Prime mover
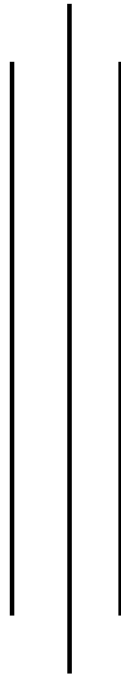
LAUREA
UNIVERSITY OF APPLIED SCIENCES

Customer Service Analysis

Case: Sky Club department of Yeti Airlines, Nepal

Chiluwal Debendra

2013 Otaniemi

Laurea University of Applied Science
Otaniemi

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In recent year, competition in business field is significantly growing and an organization cannot focus only on price but also they have to focus on customer service and satisfaction level. The objective of this thesis is to find out the level of customer service experience and satisfaction and provide suggestions for the future development. Customer service and customer satisfaction are relates to each other. Therefore, good customer service can get high level of customer satisfaction. A high level of customer satisfaction ensures the benefits of the company. It can assist the company to assure that what kind of customers are getting and what their needs are. So that a company can made their service package according to their customers and their needs. The theoretical perspectives, this thesis includes definition of customer satisfaction, customer service and service quality. Theory composed to create a good customer satisfaction through customer service and service quality. The analysis of the study is accomplished to measure the customer satisfaction level and customer service by research data.

The study of survey results showed that the satisfaction level of customer service of Sky Club of Yeti Airlines is in a good position. Customers suggest that company should maintain the quality of internet service in a better way. According to the questionnaire, attitude of employees seems in a good position. This study ends with some suggestions about the online ticketing system, focus on retaining and satisfying the present members from switching to other airlines by providing better services.

Key words: Customer, customer satisfaction, service quality, customer service

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1. Introduction

For many professional service practices, the nature of competition depends on word of mouth because advertising is not completely accepted and therefore not as influential. Especially in business service sector, there is a high level of competition. Customer satisfaction is the key point of companies. Customer satisfaction depends on how the service companies treat their consumers and how much the service and product supply meet with customers´ expectations. Every organization´s success depends on their customers´ satisfaction with the goods or services they offer, yet most executives tend to view the customer service function of their business as little more than a necessary nuisance. The performance of a customer service function depends mainly on how well your organization hires, equips, trains, and motivates the people.

Service the quality is quality of service which is provided by the company to the customers to meet their satisfaction. Companies can get benefits from good customer service. It is necessary that the company should analyze the customer service so that company can improve their quality of service and high customer satisfaction level. The purpose of this thesis is to find out the satisfaction level of customer and suggestions for service quality development of case company Sky Club of Yeti Airline.

Firstly, here I am going to briefly introduce the case company Sky Club of Yeti Airline. Secondly, I will discuss the theoretical background of the research. Later on there will be customer service analysis by using the primary and secondary survey. According to the report of Yeti Airline(Chalise,2011) Nepal Airlines corporation is Nepalese national airlines but there are a lot of privately owned airlines which provides air transport services to any person, agency or organization who need such service for transportation of materials from one airport to another either within or outside of the country.

Air customer can choose any one airline for their safety and sophisticated travel. Obviously, every customer wants to select the

airline which can provide better customer service than other. It is depending upon the employee´s behavior toward the customer, how they welcome the customers. That is why here in this thesis, I will discuss the activities of employees´ and customer services in the department of Sky Club (SC) of Yeti Airlines (YA).

1.1 The objectives of the study

Service quality and good customer service is the main focus point of any organization. The main objective of this thesis is to analyze the customer satisfaction level through the questionnaires and customer service of Sky Club of Yeti Airline and to give suggestions to improve service level of the company which can be a better way for future improvement by the help of comments of customers.
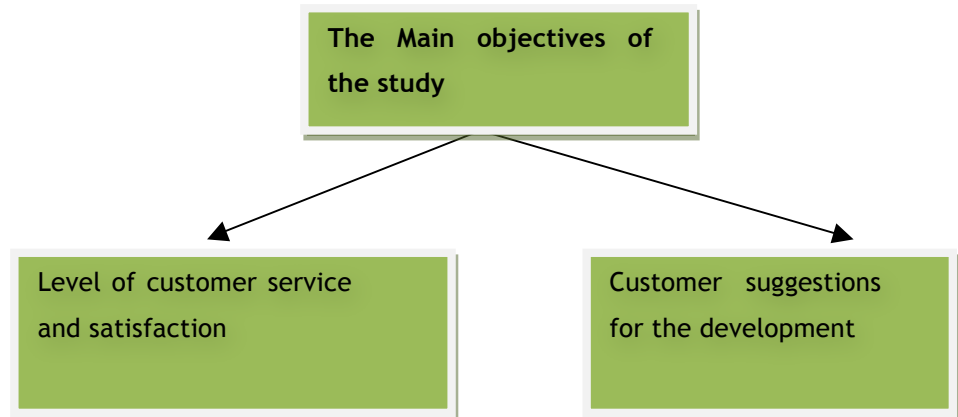

