assurance
Empathy
Tangibles

Expected service

Perceived service

Perceived service quality

1. Expectation exceeds ES < PS(quality surprise)☺
2. Expectations met ES=PS (satisfactory quality) :|
3. Expectations not met ES>PS (unacceptable quality) ☹
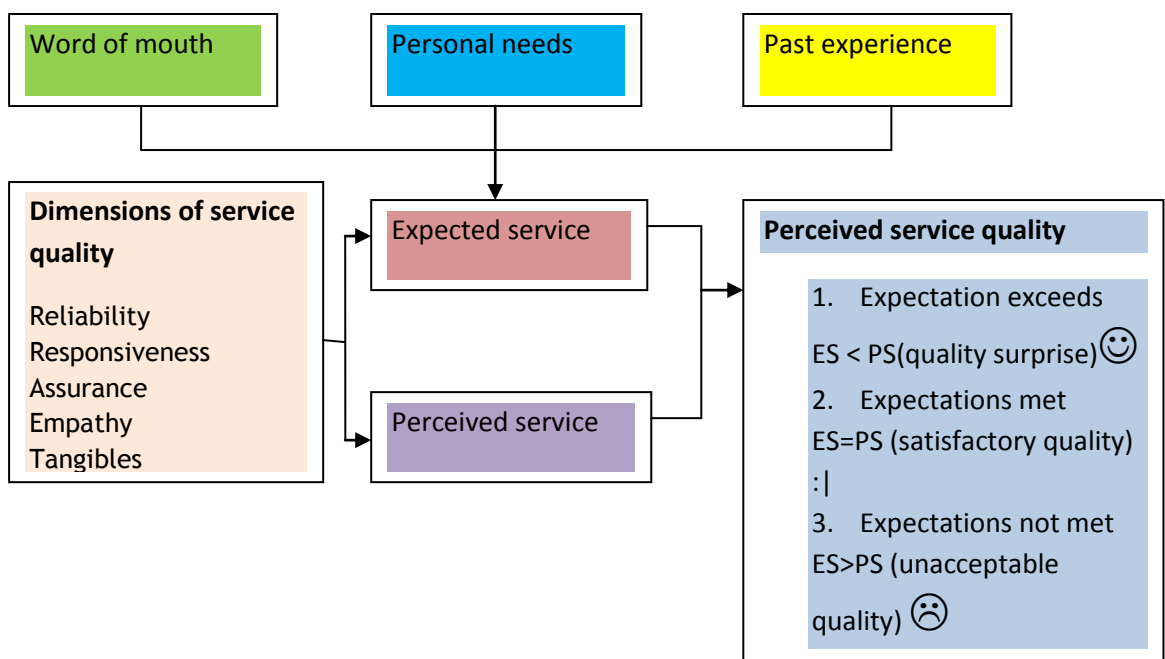
Figure 5: Perceived Service quality.
(Fitzsimmons and Fitzsimmons 2006, 108)

In dimensions of service quality- reliability represents the ability of perform the service both dependably and accurately. It also means service carry out on time, in the same way and without any error every time. Responsiveness refers the ability to respond to customer requirements and to provide prompt service. This ensures to the customer the best service and if any failure occurs, the ability to recover quickly that can create positive perceptions of

quality. Assurance is the knowledge, courtesy, confidence and ability to convey trust of the employees. It includes these features- respect for the customer, politeness, effective communication with the customer. Empathy is the carrying and individual attention to customers including the features of sensitivity, approachability and understanding customers' needs. Tangibles are the appearance of physical facilities, equipment, personnel. It has the impact upon perceived service quality for instance cleanliness of the service premises. (Fitzsimmons and Fitzsimmons 2006, 109)

This dimensions of service quality contain a large part of disconfirmation that derive the perceive service quality. However the process is influenced by four externalities, word of mouth, personal needs, past experience and external communications that actually have an impact on the formation of expectations. (Kasper et al. 2006, 190)

However in the perceived service quality in the figure-4, when the expected service exceeds the perceived service customers become delightful and overwhelmed, when the expected service can not met; customers become depress and create a negative idea for the service.

2.2.3 Gaps in service quality

After having deep knowledge about service quality then need to define why actually service vary or time to research the gaps in service quality.

The figure – 5 is showing a frame for gaps model of service quality. In the figure the customer gap is the difference between customers expected service and perceived service. Customer expectations consists what customers hold on their mind about what should happen. Thus, if any gaps arise at this point it is critical to remove the negative impact from customers mind. (Zeithaml et al. 2006, 33-34)

Minimizing the gaps 1 to 4 increase customers satisfaction level where gap 1 stand for not knowing what customers expectation. Lack of marketing research, less interaction between management and customers, insufficient relationship focus, no appropriate service recovery system are the main cause of gap 1. In short, if management do not acquire accurate information about customers' expectation gap 1 is large. (Zeithaml et al. 2006, 35)

Gap 2 represents not having the right service quality design and standards and this gap arise from lake of management commitment to service quality of meeting customer expectations. Poor service design, absence of customer driven standards, inappropriate physical evidence and services cape are the main reason to increase gap 2. (Zeithaml et al. 2006, 38)

Company's gap 3 is not delivering to service design and standards. It is actually the difference between development of customer-driven service standards and actual service performance by company personnel. It may arise from such reason, lack of teamwork, poor employee selection, inadequate training and inappropriate job design. Thus company must develop

ways either to train or control the employees or motivate them to meet company goals. (Zeithaml et al. 2006, 40-42)

Provider gap 4 is not matching performance to promises. Customer expectation is actually formed by media advertising and by other communication. Gap 4 represent that differences between service delivery and external communication that company exaggerated as promise but not provided in real. Another issue in gap 4 is pricing the service. When customers buy a product bundle they well known about the price but in service case it is different. Sometimes they may find service is overpriced according to quality. (Zeithaml et al. 2006, 42-43)
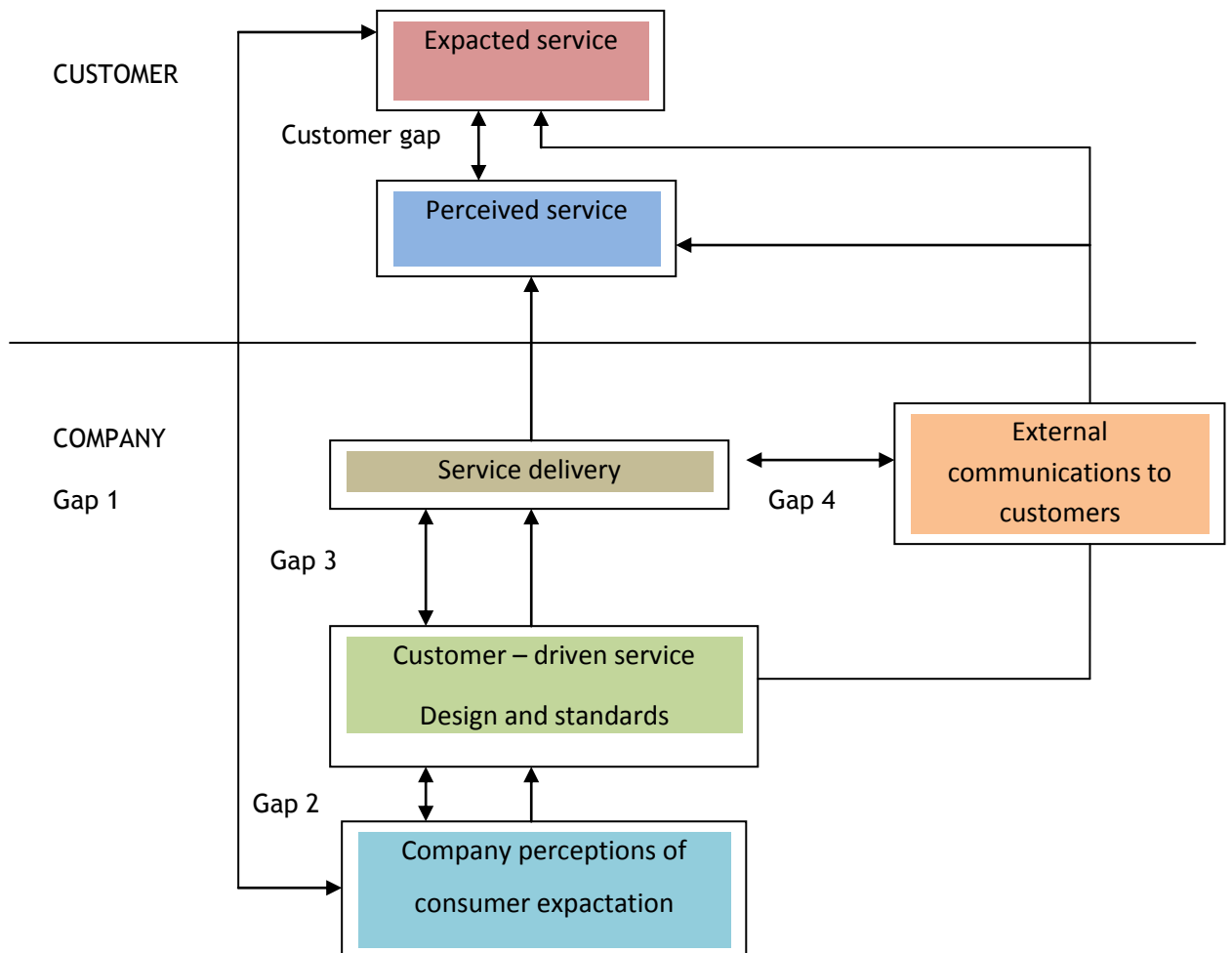
Figure 6: Gaps model of service quality.
(Zeithaml et al. 2006, 46)

2.3 Customer satisfaction definition

Westbrook and Reilly define- Customer satisfaction is as emotional response to the experience provided by, (or associated with) particular products or services purchased, retail outlets, or even molar patterns of behaviour, as well as the overall marketplace. (1983, 3)

Another author Hunt (1977) defines customer satisfaction as a process of evaluation rendered that the experience was at least as good as it was supposed to be.

Tse and Wilton (1988) elaborated hunt definition where they said 'customer satisfaction is a process of consumer's response to the evaluation of the perceived discrepancy between prior expectations and the actual performance of the product as perceived after its consumption'.

Satisfaction is the customer's fulfilment response. It is a judgemental that a product or service feature, or the product or service itself, provides a pleasurable level of consumption-related fulfilment. (Oliver 1977). 'This definition approaches two sides where the first approach defines satisfaction as a final situation or as end-state resulting from the consumption experience and the second approach emphasizes the perceptual, evaluative and psychological process that contributes to satisfaction'. (Evangelos and Yannis 2010, 2)

2.3.1 Importance of customer satisfaction

In modern business philosophy business should be customer oriented and the implementation of the main principles of continuous improvement, justifies the importance of evaluating and analyzing customer satisfaction. In short, customer satisfaction is considered as baseline of standardize and excellence of performance for many business. It also helps to identify the potential market opportunities. (Evangelos and Yannis 2010, 1-2)

Mentioning about importance of customer satisfaction in business perspective Zairi (2000) said in one magazine 'Customers are the purpose of what we do and rather than them depending on us, we very much depend on them. The customer is not the source of a problem, we shouldn't perhaps make a wish that customers 'should go away' because our future and our security will be put in jeopardy.'

However, the concept of customer satisfaction is not a new one. It hit the business sectors in early 1980's where some researchers considered that customer satisfaction is the best window into loyalty. They also found that it has direct relationship with company profitability, ROI (return on investment), or share of market. Satisfied customer think twice or several times before switching to alternatives because they become attached emotionally and also afraid to believe on alternatives quality. Oliver (1997)

Zairi (2000) mention more about the importance as- 'numerous studies that have looked at the impact of customer satisfaction repeat purchase, loyalty and retention. They all bring the similar message. First, satisfied customers share their experience with average five or six people and dissatisfied customers normally tell ten people about their unfortunate experience. Secondly, many customers do not complain about dissatisfaction but it is needs to realize by the company and it differs from industry to industry. Finally, people do not think

dealing customer satisfaction is not as costly as to recruit a new customer. Actually it is only twenty five percent of the recruit a new customer'.

2.3.2 Measuring customer satisfaction

Now a day's measuring customer satisfaction become an important issue to most of business organization. In this regard there is a rumoured by Lord Kelvin (19th century) 'If you cannot measure something, you cannot understand it'. In recent decades importance of customer satisfaction has increased thus many organization considered measuring customer satisfaction should be set as a parameter. 'It also considered as reliable feedback and it provides as effective, direct, meaningful and objective way the customers' preferences and expectations'. (Gerson, 1993)

Wild (1980) and Hill (1996) said, customer satisfaction measurement provides a sense of achievement and accomplishment for all employees involved in any stage of the customer service process and it motivates people to perform as well as achieve higher levels of productivity.

Evangelos and Yannis (2005, 5) mentioned in their book about main advantages of measuring customer satisfaction, one- measuring customer satisfaction helps to evaluate business current position against its competition and accordingly design its future plans. Second- Satisfaction measurement is able to identify potential market opportunities. Third- it helps to understand customer behaviour and particularly to identify and analyze customer expectations, needs and desire. Fourth- It improve the communication the total clientele. Fifth- By this measurement it is also possible to examine whether new actions, efforts and programs have any impact on the organizations' clientele. Sixth- Organizations weakness and strength against competition are determined, based on customers' perceptions and judgement. Seventh- Personnel is motivated to increase its productivity.

2.3.3 Determinates of customer satisfaction

Customer satisfaction is one of the most important issues concerning business organizations of all types. Business organizations try to give best service to the customer and also look for the reason that can increase the satisfaction level. According to Hokinson (1995, 13), these factors include friendly employees, knowledgeable employees, Helpful employees, accuracy of billing, billing timeliness, competitive pricing, service quality, good value, billing clarity and quick service. These determinants are shown in figure 7,

Friendly emlpoyees

Good value

Courteous employees

Helpful employees

Knowledgeable employees

Quick service

Overall customer satisfaction

Billing accuracy

Billing clarity

Billing timeliness

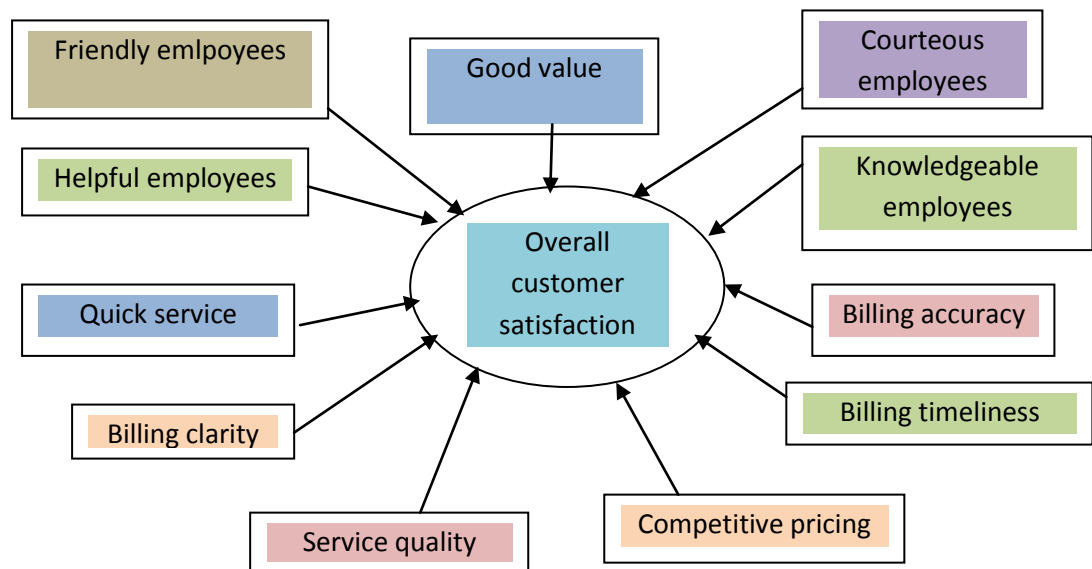Service quality

Competitive pricing

Figure 7: Factors that affecting customer satisfaction

However, Zeithaml et al. also expressed some determinates that causes customer satisfaction and they are mentioned below,

2.3.3.1 Product and service features

Customer satisfaction is significantly influenced by the customer's evaluation of product or service features. Thus, firms also study concerning satisfaction what features and attributes of their services customer measure most and that firms measures the perceptions of those features and overall service satisfaction. In this regard, research has found that normally customers make trade-offs among service like, price level versus service quality or friendliness of personnel versus customization. (Zeithaml et al. 2006, 110-111)

2.3.3.2 Consumer emotions

Consumer emotions played a significant role with the product or services satisfaction. When a customer in a happy moment of life or positive frame of mind that influenced the service experience and feel good. Alternatively when customers passing through bad mood or negative feelings they might over react or respond negatively towards the service. It is normally seen that positive emotions had a stronger effect than negative one. Specific emotions may also be influenced by the consumption experience itself, influencing consumes' satisfaction with the service. (Zeithaml et al. 2006, 111)

2.3.3.3 Attributions for service success or failure

Attributions are a cause to influence perceptions of satisfaction. Even when customers do not take responsibility for the outcome, customer satisfaction may be influenced by other kinds

of attributions. Like sometime customers do not take any consideration of fault made by the personnel, if they found it rarely happens or it is beyond an agent's control. (Zeithaml et al. 2006, 112)

2.3.3.4 Perceptions of equity and fairness

Perception of equity and fairness has a great impact on customer satisfaction. Customers usually think about whether they treated fairly compare to other customer, was the price eligible for the service, was they get good service. These senses of fairness are central to customer satisfaction, particularly in service recovery situations. (Zeithaml et al. 2006, 112)

2.3.3.5 Others consumers, family members and co-workers

Customer satisfaction not only depends on the product or service features, one's own experience rather it also influenced by other customer perception, experiences etc. As for example, family members' satisfaction or dissatisfaction influenced tremendously towards particular service – like a vacation trip. Sometimes friends and families other member experience stopped thinking of that service. (Zeithaml et al. 2006, 112)

2.4 Customer loyalty and retention

Customer loyalty means sticking with a supplier who treats him well and gives him good value in the long term even if the supplier does not offer the best price in a particular transaction. (Lovelock and Wirtz 2007, 486)

Lovelock and Wirtz (2007, 486) also mention in their book that customer loyalty is much more than repeat purchases. They might not buy products frequently, but they drive business top-line growth. Loyal customer's recommendation to their friend, family and colleagues indicate that business give the best economic value of the product or service. Moreover, loyal customer indirectly increase the number of new customer -at no charge to the company- which on the other hand, increase company's' growth.

Sivadas and Baker- Prewitt (2000) said, 'the ultimate objective of the customer satisfaction measurement should be customer loyalty. Actually satisfaction fosters loyalty to the extent that is prerequisite for maintaining a favourable relative attitude and for recommending and repurchasing from the supplier'.

'Only customer satisfaction is not enough in today's business perspective rather there has to be extremely satisfied customer, because it leads to customer loyalty. Some author also mention that building customer loyalty is not a choice for business, but it is the only way of building sustainable competitive advantage. Though there is no definite rule to create customer loyalty but study shown these following aspects might help to build that, firstly- focus on key customers, secondly- generating high level of customer satisfaction with every

interaction proactively, thirdly- understand customer needs and demand, then respond to them before the competition does, fourthly- develop closer ties with customers and finally- create a value perception'. Bonsal and Gupta (2001)

2.5 Price influence on customer satisfaction

Price is a very popular tactic for consumer satisfaction. Customer will indicate higher levels of satisfaction when they get a better deal (pay less price) relative to a comparison other than they will when they pay more for relative worse deal. They thought they paid less than the published price for that item if the customer is satisfied.

According to Zeithaml et al. (1996, 116-128) the customers' use of price as a signal to quality depends on several factors, they are accessibility of services cues to quality, brand names that offer evidence of a company's, level of advertising and the risks associated with the service purchase.

Usually when the price is high, customer expects higher quality and better services. On the other hand, when the price is too low, customer may doubt about the quality of services. Thus, when company use any price promotion tactic, such as- volume discounts, rebates, preferred customer discount, holiday sales or other countless marketing offers they should be very careful about their product image and how customer respond to their product and services.

2.6 Theoretical framework

The overall literature of this thesis can be divided in two parts. The first parts concentrate on the dimension of service quality; the second part focuses on measuring and developing the customer satisfaction. These two parts linked together at customer satisfaction point. In figure 8, the overall idea of the theoretical section of this thesis is presented shortly. In the first section of theoretical part focuses on good elements of service, four characteristics of service, five important dimensions of service quality and gaps of service quality are described.

The second section of the theoretical section concentrates on the importance of customer satisfaction, measuring and determining customer satisfaction, price influence on customer satisfaction, customer loyalty and customer retention. The theoretical part helps to understand that service quality and price influences determine customer satisfaction. Improving customer satisfaction is mainly the improvement of the gap arises in service quality formed by the customer expectations when they interact with the services.
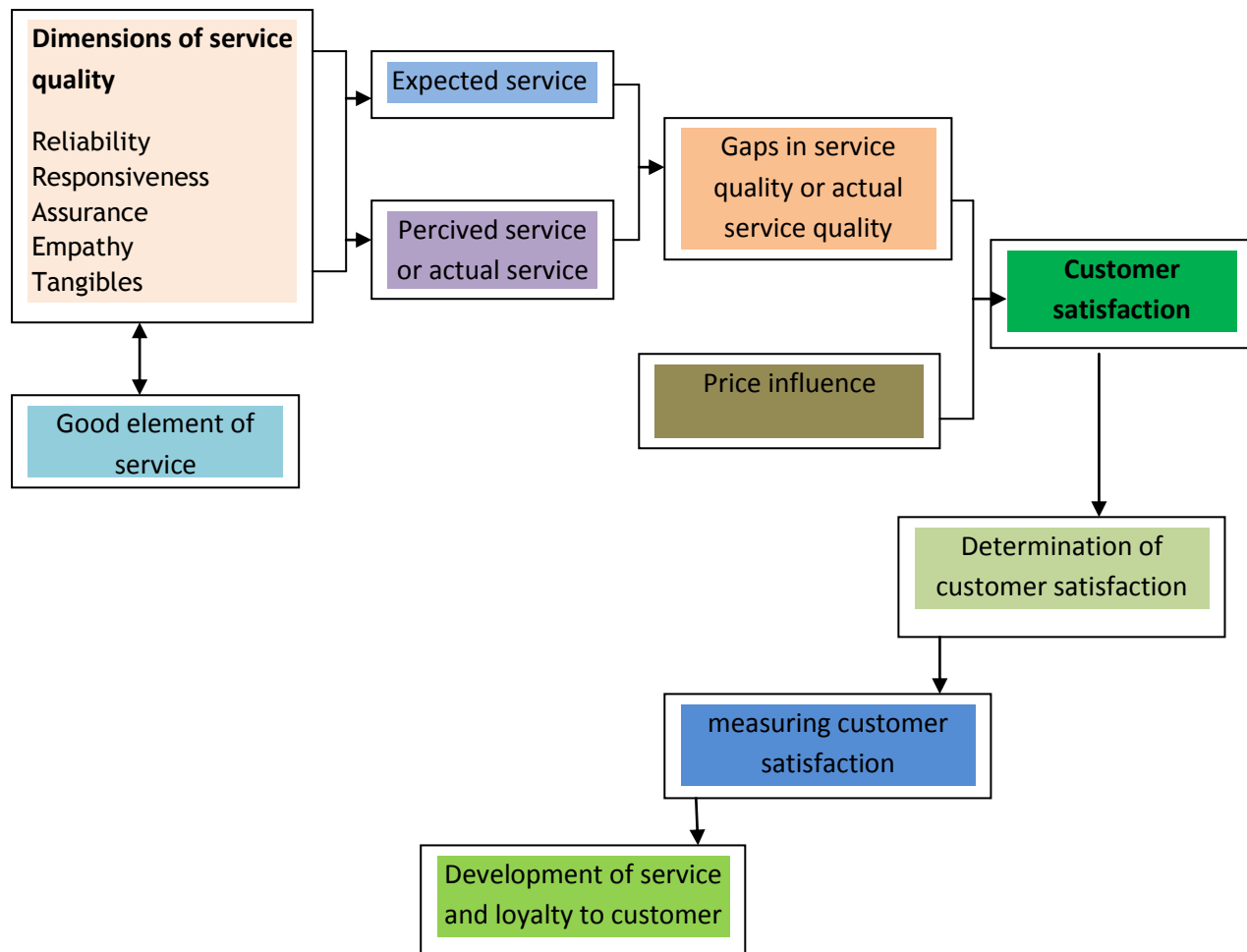
Figure 8: Theoretical framework of the study

3 Research approach

3.1 Research approach in brief

Market research enhances marketplace competitiveness through a better understanding of a firm's competitor and market. The reason behind the market research is to assist and improve marketing decisions; selecting the optimum alternative or even setting the decision making agenda. In any business, the basis of good decision making is having effective information and using it. Therefore, it reduces the risk involve in it. (Haque P. 2003, 2)

According to Naresh K. Malhotra (2010,39) Marketing research are the systematic and objective identification, collection, analysis, dissemination and use of information for the purpose of improving decision making related to the identification and solution of problems and opportunities in marketing.