Figure 1 the objectives of the study

1.2 The structure of the study
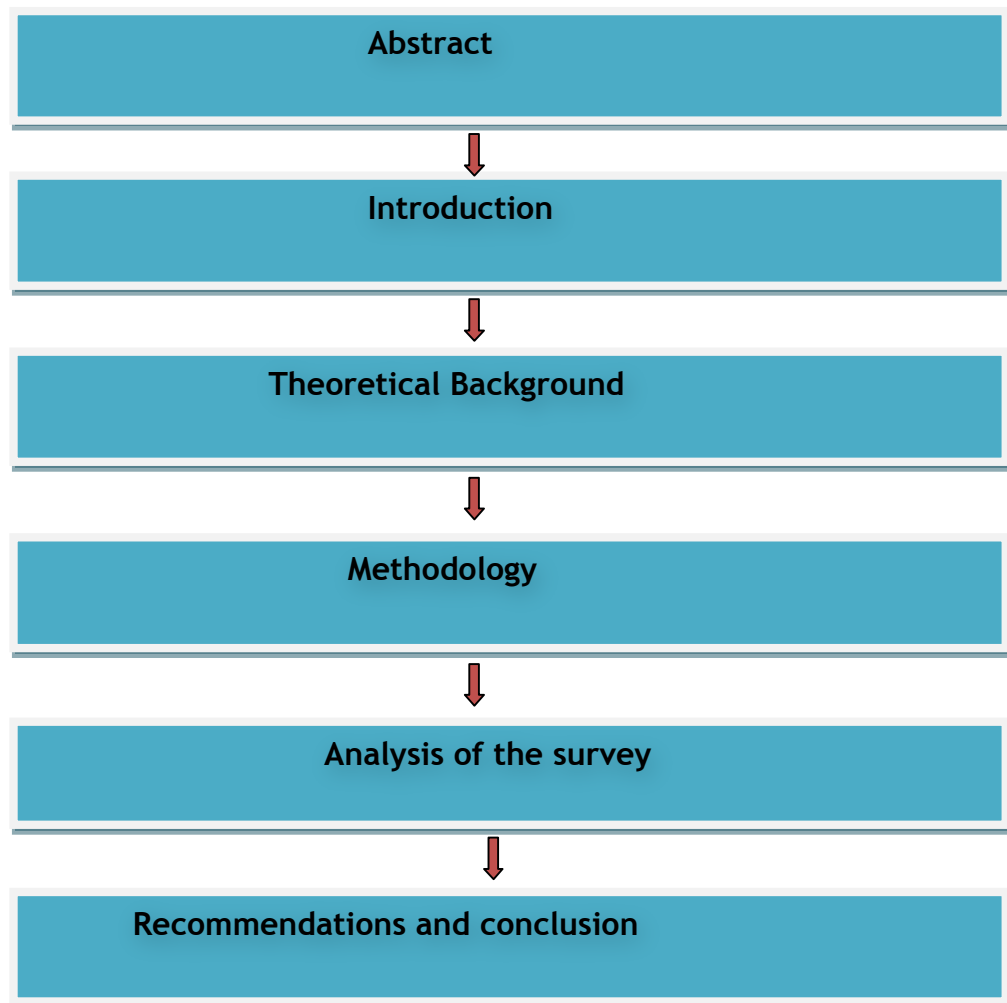
Figure 2, the Structure of the study

1.3 General description of Yeti Airline

According to the report of Yeti Airline(Chalise,2011) Yeti Airlines Domestic Pvt. Ltd. started operations in September 1998 with two DHC-6/300 Series `Twin Otter` aircraft flying to remote areas with STOL(short take off and landing) airports like Lukla, Phaplu, Lamidanda, Rumjatar anad Far Westren sectors like Dolpa, Simkot, Jumla and so on.

Yeti Airlines is registered under HMG's company register office and HMG Department of industries. It has the Air Operation Certificate (AOC) from Civil Aviation Authority Nepal (CAAN), AOC no. 023/98 issued on

29th May 1998. Yeti Airlines have been promoted by Thamserku Trekking Pvt. Ltd. which is one of the largest and most successful trekking agencies in the country. The aircraft suppliers of Yeti Airlines are Kenna Brock Air Ltd. Canada, NS aviation, NORSE Air, South Africa, and British Aerospace- BAE, United Kingdom.

Within the last 13 years, Yeti has strengthened and grown to become Nepal's Premier airline and have got largest fleet of Seven British Aerospace`Jetstream-41 ; covering major cities within Nepal from mountains and hills to terai region: Kathmandu, Bhadrapur, Biratnagar, Janakpur, Bharatpur, Pokhara, Bhairahawa, Nepalgunj, and Dhangadi also making the largest and most extensive destination network in Nepal. Yeti Airlines is Nepal's Premier Airline, premier in terms of volume of passengers carried, in the extensive network of destinations and excellence in services; both in-flight and on the ground.(Chalise, 2013)

Yeti Airlines aims at providing air transportation services within the country and the region with a technically-sound and economically-viable, competitive fleet of the best aircraft for the region. Yeti Airlines also work hard at fostering a self-driven and personalized staff-base driving towards complete customer-centric orientation. The company is determined to play an effective role in stimulating the economic development of the nation by promoting development of the tourism industry of Nepal while simultaneously providing an extensive connection.

1.3.1 Sky Club

Sky club under Yeti Airlines has following objectives; attracting maximum local passengers in J-41 sector, maximize customer loyalty towards Yeti Airlines, survive in the competitive market, maintain long term relationship with customers, and provide maximum satisfaction to the loyal customers through extra services. Different activities are performing in Sky Club department in Yeti Airlines. They used loyalty program for the customer who usually buy a ticket from Yeti Airlines. (Chalise, 2013)

Sky Club is FFP of Yeti Airlines which was established in June 2005 to provide additional services and benefits to its customer. It is a

membership based frequent flyer program, which can be used by the customer who flies in YA aircraft in Trunk Sectors (J-41 sectors) that are Bhairahwa, Biratnagar, Bhadrapur, Dhangadi, Pokhara, Nepalgunj, Everest Express and Janakpur. For every flight sky points will be accumulated in the membership account as per the fare type. And after collecting sufficient points, they will be able to receive a free ticket for qualified sector. For the flyer who wants to be the member of SC, they can simply fill up the form and submit to any YA office, YA check -in counter in airport. Once the form is filled and submitted, the membership card will be delivered within two weeks. But for the flyer to be the member they must fulfill the requirement, i.e. he/she should be above 12 years of age either Nepali or foreign person. But the foreigner must have a valid residence or work permit. (Chalise, 2013)

1.3.2 SWOT Analysis

Strengths, weaknesses, opportunities, and threats are a core requirement of any organization, and essential of any industry. To accomplish objectives, SWOT analysis is very important. Airports are the main infrastructure of that country to offer to the international tourists. No organization is totally fulfilled from itself; it can have positive and negative aspects.

Strengths
- Efficient employee
- Location
- No reservation price demanded
- Experience exceeding 15 years

Weakness
- Less advertising and promotion
- Airport infrastructure
- Political instability

SWOT

Opportunities
- Faster growing market
- Expanding tourism industry
- More scope to use existing resources

Threats
- Very competitive market and price
- Fuel price hike
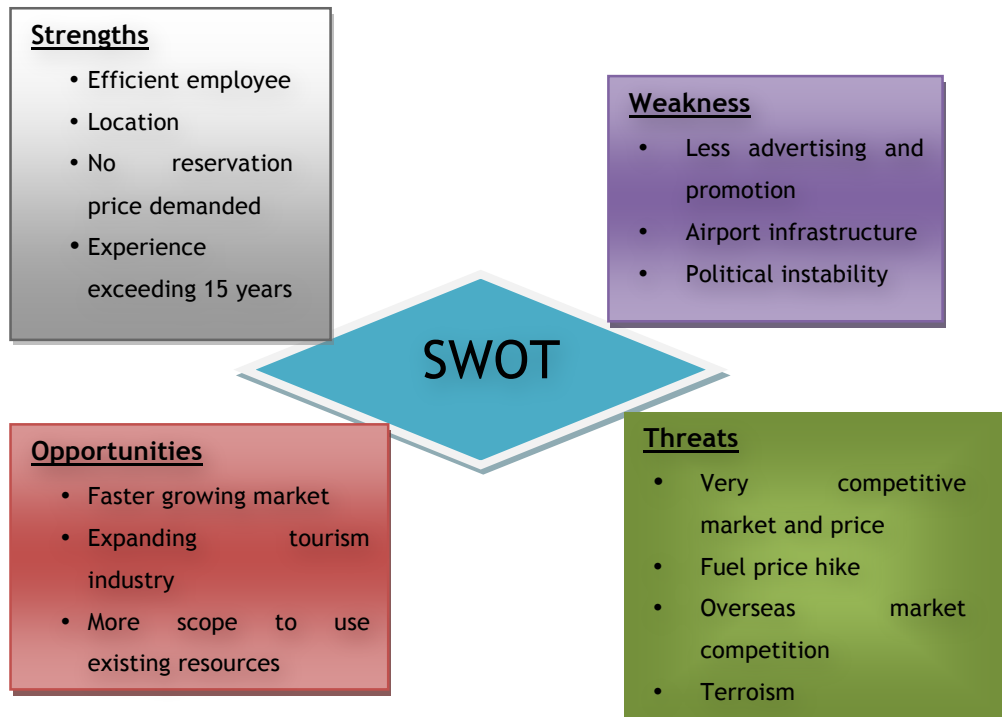- Overseas market competition
- Terroism