McDaniel and Gates (2004, 27) define the market research process as figure 9.
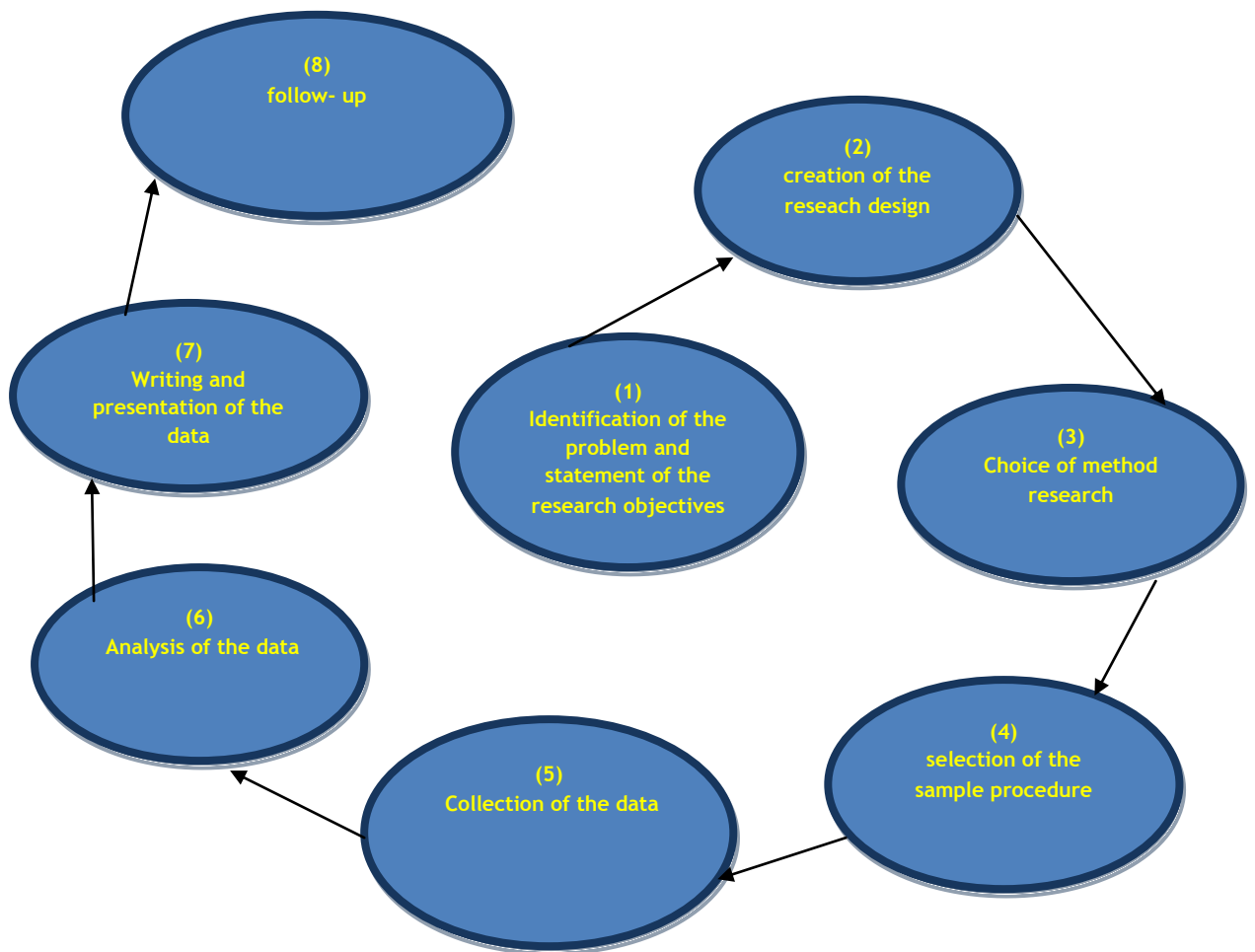
Figure 9: Problem identification and the research process.
(McDaniel and Gates 2004, 27)

The figure 9 states at number 3 that usually the business research starts with a research objective specifying problems and clearly defines objectives. Researcher should take consideration in the purpose of the study, the relevant background information, the information needed, and how the information will be used in making a decision. Once the problem has been stated precisely; the further work can be conducted properly. (Malhotra 2010, 41)

Research design is a plan for addressing the research objectives or hypotheses. It forms the framework of the entire research process. There is no single best research design. Instead, different designs offer an array of choices, each with certain advantages and disadvantages as well as including some sort of tradeoffs. (McDaniel and Gates 2004, 28)

The researcher decides whether a research would be descriptive studies or casual studies. Descriptive Research is a type of conclusive research that has as its major objective the description of something- usually- market characteristics or functions. And casual research is a type of research where the major objective is to obtain evidence regarding cause and effect relationships. (Malhotra 2010, 113)

The next step is to select a means of gathering data. Three basic methods of research are 1) survey, 2) observation and 3) experiment. Survey research is often descriptive in nature but can be casual. Observation research is descriptive, and experiment research almost always casual. Experiment is a classic form of research where researcher changes or manipulates one thing to see the changes of other. In other words, these three are primary data collected to solve the particular problem under investigation. (McDaniel and Gates 2004, 27, 42)

Secondary data consist of information that has already been gathered and might relevant to the problem at hand. (McDaniel and Gates 2004, 42)

'Sampling refers to the process of obtaining information from a subset of a larger group the universe or population'. This process consist five steps: Target population, sampling frame, sampling techniques, sample size and executing sampling process. (Malhotra 2010, 372)

Data collection is mostly done by marketing a research field service that involves also the selection, training and supervision of the person who collecting data. Besides interviewing field service firms often provide group research facilities, mall intercept locations, test product storage and test food products. (McDaniel and Gates 2004, 31)

After data has collected, the next step is to analysis the data which involves the editing, coding, transcription, and verification of data. The data are analyzed to derive information related to the components of the marketing research problem. (Malhotra 2010, 42)

Researcher may use many approaches for their research works, but two approaches mainly used in general. These are qualitative and quantitative research method. Qualitative research is an unstructured, exploratory research methodology based on small samples that provide insights and understanding of the problem setting. It develops an initial understanding of the research. (Naresh K. Malhotra 2010, 171)

Quantitative research is concerned with measurement of a market and includes areas such as market size, the size of market segments, brand shares; purchase frequencies, awareness measures of brands, distributions level etc. In practice market research through a census is very rare; for one thing it is prohibitively expensive to obtain data from every individual even in timescales perspective. (Haque P. 2003, 74)

Market research enhances marketplace competitiveness through a better understanding of a firm's competitor and market. However, Researchers can employ both research processes that complement to each other in a single study. 'It has two major advantages: firstly, helps to achieve different purpose in a study and secondly, multi methods ensure that data are reflecting the researcher willingness'. (Malhotra 2010, 171)

3.2 Methodology of the study

This section describes the overall aspect of the research strategy used in the study and explains how data collections were selected. It also focuses on reliability and the validity of study at the end.

3.2.1 Sample techniques

To obtain an accurate result in this study, the researcher used probability sampling in random manner and pick respondents for answering the questionnaires that were designed. This technique was used because, in random probability, each customer has the equal chance of being selected from the huge customer of the case company. Furthermore, this process helps to avoid arbitrary or biased selection of sample elements. (Malhotra 2010, 117)

3.2.2 Data collection method

The main reason behind the research is to collect information about the current satisfaction level of the case company and to find out the possible element that could be improved. The target group was all general customer of Moon Travel.

The basic data for the research were collected through owner interview, which was in a semi structured form, and from author's observation during her internship period. The questionnaire was designed to collect data that can be used to set realistic objectives for the research. In quantitative research, every respondent was asked the same series of structured questions (questionnaires). The final version of the questionnaire was released in January 20, 2012. The author sent hundred questionnaires to customers, but 68 responses were able to acquire that means the number of respondents who able to answer the question was 68%. Then a short interview of the owner was taken to know about his opinion about customer satisfaction regarding his company. Though the main information was collected through questionnaire, some secondary information was also collected from journals and annual report of the company.

3.2.3 Data analysis

The result of the collected data analyzed by method of Microsoft excel 2010 and SPSS. Data will be presented in research with the use of the pie, chart and table so that the data analyzed can be clear and understandable to the reader .There were total 15 questions including both closed and open questions. Written explanation in the open question was analyzed by the method of using hypothesis.

3.2.4 Reliability and Validity of the research

Reliability and validity are crucial aspects of research practice and the importance of these criteria should be fully recognized by all who are engaged in survey work of any kind. These terms are not always readily distinguished; some degree of overlap seems almost inevitable and they are, in any case, interconnected. (Chisnall 1997, 34)

The term reliability refers to the extent to which a scale produces consistent results if repeated measurements are made. 'Systematic sources of error do not have an adverse impact on reliability because they affect the measurement in a consistent way and do not lead to inconsistency' (Malhotra 2010, 318). Mc Daniel and Gates (2004, 200) said 'reliability it is the degree to which measures are free from random error and, therefore, provide consistent data.' The less error there is the more reliable the observation is, and so a measurement that is free of error is a correct measure. Test- retest, the use of equivalent forms, and internal consistency are three widely use ways of access reliability.

The validity of a scale may be defined as the extent to which differences in observed scale scores reflect true differences among on the characteristics being measured, rather than systematic or random error. Thus, a measuring device is valid only if differences in scores reflect true differences on the characteristics being measured rather than systematic or random error (Malhotra 2010, 320). In simple word, Mc Daniel and gates define; validity addresses the issue of whether what the researcher was trying to measure was actually measured.

A necessary precondition for validity is that the measuring instruments be reliable. An instrument that is not reliable will not yield consistent results when measuring the same phenomenon over time. To resolve validity is more difficult than reliability. Face, content, criterion-related, and construct validity are different perspective way of examining validity (Mc Daniel and Gates 2010, 202)

As mentioned earlier, the main purpose of this research is to find out the current satisfaction level of the customer as well as to look forward to the possible elements that could be improved. To ensure validity of this research special consideration was given to the questionnaire and each question was logically and theoretically linked with the key research question. The questionnaire was divided into three parts, first part about general information of the customer, second; marketing communication tool and the third part concerned about satisfaction level of the customer with service. For the reliability of this research, all the information was collected by the author directly from the customer that reflects the true feeling of the customer and hence, the reliability of the research gathered. The author also believed that the same or the highly similar results would be obtained if the same research method applied in order to measure the same research.

4 Empirical study

4.1 Background of the case company and SWOT analysis

Moon Travel is the new established travel agency in Helsinki, Finland. They offered travel services in the country since 2004. They provide a few services for airline travellers through different countries. The main target population is the airline traveller. But in an effort to find a niche in the market, now they specialize in specific destinations and traveller i.e. ethnic groups and Asia. So their most of the customers are mainly the Asians, and then Africans and the rest are the Europeans.

Moon Travel is small size privately owned travel company of a Bangladeshi person with his four employees. The company's mission is to facilitate the customer first and therefore, they always try to make the best possible travel arrangement for the customer. However, currently they provide limited package tour and they sell tickets for the customers' owns choice of destination. Moreover, they do not provide online booking system, which is most popular now a day. In those circumstances, Moon Travel needs to know whether they meet their customer's needs and expectations. To identify problem, one of the largest areas of marketing research is that measuring current customer satisfaction level.

To achieving the objective and avoid the risk SWOT analysis is very important. The strengths and the weakness are presented the internal factors and the opportunities and threats are presented the external factors. The objective is to outline the strengths, reveal the weaknesses, explore opportunities and define the threat for the Moon Travel. This SWOT of Moon travel in figure 10 demonstrated by the customer's opinion and with the help of two internship student's report.

The following figure 10 shows, the strength of the company is its' location, professional personnel along with strong supplier Amadeus. These advantages help the company to have constant revenue and attract a large number of customers. However, only direct ticket selling service is one of major weakness of the Moon travel. In addition, less advertising and promotion can result of losing more customers. Customer does not get any proper information from the webpage. For example, due to poor webpage, customers who do not come across to the street of the company do not know about the offer and pricing and thus a lot of people are not familiar with the company.
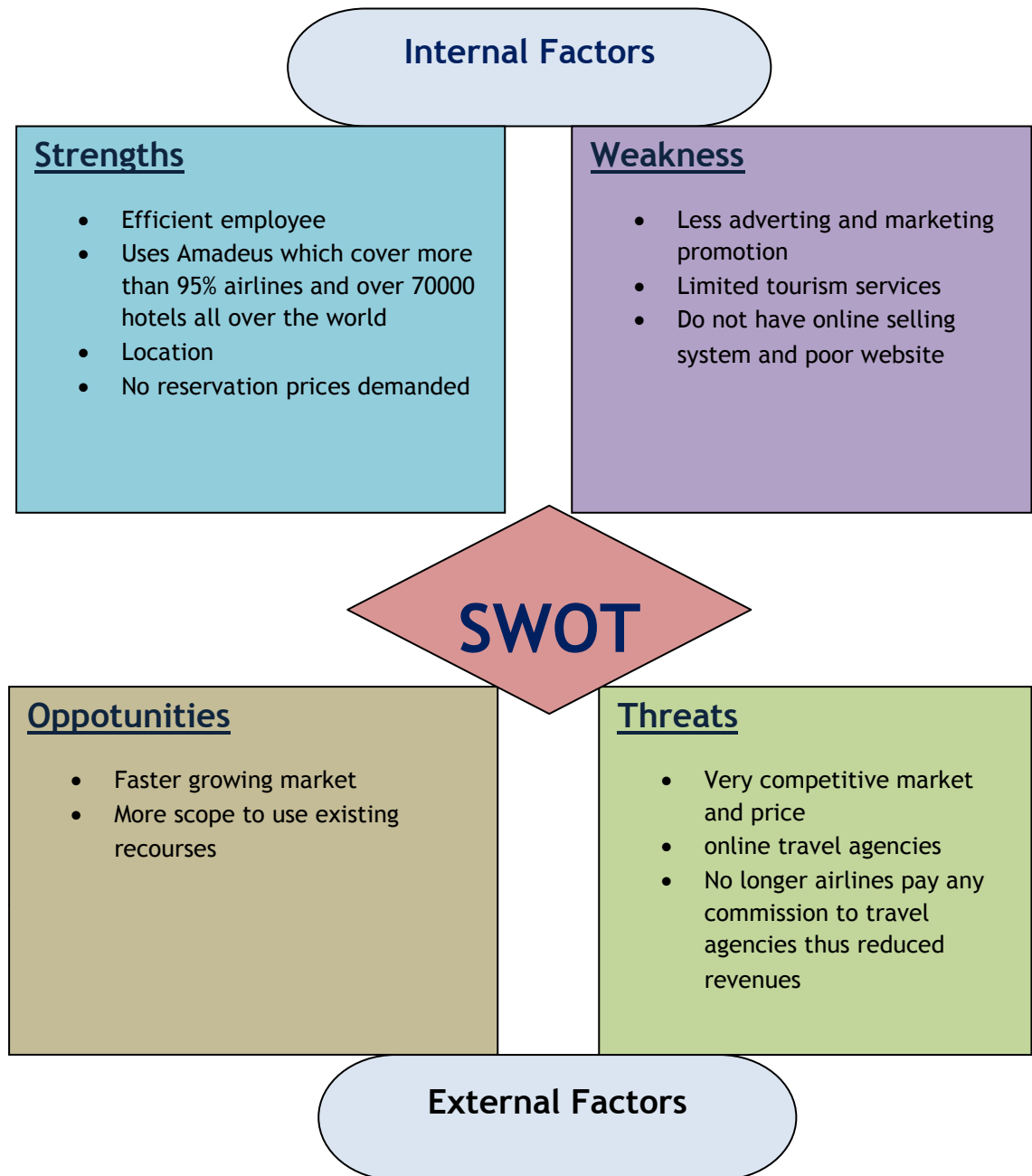
Internal Factors

Strengths

- Efficient employee
- Uses Amadeus which cover more than 95% airlines and over 70000 hotels all over the world
- Location
- No reservation prices demanded

Weakness

- Less adverting and marketing promotion
- Limited tourism services
- Do not have online selling system and poor website

SWOT

Oppotunities

- Faster growing market
- More scope to use existing recourses

Threats

- Very competitive market and price
- online travel agencies
- No longer airlines pay any commission to travel agencies thus reduced revenues

External Factors

Figure 10: SWOT analysis of Moon Travel

In terms of external factors, the opportunity is faster growing market value of the tourism sector all around the world. The second opportunity would be the use of existing resources in an effective way, for example- nowadays people are very busy. They have very less time to go in a company to have an airline ticket where they can find a lot option may be with a better option in internet pages. So, proper webpage of the company can make a big difference for getting more customers. Moreover, Rather than to stick with one specific service, the company should introduce more services for the customer. On the other hand, as a very competitive market the company has to face huge number of competitors. Increased competitors forced the company to decrease the selling price to maintain the market share

which also means decrease in profit when labour cost or material cost cannot be decreased. Thus, company has to be very strategic in order to maintain their position in the market.

4.2 General information about the respondents

The questionnaire was divided into three parts, first part about general information of the customer, second; marketing communication tool and the third part concerned about satisfaction level of the customer with service. The general information part includes the basic profile of respondents about gender, age, occupation and nationality. It is very important for the case company to know about what kind of customer are their value customer.

4.2.1 Gender
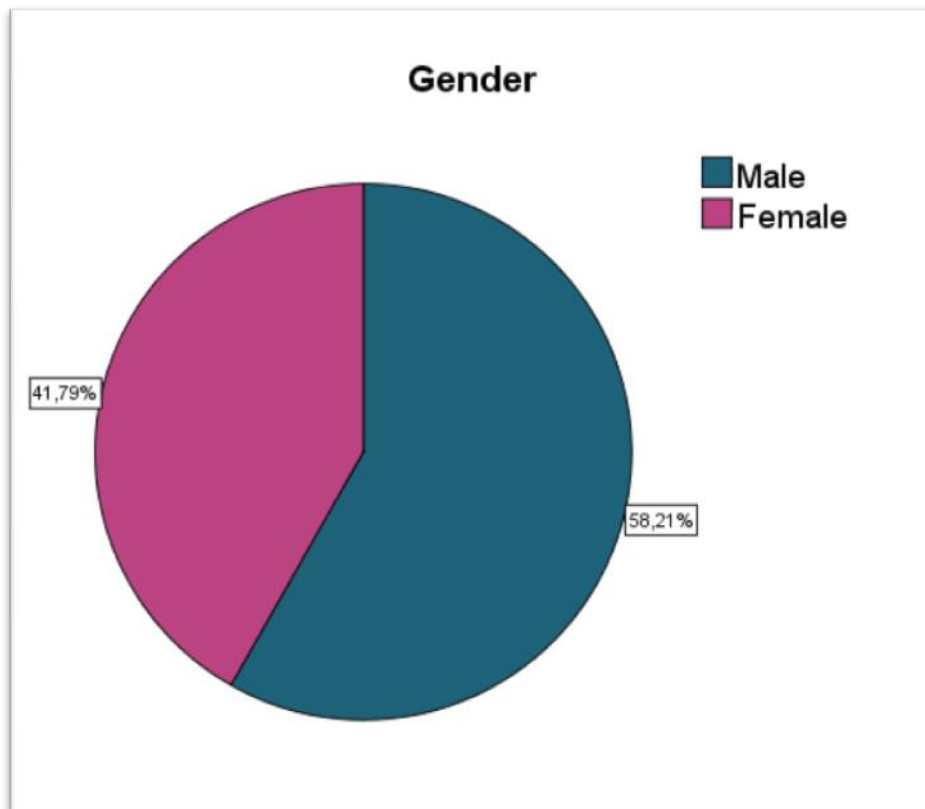
Figure 11: The gender dispersion of the respondents

The first question was about gender of the respondents and all 67 respondents answer to that question. The graph clearly indicating that over 58% was male respondents and about 42% was female. Male counts one and half times more than female as customer.

4.2.2 Age

The figure 12 represents the age dispersion of the respondents. The figure clearly indicating the majority of the customer belongs to age 20-29 which counts for 32.8% of total

respondents. The second largest age-group is 30-39 that counts for 28.4%. The oldest group is the smallest group of customer that represents 7.5%. The study shows 9% customer belongs to the group of under 20 and the age group 40-49 represent 22.4% of the customer which almost quarter of the total respondents.

At the moment, from this survey it is clear that the majority (60.6%) customer is from age group 20-39.
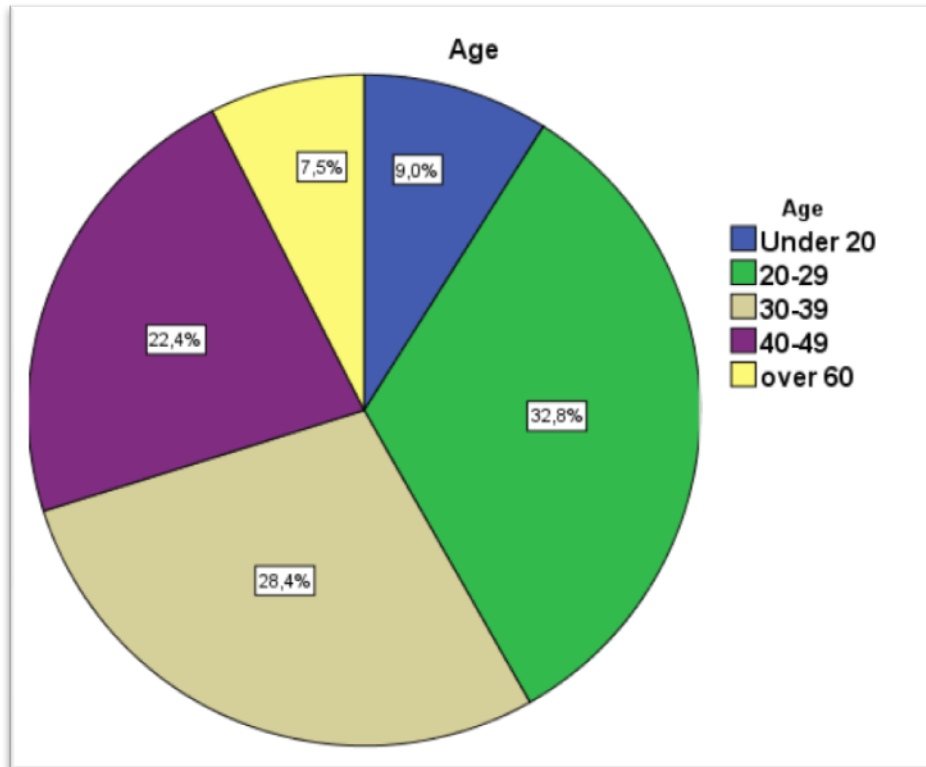

Figure 12: Age dispersion of the respondents

4.2.3 Occupation

Figure 13 shows the occupation of the respondent and there full time employed are the majority group that indicates 47.8% which is almost half of the customer. The second largest group belonged to students, which is 26.9%. 17.9% was partly employed and 7.5% was unemployed.