Figure 3, SWOT Analysis

Therefore Yeti Airlines also has its own strengths, weaknesses, opportunities and threats. Strengths and weakness are internal factors and opportunity and threats are external factors.

In term of internal factors, Yeti airline has a 15 years experience in civil aviation and it became Nepal´s premier airline. Though it is premier airline, it has also weaknesses because of political instability and low airport infrastructure.

In terms of external factors, there are several opportunities as now day's tourism industry is growing fast due to natural beauties of Nepal. Sometime due to high price in fuel, too much competitive market, high market price and internal terrorism can be big threats of airline industry.

2. Theoretical background

In this chapter, I am going to describe theoretical background of the thesis.

Firstly, I will define service, service quality and customer service. Secondly, customer satisfaction plays a vital role in entire business. Identifying the level of customer satisfaction can help the company to find out the strong and weakness point of the customer service of the company.

2.1 Service

The BMS Team (2011) stated about the services that a service is an economic activity that is intangible is not stored and does not result in ownership. A service is consumed at the point of sale. Services are one of the two key components of economics, the other being goods. Examples of services include the transfer of goods, such as the postal service delivering mail, and the use of expertise or experience, such as a person visiting a doctor. A service is an act or performance offered by one to another. They are economic activities that create value and provide benefits for customers at specific times and places as a result of bringing desired change.

Service is a sub field of marketing, which can be split into the main areas of goods marketing and service marketing. Service marketing typically refers to both business to consumer (B2C) and business to business (B2B) services, and includes marketing of services like telecommunications services, financial services, all types of hospitality

services, car rental services, air travel, health care services and professional services. (BMS Team 2011)

Lahtinen & Isoviita (110-111) describes about the service classification in different way. Specially, they highlight the most important service classification. Firstly, they classified standard vs. customized service. They divide services on the basis of how similarly of differently they are produced for each customer. For example, a TV company, telephone company, Bus Company, newspaper provides largely the same services to all of their customers. But fitness clubs, bank, insurance companies, restaurants, advertising agencies provide services that are tailor-made for each customer. It is vital for them that every customer receives customized service which addresses the customer´s need. Secondly, they classified the service in consumer vs. industrial service- the second way to divide services into consumer and industrial services.

Lahtinen & Isoviita (1994) stated that a marketing research institution, engineering agency provides industrial service which enables customers to shape their own final product. And thirdly, personal vs. non-personal service-waste management plants, auditing companies, security companies and mail-order companies also provide their services without the customer present. The customer is physically present when receiving services such as medical examination from a doctor, tries on the wedding dress, gets a haircut, and goes into a restaurant.

The term service is not limited to personal services like medical services, beauty parlors, legal services, etc. according to the marketing experts and management thinkers the concept of services is wider one. The term services are defined in a number of ways but not a single one is universally accepted. The BMS team (2011) describes four characteristics of services as follows:
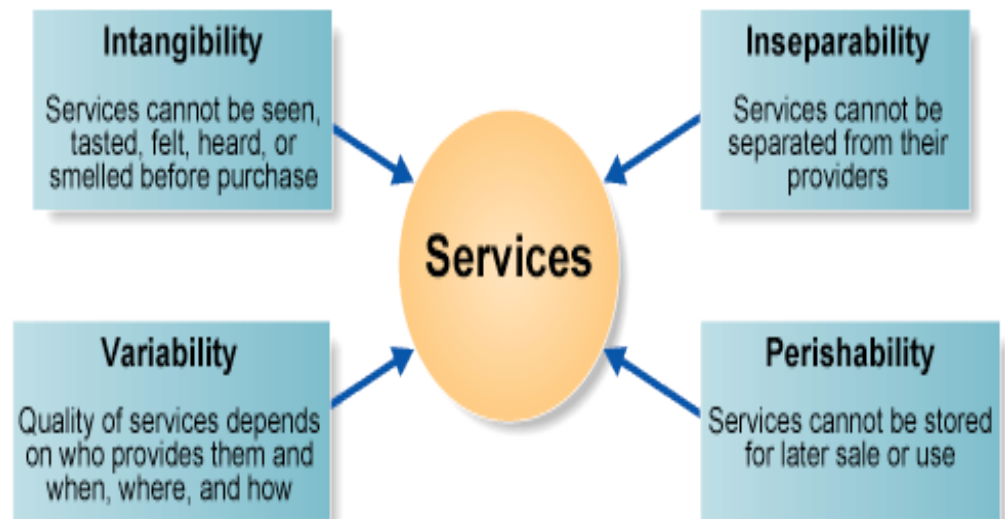
Figure 4, service characteristics (Source: Kotler & Armstrong, 2008)

Intangibility

Services are intangible we cannot touch them, and they are not physical objects. According to Carman and UHL, a consumer feels that he has the right and opportunity to see, touch, hear, smell, or taste the goods before they buy them. This is not applicable to services. The buyer does not have any opportunity to touch, smell, and taste the services. While selling or promoting a service one has to concentrate on the satisfaction and benefit a consumer can derive having spent on these services.

In other words, service intangibility means that the service cannot be experienced before it is bought, and so, in order to make the service tangible, sellers show evidence of its quality. For e.g. an airline sells a flight ticket from a destination to B destination. Here it is the matter of consumer´s perception of services than smelling it or testing it.

Perishability

There has been discussion online about the characteristics of services (The BMS team 2011). Services are perishable like labor; service has a high degree of perish ability. Here the element of time assumes a significant position. The service relevant resources, processes and systems are assigned for service delivery during a definite period in time. If labor stops working, it is a complete waste. It cannot be stored. An empty seat on a plane never can be utilized and charged after departure. An unoccupied building, an unemployed person, credit unutilized, etc. are economic waste. Services have a high level of perish ability.

Inseparability

Services are generally created or supplied simultaneously. They are inseparable.For an e.g., the entertainment industry, health experts and other professionals create and offer their service at the same given time.