Therefore, it seems that the case company's majority customer is fully employed or students that in combined represent over 70% of the total customer.
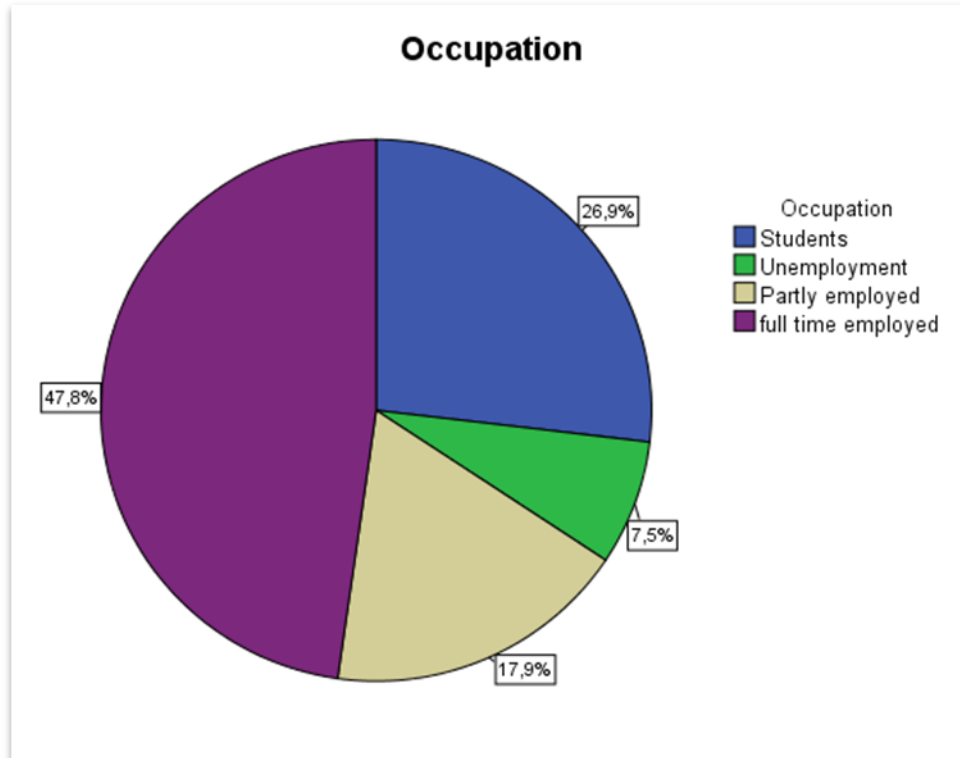
Figure 13: Occupation dispersion of the respondents

4.3 Moon Travel's service and customer satisfaction

This section of the study shows the current satisfaction level of the potential customer by the offered services of the case company; as well as the overall satisfaction with case company. Moreover, the main motive was to find out whether any modification needed to improve better customer services.

The researcher at this point critically examined question 9 to 12 where respondents were asked question to choice from 1 to 5 and claim whether poor, very poor, neither poor nor good, good and very good. At the end, how price factor change the view of satisfaction also discussed.

4.3.1 Customer attitude towards the services provided by Moon Travel

Customer's attitude seems very positive, and they are pleased with the service provided by the moon travel reflects as figure 14. Where the mean value was 2.5, all the service mentioned in question 9 got near about 4. That means customers are highly pleased by the services and they rated stuff responsiveness at top; email service and follow- up at the bottom.

However, different customer had a different opinion, and one of the aims of this thesis was to find out at what level the customers were satisfied with current services. Thus, to find more

accurate result author use question 9 to crosstabs and Mann-Whitney test with gender and age groups.
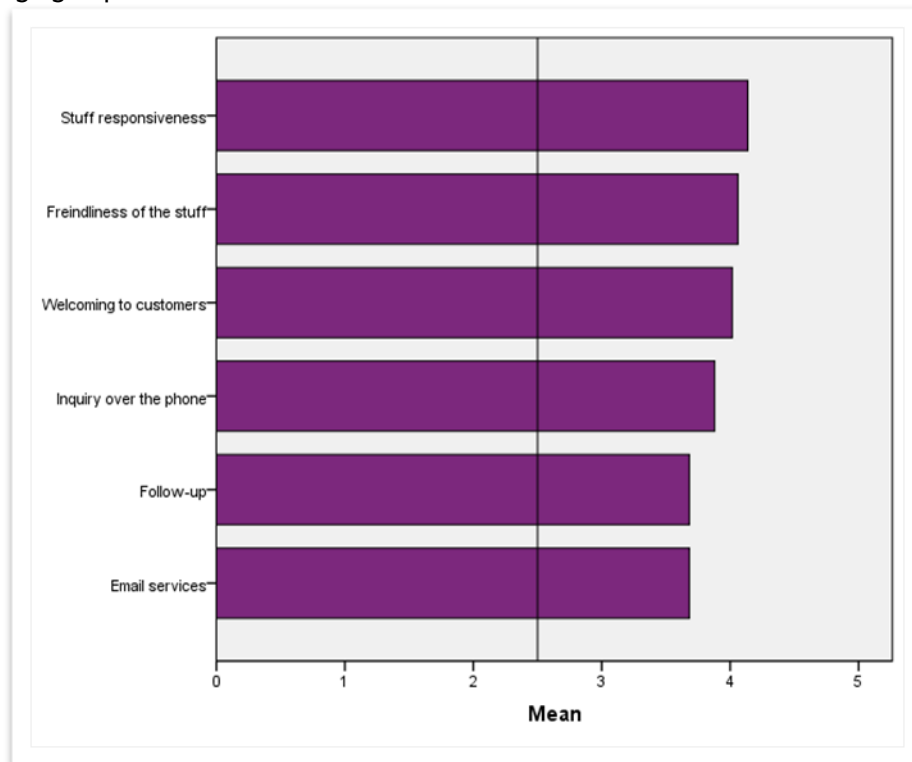

Figure 14 : Customer attitude towards case company's services

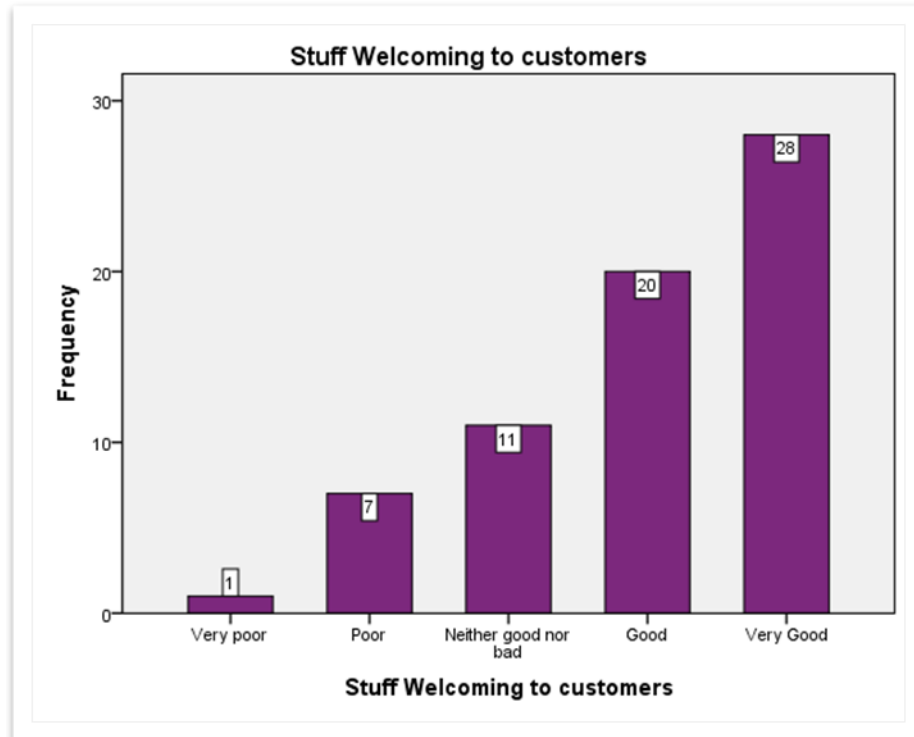4.3.2 Customer's opinion about stuff friendliness

Figure 15 : Stuff welcoming and friendliness to customer

		Gender		
		Male	Female	Total
The Stuff Welcoming to customers and their friendliness	Poor or very poor	8	0	8
		20,5%	,0%	11,9%
	Neither good nor bad	5	6	11
		12,8%	21,4%	16,4%
	Good and Very good	26	22	48
		66,7%	78,6%	71,6%
Total		39	28	67
		100,0%	100,0%	100,0%

Table 1: Cross tabulation of gender and stuff friendliness

Figure 15 shows out 67customer, 28 respondents very strongly agree that stuffs are friendly, and 20 says they are good which together represent over 71% of the total respondents. Only 8 persons believed friendliness, and welcoming are poor and 11 respondents remain neutral with neither satisfied nor dissatisfied.

Since the majority of the customers are satisfied with this service, but table 1 shows that 8 male answered friendliness of stuff or welcoming to customers is poor where no female felt like that. Again 22 female out of 28 believed this service is good or very good. On the other hand, 26 male out of 39 seems very satisfied. According to study, it seems that female are

treated more sensitively than male and thus they are more satisfied. In addition, though the study seems female are more satisfied, but it might be wrong too as the size of sample was only 68 and due to small sample, the chi square test does not give any valid result which contain error assumption more than 5%.

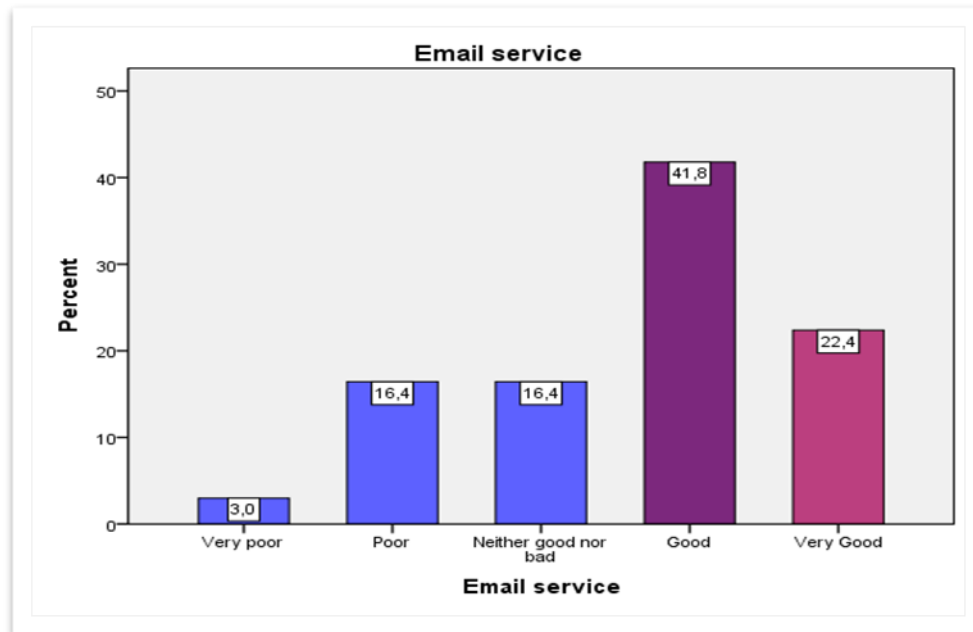### 4.3.3 Customer reaction about email service

Figure 16: Email service by Moon Travel

Figure 16 indicates the majority of the customers are satisfied with email service, which counts 41.8% of the respondent and 22.4% people thought the service is very good. However, some are not satisfied with this service that counts 16.4% and 16.4% did not care about email service.

However, to know about the effectiveness of the result, researcher used cross tabulation with age group, which had been categorized as a group below 30 and group 30or more that representing by table 2. The study shows, 12 out of 28 of less than 30 considered the service is bad or very bad where only 1 out of 39 of the second group said this service is poor, and as we have seen earlier age group 20-29 was the majority that counts 32.8%. On the other hand, the older group is more satisfied with this service that made up 31 frequencies. To ensure validity, researcher used Mann Whitney U test in table 3 which indicating that the study assumption is 99.1% correct.