Services and their providers are associated closely and thus, not separable. Donald Cowell states ´Goods are produced, sold and then consumed there as the services are sold and then produced consumed´. Therefore inseparability is an important characteristics of services which proves challenging to service management industry.

A key distinguishing feature of service marketing is that the service provision and provider are inseparable from the service consumption and consumer. For example, we cannot take a hotel room in home for consumption; we must consume this service at the point of provision. Similarly the hairdresser needs to be physically present for this service to be consumed.

Variability

Service variability means that the quality of services depends on who provides them as well as when, where, and how they are provided.
In the production and marketing of physical products, companies have increasingly paid special attention to ensuring consistency in quality, feature, packaging, and so on. More often than not all customers can be sure that bottle of coke he/she buys, even in a life-time of purchases, will not vary. The provision of services invariably includes a large measure of the human element. Indeed, with many services, we are purchasing nothing else but the skills of the suppliers. Because of this, it is often very difficult for both supplier and consumer to ensure a consistent product or quality of service.

2.2 Customer service

Isoviita & Lahtinen(1994) describes about the customer service, In the conventional marketing approach, customer service is seen as a part of a product or personal selling. However, customer service, with its links

to other elements of the marketing mix, is of such crucial important to customer relationship marketing that it is worth examining in isolation.

Customer service personnel plays an important role in the impression first given to customer who have been encouraged to come to company by marketing operation. Customer service is the focus of the marketing mix of customer relationship marketing because it has an immense effect on establishing, maintaining and enhancing customer loyalty. In a company or an organization which has adopted the customer relationship approach, the organization chart has been upside down. In all operations, the key is maintaining customer contacts. Other department produce internal services which support customer contact personnel so that they can better serve customers. Satisfied customers act as spokespeople by discussing their positive experiences.

For this reason, many potential customers will become customers and this is why this phenomenon is called word-of-mouth marketing. Customer service comprises all those activities that help the customer to purchase. Customer service can be, for example, advising the customer, solving problem and complaints or providing some other kind of service to the customer. (Lahtinen and Isoviita. 1994, 35)

Robert W. Lucas 2012, comments that all aspect of the service organization turns around the customer. All employees have their two types of customer whom they have to interact in daily basis. They have external and internal customer and employees should be their conscious towards the customer needs. External customers those people outside the organization who purchase or lease products and services. This group includes vendors, suppliers, people on the telephone and other not from the organization. Internal customers those people within the organization who either require support and service or provide information, products and services to service providers. Such customers include peers, subordinates, and people from other areas of the organization.

2.2.1 basic elements of customer service

Business company or organization, they locate customers in a main part of business. Any company cannot imagine their good business without good customer service. Therefore from the customer´s point of view services must be provided so that every element of the service package

is a good quality. Isoviita & Lahtinen (1994) claim that good service includes service package, providing service, service quality, and service culture. If some of these elements are missing in the service then the total service of the organization will be imperfect.
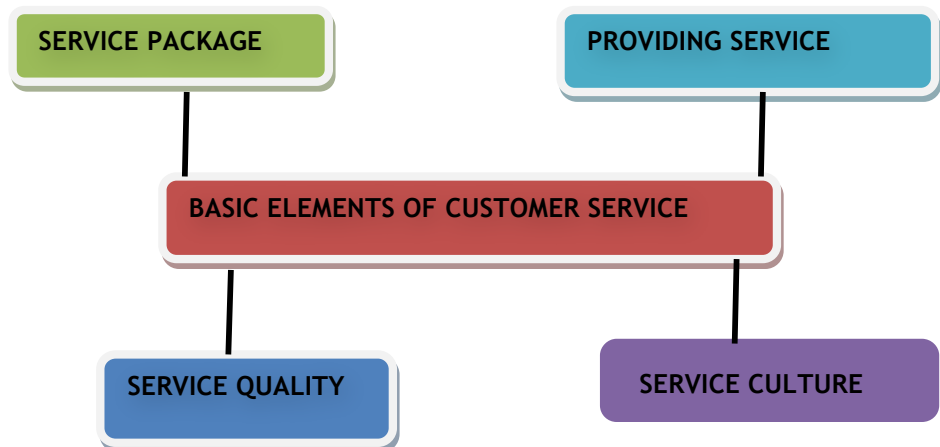
SERVICE PACKAGE

PROVIDING SERVICE

BASIC ELEMENTS OF CUSTOMER SERVICE

SERVICE QUALITY

SERVICE CULTURE

  Figure 5, basic elements of customer service
(Source figure: Isoviita & Lahtinen, 1994)

Providing service

Providing service is a series of events where three main elements can be distinguished. The key to entire process is the customer that is being served. The main elements of service production are service environment, contact personnel and other customers. Each customer needs to be served differently but should be served with the same amount of respect.

 In the service industry, much attention is paid to the service environment. It is made functional and comfortable with the help of colors, furniture, lights, and decoration. It creates atmosphere and a comfortable environment which customers appreciate. The service environment, fellow customers and contact personnel's expertise and willingness to serve play a crucial role in providing service. (Isoviita & Lahtinen p.112)

Service Package

A service company markets service packages which consist of several services. The company should know which service packages different customers want to buy or otherwise, there will be no trade. Service packages are built around a core service, which is the focus of the service company. A customer will benefit from the core service only after additional services are planned around it. They make product interesting. But sometimes it is almost impossible to use core services without using other additional services. For example, a customer can not travel on special train without ticket, nor can a customer pay an invoice to a bank without paying a service charge. However, sometimes additional services are optional such as a customer in a dance restaurant, nobody forced to dance. (Isoviita & Lahtinen p.113)

Service Quality

A customer evaluates service quality at every stage of customer contact. The evaluation is based on the core and additional services. A customer can very quickly determine what a good service is and what a poor product is.

The moment of truth is when the customer and contact person are talking face to face or by telephone. An unsuccessful transaction at this stage cannot be corrected or compensated by telling again by using so called good behavior.

 If the contact person is rude towards the customer then contact person cannot make it correction again because bad impression was already been made and the customer usually does not forgive.
The service quality image is created when customer compare service experiences with their expectations. Customers might find the quality of service better than their expectations and the company´s image are positive. The service experience consists of the quality of the service environment, interactions and service output. (Isoviita & Lahtinen P.114)

Service culture

Lahtinen & Isoviita 1994, added about the service culture, Service culture is also one of element of service process. Service culture includes what customer actually experiences, sees, and feels in the organization. Service culture is a company´s or an organization´s service atmosphere which reflects the company´s or community´s values and norms. Successful companies have a strong service culture. If the service culture is strong, the members of the service community will commit themselves to providing excellent service to each customer and to treat every service situation with equal importance.

Quality is what customer perceive

Too often improving quality is mentioned as an internal goal without any explicit reference to what is meant by service quality. To talk better quality without defining it, how it is perceived by customers, and how it can be improved and enhanced is of limited value. There is always a risk that, when quality is defined too narrowly, quality programmes become too narrow in scope. One has to define quality is the same way customers do, otherwise, in quality programmes, the wrong actions may be taken and money and time may be poorly invested. It should always be remembered that *what count is quality as it is perceived by customers.*

(CHRISTIAN G. 2007 Third edition, Service management and marketing)

2.2.2   **Importance of customer service**

There has been discussion online about the importance of customer service and they described more about good customer service. Good customer service is an integral part of any successful business. "The customer is always right" is a famous business slogan. The underlying truth behind this statement is recognizing that customers are the life blood for any business. Understanding the importance of good customer service is essential for a healthy business in creating new customers, keeping loyal customers, and developing referrals for future customers.

Excellent customer service begins at the initial greeting, whether that´s in person, on the phone or via e-mail. In all of these situations, using good people skills will increase the chances for a positive first impression. For example, saying hello with a smile to a customer who

just walked in the door will invite that person in and make them welcome. On the other hand, when an employee does not acknowledge the client, or makes them feel like an inconvenience, that customer immediately feels slighted. That negative feeling doesn´t get the customer in buying mood, and it will most likely turn them away from ever coming back to that particular place.

Of course, good customer service goes beyond the initial contact. When helping customers choose the right product or service or answer their questions, assisting them with their needs is a great example of going the extra mile. This kind of service establishes good will, and it will eventually lead to loyal customers. Even if that person doesn´t purchase anything at that time, the good shopping experience will bring the customer back again. Think about how you have been treated whenever you are the customer. If you have ever had a bad experience with a company, you know that it´s not easy to forget the encounter.

Perhaps a clerk was too busy stocking shelves to help you pay for your items. Maybe there wasn´t anyone around to answer your questions or help you with some additional information. In any of these instances, the managers or the owner of the store usually are not notified of the poor customer service. Instead, the people that do hear about the negative experience are many of the customer´s family or friends.

Good customer service leads to many benefits. Not only will you gain trust of your clients, they will also become a wonderful referral system as they spread the word about your business to other prospects. Especially with any internet business transactions, product reviews are quite common. Whether it is positive or negative feedback about a product or service, people are writing freely about their shopping experiences. In the long run, treating people fairly and with respect will bring business to your company today and in the future.

2.3   Service quality

In business dictionary stated about service quality. An assessment of how well a delivered service conforms to the client´s expectations. Service business operators often assess the service quality provided to

their customers in order to improve their service, to quickly identify problems, and to better assess client satisfaction. Nowadays some service firms make different themselves in the market place by offering service guarantee. In product warranty, in which they promise to repair or replace the faulty item and service guarantees typically offer the dissatisfied customer by giving back the money, discount or free service. Customer satisfaction with a service can be defined by comparing perceptions of service received with expectations of service desired.

When expectations are exceeded, service is supposed to be of exceptional quality and also a pleasant surprise. When expectations are not met what customer desired and service quality is not satisfactory.

Dimensions of service quality:

Fitzsimmons (2006) indicates that a SERVEQUAL survey measure is subsequently designed to collect quantitative data on quality services. The dimensions of quality represents the what kind of service quality is measured by the customers. A. Parasuraman, V.A. Zeithaml and L.L. Berry, (1985, 1988) the dimensions of service quality identified five main dimensions that customers used to judge service quality: reliability, responsiveness, assurance, empathy, and tangible. Reliability represents customer gets promised service on time accurately and dependably without any error every time.

Responsiveness means that the willingness to help customers and to provide prompts service. Keeping customers waiting, particularly for no apparent reason, creates unnecessary negative perceptions of quality. If a service failure occurs, the ability to recover quickly and by professional manner maintain service quality.
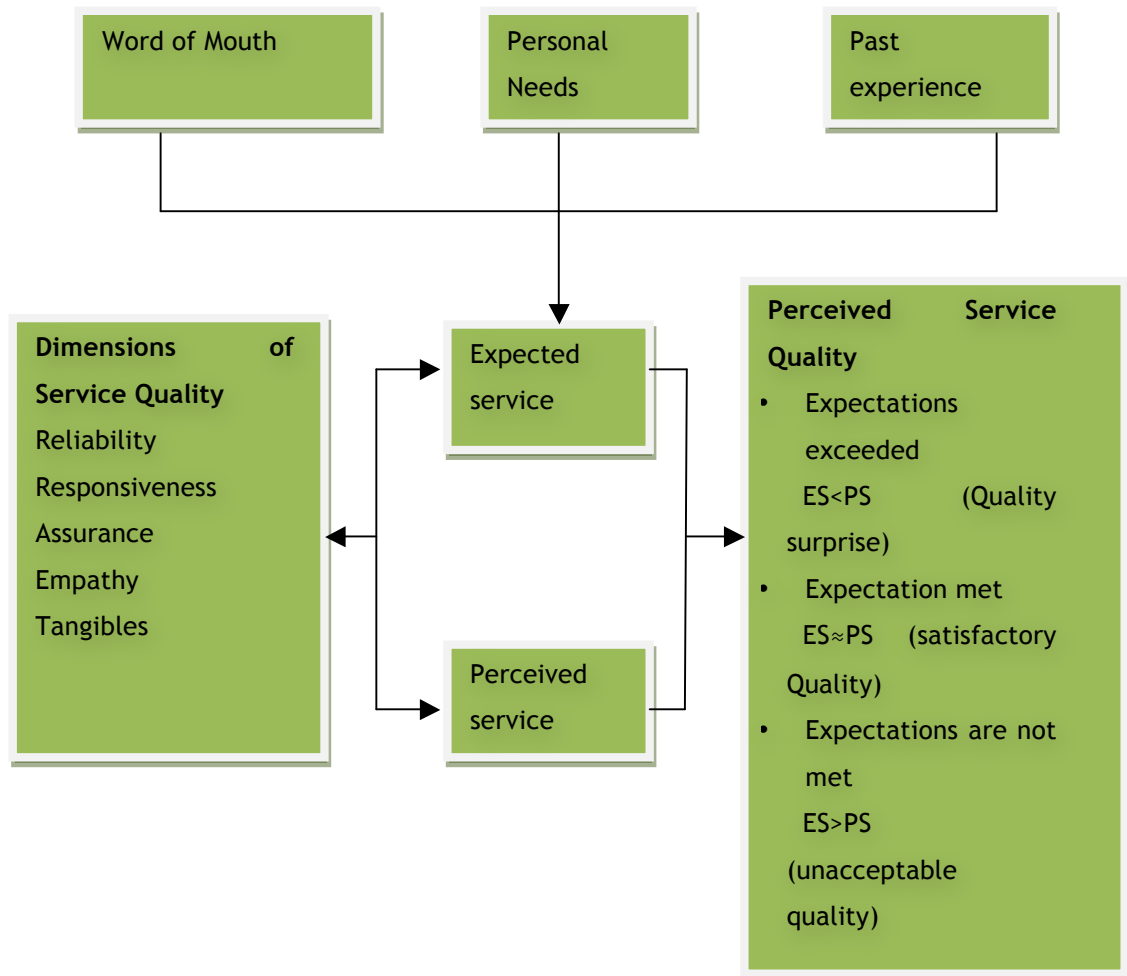
| Word of Mouth | Personal Needs | Past experience |