Email service * Age Group 2c Cross tabulation

		Age Group 2c		Total
		Less than 30	30 or more	
Email service	Very poor	1	1	2
	Poor	11	0	11
	Neither good nor bad	4	7	11
	Good	6	22	28
	Very Good	6	9	15
Total		28	39	67
		41,8%	58,2%	100,0%

Table 2: Email service and gender cross tabulation

Ranks

	Age Group 2c	N	Mean Rank	Sum of Ranks
Email service	Less than 30	28	27,02	756,50
	30 or more	39	39,01	1521,50
	Total	67		

Test Statistics[a]

	Follow-up
Mann-Whitney U	350,500
Wilcoxon W	756,500
Z	-2,609
Asymp. Sig. (2-tailed)	,009

Table 3: Mann-Whitney U test

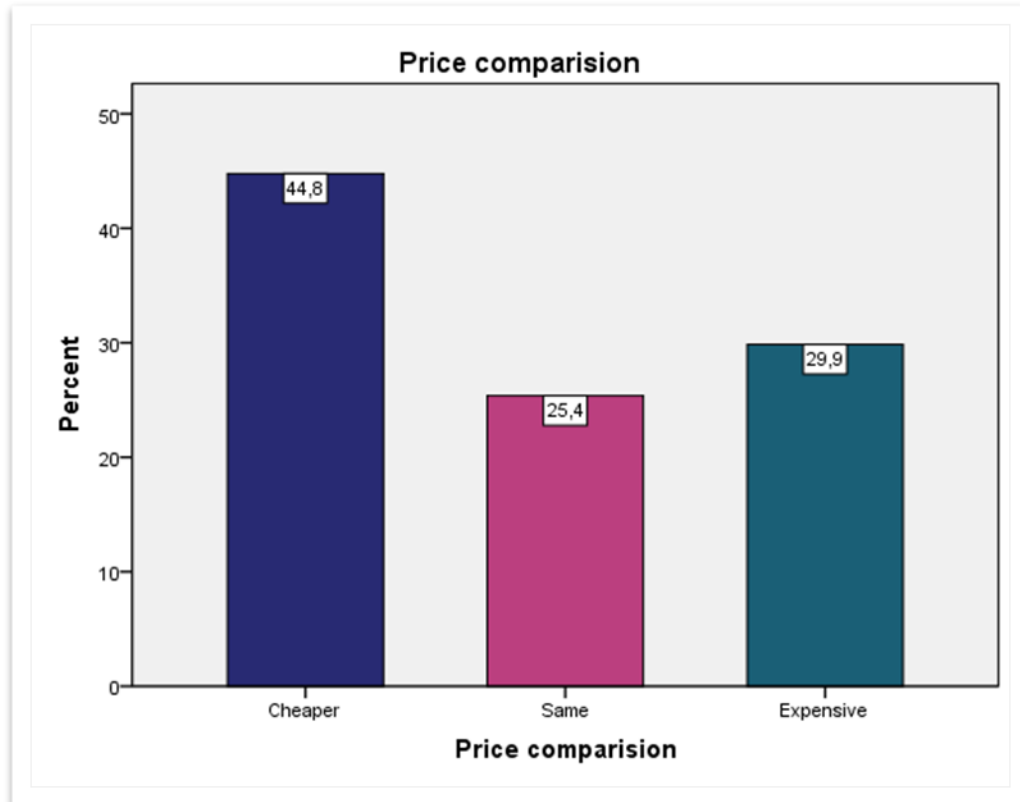4.3.4 Customer's opinion about the price of the service

Figure 17: Price comparison of the service

Nationality * Price comparison Crosstabulation

			Price comparison			
			Cheaper	Same	Expensive	Total
Nationality	Europe	Count	3	4	12	19
		% within Nationality	15,8%	21,1%	63,2%	100,0%
	Asia or Africa	Count	27	13	8	48
		% within Nationality	56,3%	27,1%	16,7%	100,0%
Total		Count	30	17	20	67
		% within Nationality	44,8%	25,4%	29,9%	100,0%

Table 4: Cross tabulation of price and nationality

In figure 17, 44.8% customer thought that the price of the air line ticket is reasonable at Moon Travel. On the other hand, 29.9% customer's opinion indicates service is expensive, and 25.4% thought the price is same as other place. From this figure, it is difficult to say what actually customers think about the price as all these bars showing large percentage.

Thus, nationality and price used cross tabulation in table 4, where all the nationalities were divided under the category of Europe and Asia or Africa. 48 respondents were Asian or African, and 56.3% of those thought price is cheaper at Moon Travel. On the other hand, 19 respondents were European where 63.2% thought that the price is expensive. It seems that two nations' opinions are opposite.
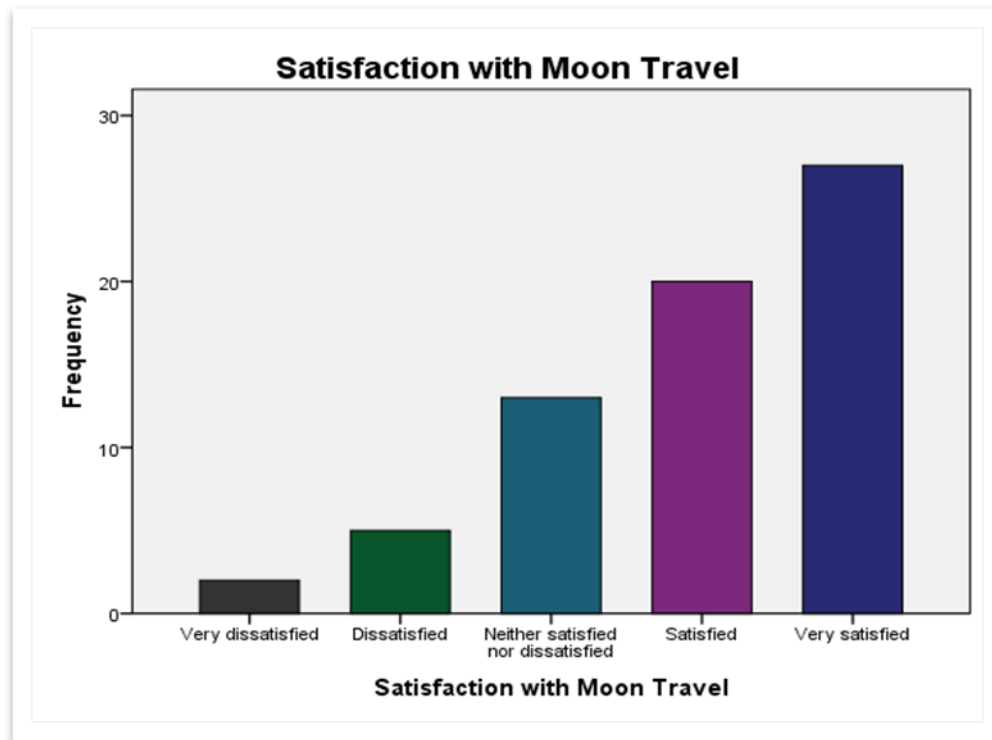
4.3.5 Customer's current satisfaction with Moon Travel

Figure 18: Satisfaction with Moon Travel

		Gender		
		Male	Female	Total
Satisfaction with Moon Travel	Very dissatisfied	1	1	2
		2,6%	3,6%	3,0%
	Dissatisfied	2	3	5
		5,1%	10,7%	7,5%
	Neither satisfied nor dissatisfied	10	3	13
		25,6%	10,7%	19,4%
	Satisfied	12	8	20
		30,8%	28,6%	29,9%
	Very satisfied	14	13	27
		35,9%	46,4%	40,3%
Total		39	28	67

Table 5: Satisfaction of moon travel and gender cross tabulation

Figure 18 shows the majority of Moon Travel's customer is satisfied with the current situation of the company which count 70%. 19.4% did not make any comment and remaining 10.6% are dissatisfied. However, table 5 indicates female is more satisfied than man. According to this

study, 75% of female thought that service of the company is very good where only 66% male thought so. Again, it cannot be said for sure as the sample size is too small and for invalid chi square test which contain an error of assumption more than 5%.

4.4 Customers find out about Moon Travel

The objective of this question was to know where customers got information about Moon Travel and to help the case company about what channels works most effectively for them as well as which channel needed to improve for marketing.
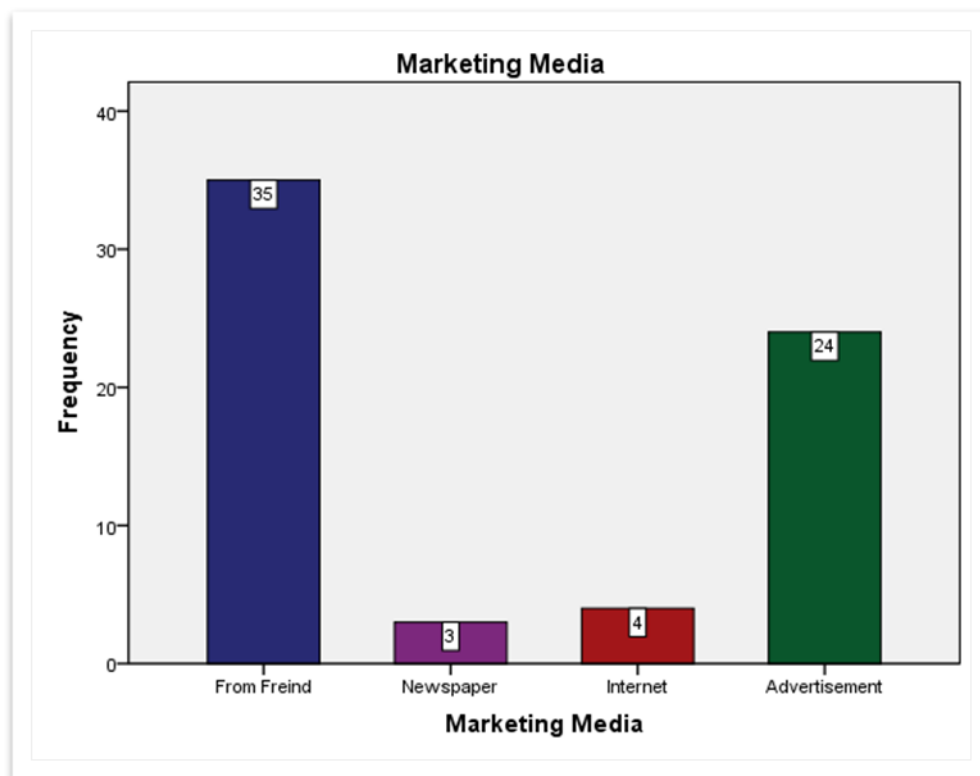
Figure 19: Marketing communication channel of Moon Travel

According to the figure above, 35 of the respondents mentioned the got information from friends' recommendation. It actually indicates how information flows through word of mouth. The following marketing media is advertising where 24 of the respondents agree it is the effective way to get information but in questionnaire few respondents also mentioned beside the only advertisement on the road the company should do more. At the bottom, internet and newspaper that represent 4 and 3 of the respondents respectively which also indicates company should improve these two ways.

However, majority of the customer also mentioned advertising should need to improve. The figure 20 shows 46% of the customer which near about half of the customers respond advertising of the case company neither good nor bad. 30% of the respondent said it was good, and only 13% of them said it was outstanding. Other remains with bad.
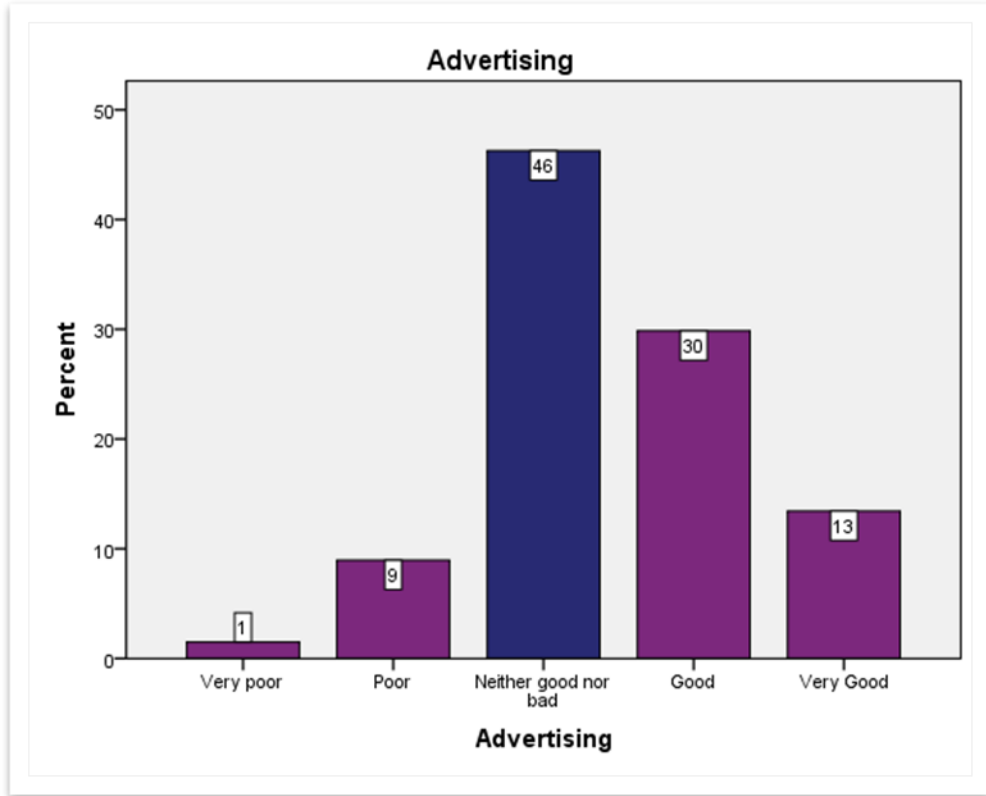
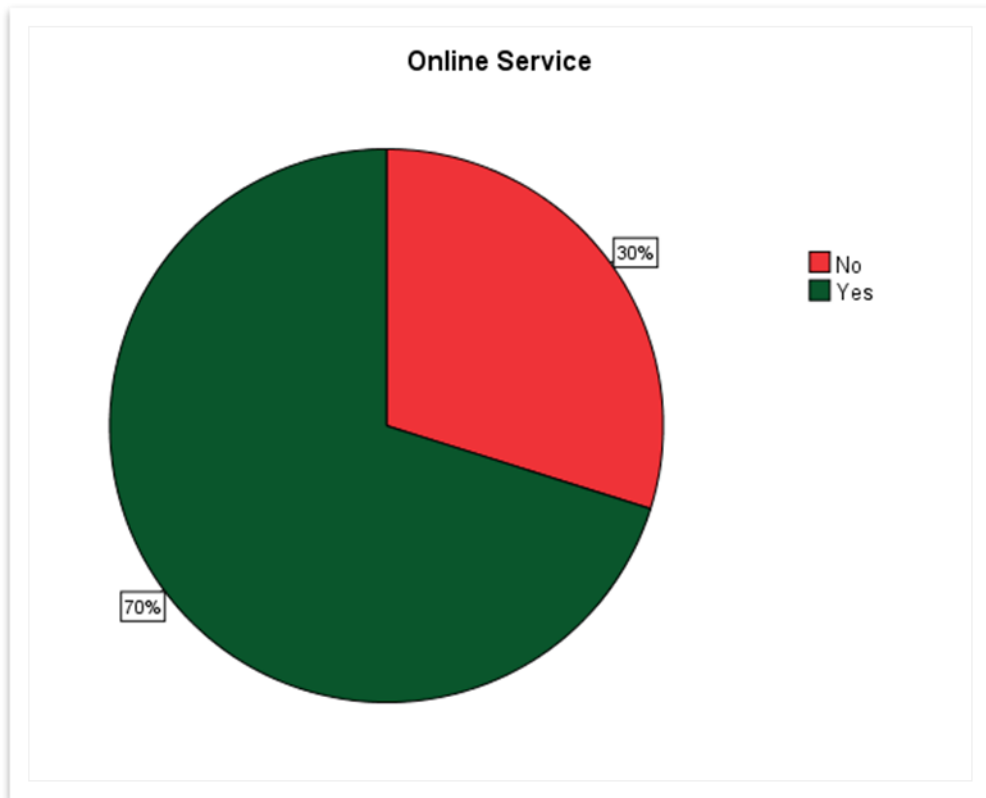Figure 20: Customers perception about advertising