Dimensions of Service Quality
Reliability
Responsiveness
Assurance
Empathy
Tangibles

Expected service

Perceived service

Perceived Service Quality
- Expectations exceeded ES<PS (Quality surprise)
- Expectation met ES≈PS (satisfactory Quality)
- Expectations are not met ES>PS (unacceptable quality)

Figure 6, dimension of Quality service
(Source figure: James & Mona Fitzsimmons, 2006)

Fitzsimmons(2006) added about dimension of service quality, in the context of assurance, employees should have competence to perform the service, politeness and respect for the customer, effective communication with the customer and good attitude towards the customers. Then another dimension of quality service is empathy.

It includes caring and individual attention to customers and understands the customer needs and solution of problems. And last dimension of service quality is tangibles. Employees' physical appearance, equipment and communication materials also effected to the service quality. Mostly customers use these five dimensions to judge service quality, which are based on a comparison between

expected and perceived service. The gap between expected and perceived service is a measure of service quality.

2.4   Customer satisfaction

Customer satisfaction with a purchase depends upon the product´s performance relative to buyer´s expectations. A customer might experience various degree of satisfaction. If the product´s performance falls short of expectations, the customer is dissatisfied. If performances match expectations, the customer is satisfied and if performance exceeds expectations, the customer is highly satisfied or delighted. (kotler,2008 p.374). Expectations are based on the customer´s past buying experience, the opinions of friends and associates, and marketer and competitor information and promises. Marketers must be careful to set the right level of expectations. If they set expectations too low, they may satisfy those who buy, but fail to attract enough buyers. In contrast, if they raise expectations too high, buyers are likely to be disappointed.

There is no better advertisement than a satisfied customer and nothing worse than a dissatisfied one. (Philp Kotler, Gary Armstrong, Veronica Wong, John Saunders, 2008)

2.5   Customer service development

The article "Customer Service Development, 2004" describe about the service development. The mastery of customer service can mean the difference between success and failure.

The corporate trend of raising customer service is a business necessity. Customers are more willing to forgive a product failure than a service failure by a ratio of 5 to 1. If customer retention is important, then improving customer service must be the tactic. Unfortunately in many companies, the customer has become a low priority. When people are not treated according to their expectation, they will take their business elsewhere. What's more, they relay their bad experience to ten or more other people. The question then becomes not whether to improve your company's service standard, but how. Excellence in customer service pays off dramatically to the bottom line in every industry.

As with all of our results-oriented processes, the facilitation is customized to meet the specific customer service issues within your organization. Based on our years of experience working in this area, we have found that specifics related to each company and industry will be unique. However, there are some fundamental issues that this process is built upon that will grow, improve, and enhance the satisfaction of your customers and can help your organization grow and become more profitable.

3   Methodology of the study

3.1 The objectives and source materials of the thesis

The objective of this thesis was to identify the customer service experience and measure the level of customer satisfaction. Next objective was about the suggestions for the development of current customer service which was collecting through the current customers. Any research or study is done by the help of source materials therefore in this thesis, primary sources (i.e. questionnaire) and secondary sources (i.e. report, books, and internet sources) are also used.

3.2 Qualitative and quantitative research

Malhotra, Davi & Peter, (2012) explain about research method. There are great differences between the qualitative and quantitative approaches to studying and understanding consumers. The arguments between qualitative and quantitative nature of marketing decision making involves a vast array of problems and types of decision-maker.

What is Quantitative research?

An American intercontinental University (2012) discussion online about the quantitative research. In quantitative research contains the word "quantity" –something that we can be counted in a numerically. So quantitative research includes any research methods that produce hard numbers which can be turned into statistics. Quantitative research methods answer questions beginning with words like when, where, how many, how much and how often. Quantitative research methods, including surveys and controlled experiments, began in the natural sciences (biology, chemistry and physics), but now they are found in nearly every professional field. Market researchers conduct surveys to find out demographic information about their customers. For example,

finance managers gather information about the performance of investments and this evidence gathered through these methods can then be used in mathematical models to identify trends or predict future performance.

Quantitative research is the numerical representation and manipulation of observations for the purpose of describing and explaining the phenomena that those observations reflect. It is used in a wide variety of natural and social sciences, including physics, biology, psychology, sociology and geology. (Wikipedia Encyclopedia, 2005). Quantitative research is about asking people for their opinions in a structured way so that you can produce hard facts and statistical results, it is important to survey people in fairly large numbers and to make sure they are a representative sample of your target market. Quantitative research tends to focus on measurement and proof.

The advantage of quantitative research is as follows, firstly, questionnaire is easy to manage and responses are limited to stated alternatives. Secondly, it has interview impact because of the fixed response questions. Thirdly, the coding, analysis and interpretation of data is relatively simple. (Sabel, 2010)

To be specific, in this study, questionnaire is designed based on the customer service experiences and level of customer satisfaction. According to hill, Brierley and MacDougall (1999), three broad aspects of questionnaire design that would be taken into consideration are the questions, the layout and rating scales.

The Question: Firstly, the researcher should make sure that all the respondents which were selected for the study propose they have enough knowledge to give the answer of question. Secondly, the researcher should be conforming that the respondents will understand the all questions so that they can easily reply the questions.

Question layout: The first information to the respondents, they will get the instructions which should be totally clear and uncomplicated.

Rating scale: in customer satisfaction measurement, there are usually tow sections to each sample questionnaire in order to measure

importance as well as satisfaction. (Hill, Brierlay & MacDougall, 1999, 49-65)

Qualitative research is a type of scientific research. In general, scientific research consists of an investigation that seeks answer to a question, systematically uses a predefined set of procedures to answer the question, collect evidence, produces findings that were not determine in advance, produces findings that are applicable beyond the immediate boundaries of the study. Qualitative research shares these characteristics.

Qualitative research is especially effective in obtaining culturally specific information about values, opinion, behavior, and social context of particular population. Qualitative research is focused on acquiring qualitative data/information and understanding of the underlying reasons attitudes, feelings and motivations of products users. Proper examples for qualitative research are; in-depth interview and focus group (Kotler et.al, 2008, 335). Qualitative data can be obtained through many sources, for example from in-detail interviews, theme interviews, focus groups, observation, and projective methods.