Figure 21: Customers attitude about regarding online service improvement

Some of the customer also mentioned in written online advertising is very poor and usually they did not get any information from webpage. Question 7 was asked whether customers think that online service of the case company needed to improve and they had to choose yes or no. Study shows in figure 21, 70% of the customers thought that service should improve and other 30% did not bother for that service.

4.5 Customers buying behaviour

The figure 21 shows the general buying behavior of the customer. 48.4% of the respondents which is almost half of the respondents buy airline tickets in every 2 years. 25% customer buys tickets every year. Over 23% customer travel every 6 months that is almost quarter of the customer and at last 3.1% travel every month.
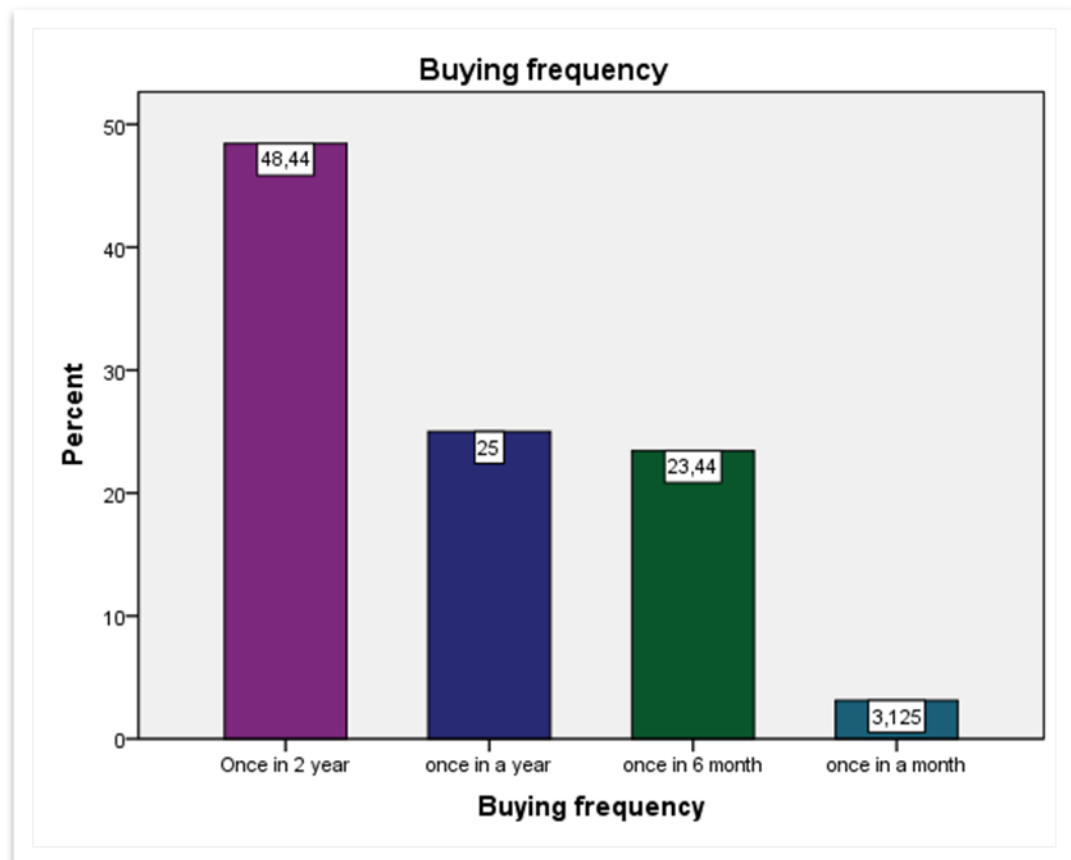

Figure 22: Buying behavior of customers

However, the case company is non internet based Travel Company and question 13 was asked to find out whether customers usually bought ticket non internet travel agency. The figure 22 shows 39% of the customer bought last airline service from non internet travel agency where 58% of the customers said they bought from online. It also indicating online travel services is reducing the profit of non internet travel agency.
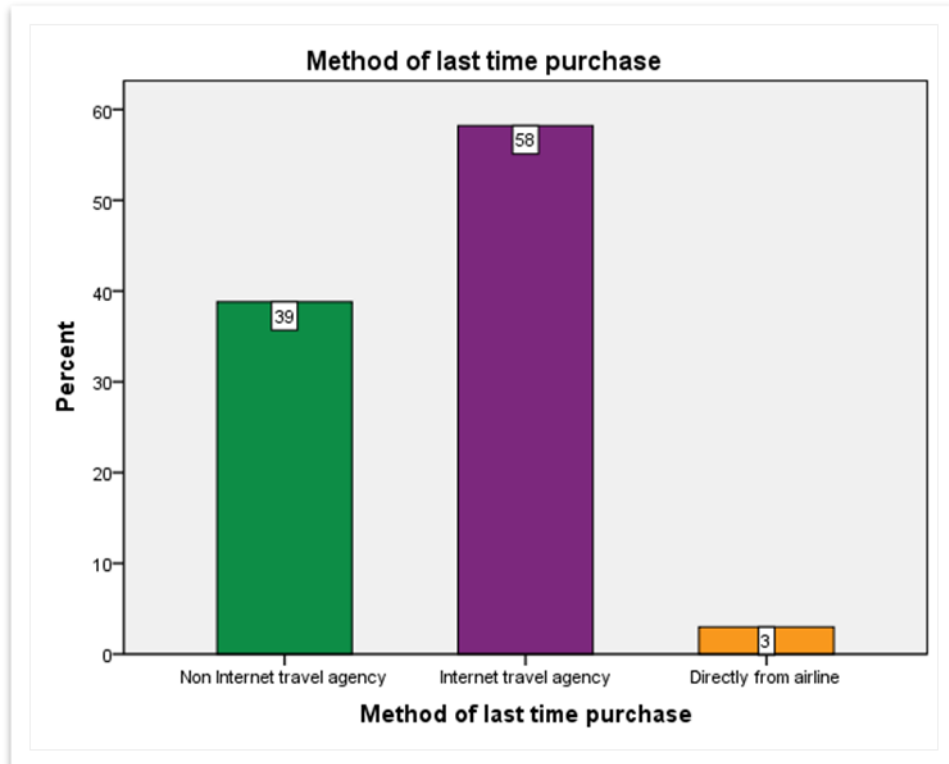
Figure 23: Methods of last purchase of airline ticket

4.6 Customers loyalty

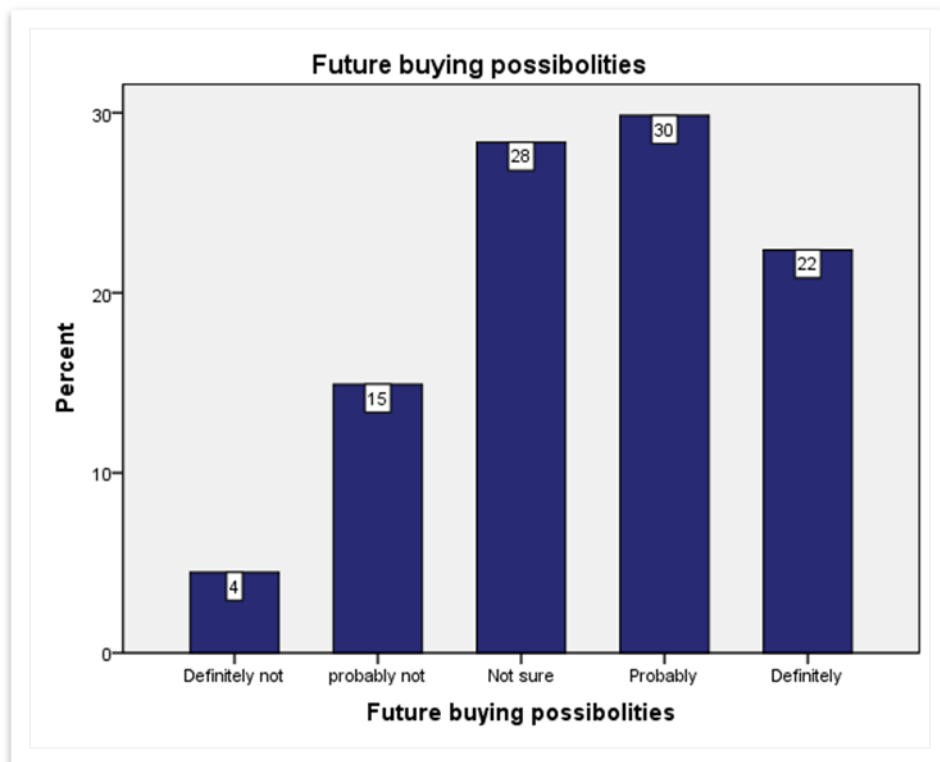4.6.1 Future buying possibilities

Figure 24: Customers loyalty to repeat purchase

The idea behind the question is to find out the loyalty of the customer. It assumed that loyal customers do repeat purchase. It also reflects the satisfaction that the customer received during last service. Here figure 24 indicates, 30% of the customers probably buy service again from case company, and 22% strongly believe they will do. However, 28% of the customers are not sure about their decisions. Only 4% strongly said they do not buy, but the majority of the customer seems satisfied with Moon Travel and willing to buy in the future.

4.6.2 Recommendation

The objective behind this question was to measure the willingness of the customer to recommend Moon Travel to others. The more recommendation means more the customers satisfied. It also has seen that one of prime media of marketing of Moon Travel is the word of mouth. Moreover, it will reflect the overall satisfaction of services provided by the company. The question was asked with three options where 'A' stands for never recommended, B for recommended once and C mean several times recommended.