 Qualitative researchers aim to gather in-depth understanding of human behavior and the reasons for such behavior. The qualitative method investigates the why and how of decision making, not just what, where, when. Hence, smaller but more focused samples are more often needed, rather than large random samples. Qualitative research involves open-ended questioning and the data is rich and often very revealing. (Sekaran 2003, 409).

3.3 Questionnaire design and data collection
Data collection is an important aspect of any types of research study. Inaccurate data can affect the whole study of results and it may lead the invalid results Data collection of this study is based on primary and secondary sources. Questionnaire can be two types: 1) paper-pencil questionnaire and 2) web based questionnaire. In this thesis, I choose paper-pencil questionnaire. It can be sent to a large number of people and save the research time and money. Questionnaires often make use of checklist and rating scales. Background question is design to know about the respondents´ background such as where they come from,

what is the gender of respondents they use more often airlines and which age group mostly take the airline tickets.

There has been discussion online about the data collection method. These devices help simply and quantify people's behaviors and attitudes. A check list is a list of behaviors, characteristics or other entities which the researcher is looking for. Rating scale is more useful when a behavior need to be evaluated on a different variety. Customer service and level of customer satisfaction is measured by the help of questionnaire.

Primary Data: primary data are data originated by a researcher for the specific purpose of addressing the problem at hand. They are individually tailored for the decision-makers of organizations that pay for well-focused and exclusive support. Compared with readily available data from a variety of sources, this exclusivity can mean higher costs and longer time frame in collecting and analyzing the data.

Secondary data: secondary data are data that have already been collected for purposes other than the problem at hand. At face value, this definition seems straightforward, especially when contrasted to the definition of primary data.

The research in based on Nepal; Yeti Airlines. For this research, researcher used quantitative methodology also. I have sent questionnaires through online. At first I sent the entire questionnaire to the Sky Club Department and department manager distributed to the customers who normally visited the office directly. Online questionnaire was distributed 35 for customers and 10 for employees. Those online respondents were mainly based on urban areas. The researcher also used secondary sources in this research in the form of books and internet.

4 Data analysis and results of the survey

4.1. General information about the respondents

All the questionnaires are sent to the case company which was delivered then further to clients chosen by the company. Total number

of questionnaires is 42 including staff member and customers, in which 32 respondents were customers and 10 respondents were staff member. This thesis is used more about quantitative data and less qualitative. Staff members can answer the question about how they deliver quality service and how they can make the customer visit frequently to their organisation. And questionnaires about the customer are related with what sort of customer service they are getting and how much they are satisfied.

4.2 background questions
Gender
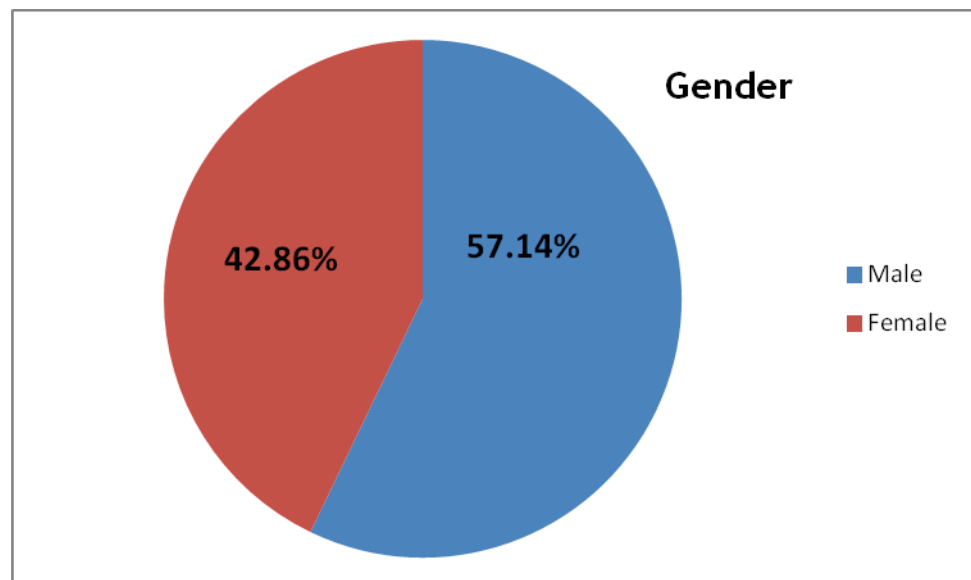
Figure 7 the gender dispersion of the respondents

The first question was about gender of the respondents and 42 respondents answered to the question. The graph clearly indicates that over 57% was male respondents and above 42% was female respondents. So the graph shows that male customers are more than female in the context of sky club airline´s current customer. So this figure also shows same kind of ratio in gender,which is the latest situation of sky club.
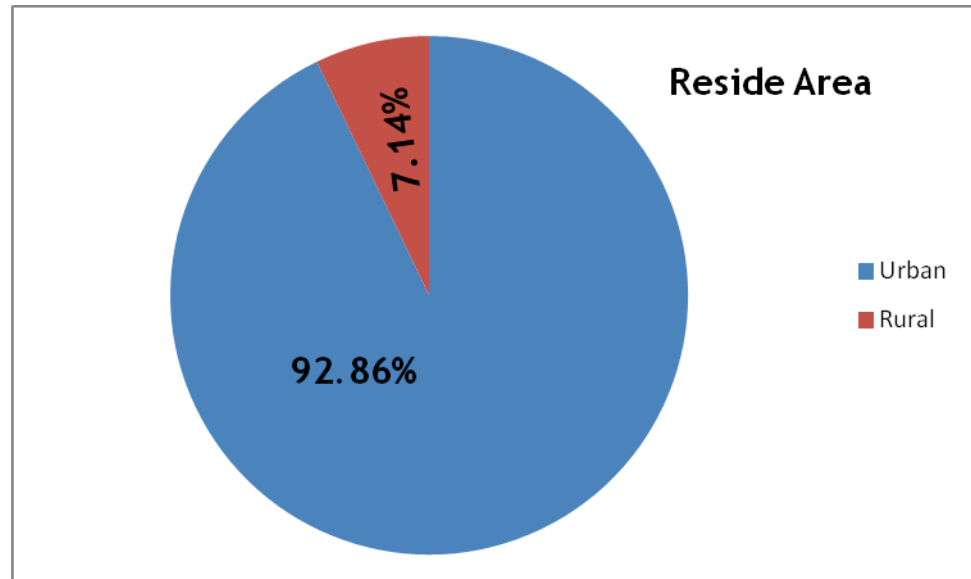
Figure,8 residence area of the respondents