The figure 25 shows, 38.8% customers recommend Moon Travel to their friends several times. 32.8% of the customer advises at least once to others, and 28% never support Moon travel to others. From the chart, it seems that the majority of the customers are happy with the services.
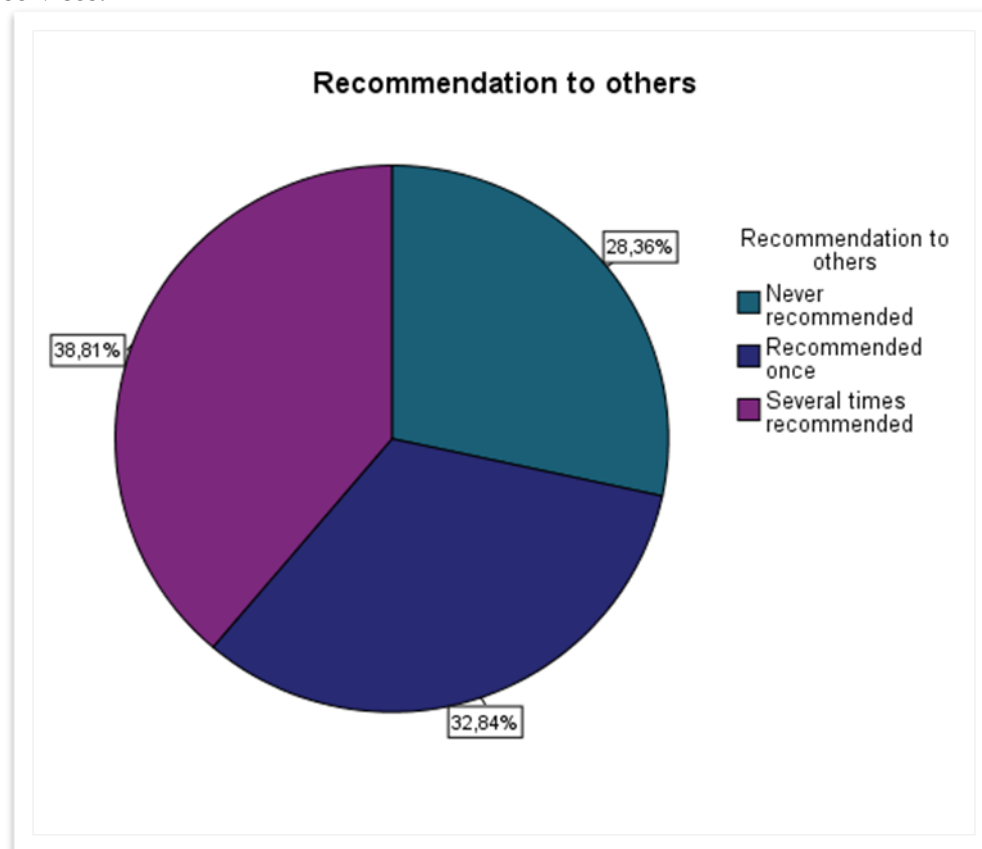

Figure 25: Customer recommendation to others

The questionnaire ends with an open question, where respondent gave some suggestion and comments. Most of the customers did not fill that part of the question, and some gave their opinion and experience. Some of the customers gave best wishes for the case company and some mentioned they are very satisfied with the company. One customer suggested that the company should introduce online service to take better advantage of market. One also mentioned, company should advertise the specific offer and improve the outlook of the shop. Another one complained that personnel did not response to his email.

5 Conclusion and recommendation

5.1 Conclusion

This thesis was done as customer satisfaction research for the company Moon Travel. The purpose of this study was to measure the current satisfaction level of the customer as well as better understand customers' needs from company's point of view for improving the service level. At the same time, research also analyzed the reason and factors that raise problems of effecting satisfaction level. The research had been completed by the use of quantitative research method approach by means of the questionnaire, and one short interview was possible to arrange with the company owner.

According to the research, customer background information, male customers are the majority of Moon travel; in the age group of 20 to 29; full time employed and more than 50% of customers are non European. This basic information will help the company to focus on specific target group and improve their tailored service.

During the whole of research, the author has observed that word of mouth is the major marketing communication tool for the company with customer. It can be said that, the company must have a positive effect in customers mind thus they recommend or in other word advertise about the company. Next, when the author took the company owner's interview, the owner told that if a customer wants any changes or cancellation regarding the ticket, they do not charge any extra money for that. In this case, price refund also possible if it has done in time, which is generally not possible if customer buy a ticket in online. This competitive advantage can help to attract new customer to the company. However, as mentioned earlier now the company concentrate more on Asian and African people, thus they should pay more attention to its brand building and service.

According to the survey result, the current service level of the Moon Travel is very good and customer satisfaction level comes out positive with the overall service. However, though the current service level seems very satisfactory to meet customer needs and demand, these areas still need some modification and improvement to keep the service in high standard. For example, some training and motivation to the employee can add huge advantage and benefits for success in improving service level. Furthermore, updating information and inform to

customer about new offers and products still need some improvement. According to the respondent opinion, though billboard of the company is one of positive ways of marketing communication, but customer feel the company should do some paper advertisement or online marketing to keep informing customers. Finally, unnecessary high prices need some adjustment to feel about fairness to the customer. Thus, based on the study it can be said that though the majority of customers currently are satisfied with the service provided by Moon Travel, but the company still need to understand its weakness and work hard to improve the service that can meet customers perceived service level.

5.2 Recommendation and future research

Based on the result, the most positively viewed area of marketing communication tools in Moon Travel is the word of mouth and the second is road side bill board. The author suggested that, seasonal travel offer should need to inform to the customer via advertisement. Moreover, employee should answer customer's email promptly as well as a web page need updated time to time.

However, there are many other areas that could be certainly possible for future research for this Moon Travel. For example, one of the most effective research areas could be the efficiency of Moon Travel marketing communication tool for the target audience. It would be a reliable and valuable research area to understand the different category of Moon Travel's customer as a research target group. Another area could be product expansion or product development as the company has some limited product line thus expansion of product with limited sources can be interesting finding for this type small company.

Finally referring to the respondents' view in the survey, it would be more efficient to concentrate on developing the internet service for the customer as the majority of people in the world becoming depended on online media.

6 Theoretical linkages

In this research, at the beginning of the theoretical study service concept, service characteristics, and classification was explained. The case company is a small size travel agency that is located in the centre of Helsinki, Hakaniemi and their current major service is selling air line tickets and a few additional services with that. A researcher should have the knowledge about what good services consist of because that leads to the fact of service quality which is one of essential factors to be a successful company. Furthermore, a company should have the idea about which factors affect customer satisfaction as it has a huge impact on customer loyalty, increasing profitability, as well as goodwill. The actual point is both the service quality and satisfaction affecting factors create the image of expectation and experience of service. Thus in every customer satisfaction survey customers are asked about

their feeling and opinion about the service provided by the company where price also consider as an essential factor to choose a company or judge satisfaction level.

However, no business wants to experience an unsatisfied customer because they know unsatisfied customer bring huge damage to the business. Usually, dissatisfied customers will be happy to share negative experience more rapidly to other customers than what they would do with a positive experience.

All the empirical study was based on the theoretical background. It is seen from the study that the company's core idea was to deliver quality service to the customer. According to the research, though the majority of the customer happy with the company but it also reviled that female were more satisfied than male. Response to email, price variation, inquiry over the telephone are the factors those leads to dissatisfaction. However, study has proved that the company has good employee. Therefore, it would be worth to say that to improve the customer satisfaction of Moon Travel, it should improve the service and adjust the price factors.

7 Discussion

Modern technology is changing faster than ever and to match with technology business also being updates it selves in order to satisfy target customers as well as an existing customer in business. As business competition become more global and more intense, organizations have realised that they cannot compete only on price rather they have to focus on their valued customer. Successful service organizations constantly strive for higher levels of service. In this regard, recent studies and theories indicate that the concept of customer care can be more understandable and can be improved when organizations recognise that the needs of 'internal' as well as the 'external' customer are considered. Thus, to provide excellent service, which is exceeding customer expectation, the organization should emphasise the total relationship with customers that mean they should improve the process through which service is delivered to the customer.

The Moon Travel is a non internet based travel agency, which sells airline tickets and few additional services with that. It actually sells tickets on behalf of different airline company, and recently they become more specific with their destination and travellers. In this modern internet era, the company is surviving huge in order to maintain its market share. Thus to achieving more competitive advantage the company now focusing on improving customer satisfaction through the improvement of its service. The aim of this thesis was to measure the current customer satisfaction level of the customer and analyze the factors that create problems to deliver batter service.

The empirical study of this thesis is based on theoretical background, which mainly discussed from the core of customer satisfaction, service quality and customer satisfaction factors.

However, the customer satisfaction can be measured whether the services matches the expectation or not. The gap between expected service and perceived service, as well as the prices of services mainly affect the level of customer satisfaction. Most of the time expected service quality comes from customers past experience, values and needs, friends and families recommendation, and companies own marketing communication and reputation where they made promises of quality service. On the other hand, perceived service quality is affected by output of service, surrounding environment, individual interaction with contact personnel and customers itself also has influence on perceived quality. Furthermore, price also acts as a rational factor to in order to raise perceived service satisfaction level.

According to the survey result, the current service level of Moon Travel comes out positive, and existing customers are fundamentally happy. From a customer's point of view, employees are friendly, over fifty over percent customer thought the price is fair, and customers are treated individually. However, the survey result still found some major problem with the service of Moon Travel, especially male customers feel that they are not treated well where majority of the customers of Moon Travel are male. Another important negative reason was email service, and enquiry over telephone. In addition, Moon Travel does not any online or paper advertisement. Moreover, one third of customer thought service price is very expensive.

Based on the result, it is recommended that Moon Travel should do some immediate changes and development, for example, they should answer the email promptly and give a clear idea over the telephone about the service inquiry, periodical advertisement about discount or offer will rise the revenue as well as a new customer will come across about the company, price adjustment and some additional service should introduce to make them competitive in the market or even they can introduce some loyalty program in order make existing customer more privileged. Moreover, the author suggested that, their employees also need some training and motivation for improving service quality. These areas need some immediate changes and development, for example, they should answer the email promptly, and they should give a clear idea over the telephone about the service inquiry.

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Interview

Abrar Murad, Owner Moon Travel, Helsinki. Interview, 10 Feb 2012.

LIST OF FIGURES

LIST OF TABLES

QUESTIONNAIRE

This is a market research of Moon Travel. The objective of this survey is to find out customer satisfaction level of Moon Travel in order to improve the service. It may take only a few minutes from your valuable time. Please tick or answer the following questions to the best of your ability. Thank you for participating in the survey!

Q1.　　　Gender　　　□ Male　　　□ Female

Q2.　　　Age group　　　□ Under 20

□ 20-29

□ 30-39

□ 40-49

□ 50-59

□ 60+

Q3.　　　Occupation　　　□ Full time employed

□ Part time employed

□ Unemployed

□ Student

Q4.　　　How often do you need to purchase your airline ticket?

□　Once in a month

□　Once 6 months

□　Once in a year

□　Once in 2 year

Q5.　　　Which of the following sources do you tend to use to gain information about your airline ticket?

□　Internet Travel Agency

□　Non-Internet Travel Agency

□　Directly with Airline

Q6.　　　How did you know about Moon Travel?

□　From my friend

□　From newspaper

□　From Internet

□   From Advertisement

Q7   Do you think online service of Moon Travel need to improve?

□   Yes   □ No

Q8.   What is your opinion about the price of your last ticket bought from Moon Travel compare to other agencies?

□   Expensive   □ Same
□   Cheaper

Q9.   How satisfied with the services of Moon travel?

(Please circle your choice on 1 to 5 For question 9 and 10. 1=Very poor, 2= poor,3=neither good nor bad, 4=good, 5 Very good)

a) The staff welcomed me when I entered the office
1   2   3   4   5

b) The stuffs are responsive and well trained

1   2   3   4   5

c) The staff was friendly and flexible

1   2   3   4   5

d) Inquiry over the phone

1   2   3   4   5

e) E-mail services

1   2   3   4   5

f) Follow- up

1   2   3   4   5

Q10.   What do you feel about the over status of Moon travel?

a) Location

1   2   3   4   5

b) Opening Hours

1	2	3	4	5

c) Interior decoration

1	2	3	4	5

d) Advertising

1	2	3	4	5

Q11.   How would you describe the overall service provided by Moon Travel when you booked and bought your last airline tickets?

- ☐ Very good
- ☐ Good
- ☐ No comment
- ☐ Fair
- ☐ Poor

Q12.   Taking everything into account, how satisfied are you about Moon Travel?

☐ Very satisfied   ☐ fairly satisfied   ☺ neither unsatisfied nor dissatisfied

☐ fairly dissatisfied   ☐ Very dissatisfied

Q13.   What method did you use the **last time** you purchased airline tickets for travel?

- ☐ Internet Travel Agency
- ☐ Non-Internet Travel Agency
- ☐ Directly from Airline

Q14.   Have you ever recommended the service of Moon travel to others?

- ☐ No, never recommended
- ☐ Yes, recommended once
- ☐ Yes, recommended several times

Q15.   Any wishes/comments about Moon Travel's service

_____

_____

_____