Figure 8 represents the reside area where the respondents belongs to. The figure clearly indicates the majority of customers are from urban area. The respondents from urban area are 92.86% where as respondents from rural area are only 7.14%. So, as affected by this the more of the customers of sky club belong to the urban area.
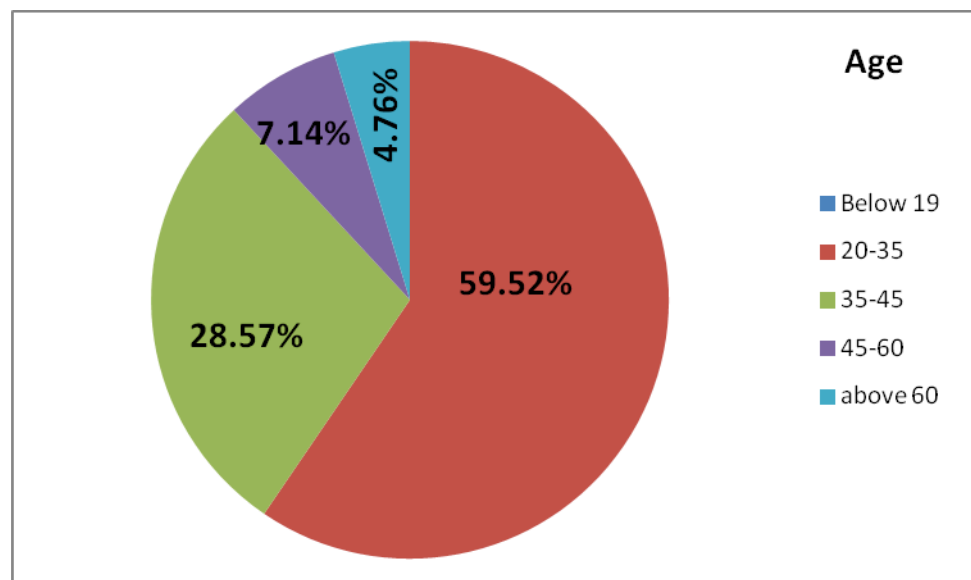
Figure 9 the age dispersion of the respondents

Figure 9 represents the age dispersion of the respondents. The figure clearly indicates the majority of the informants belong to the age group 20-35 which counts 59.52% of total respondents. The second largest age-group is 35-45 that counts 28.57%. The figure shows the age-group

45-60 represent 7.14%. The oldest group that is above 60 represents 4.76%. The study shows that the age-group below 19 did not respond. The most energetic and working age group are 20-45 which pay for their airline tickets and use Yeti Airline. So the same situation at sky club is shown in the figure.
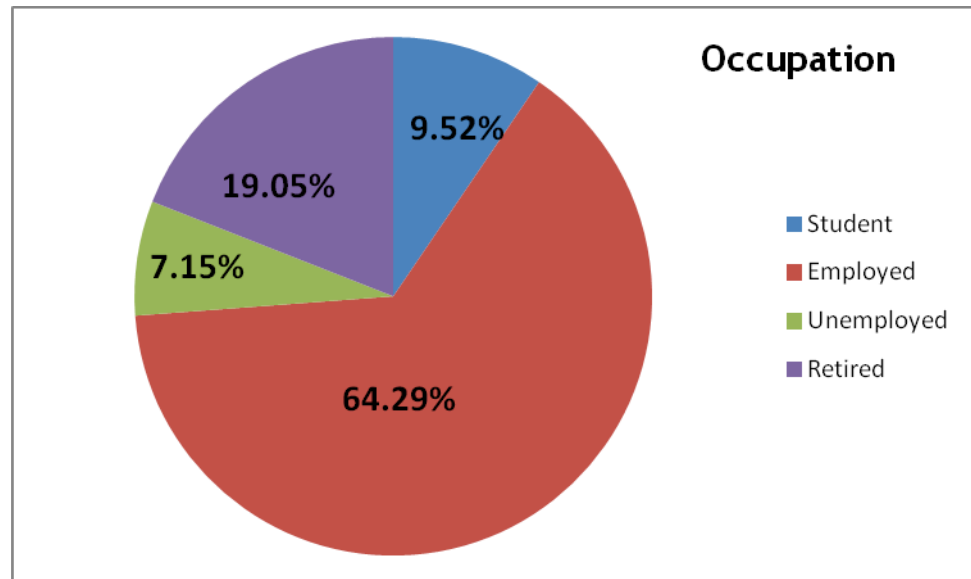
Figure 10: occupation dispersion of the respondents

Figure 10 shows the occupation of the respondents. The majority group is the employed group that indicates 64.29% which is more than half of the total respondents. The second largest group belong to retired which counts 19.05%. 9.52% were student and the lowest was 7.15% unemployed.. So the current situation of sky club also clearly shows that employed and retired people travel the most with Yeti Airlines.
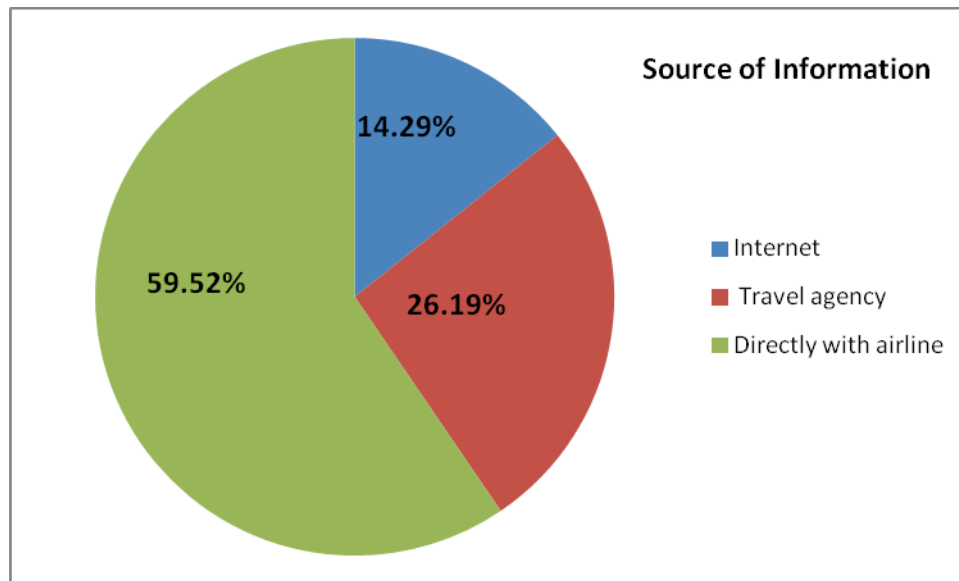
Figure.11 source of information for tickets

Figure 11 shows the source of information for tickets. The figure clearly shows that more than half of the respondent's source of information of tickets is directly from the airline, which counts 59.52%. At second 26.19% of respondents get the information of tickets from the travel agency. And lastly only 14.29% of respondent's make internet as their source of information for tickets. This shows that still the use of internet is not popular as it has to be in sky club, so people still get information from office directly.
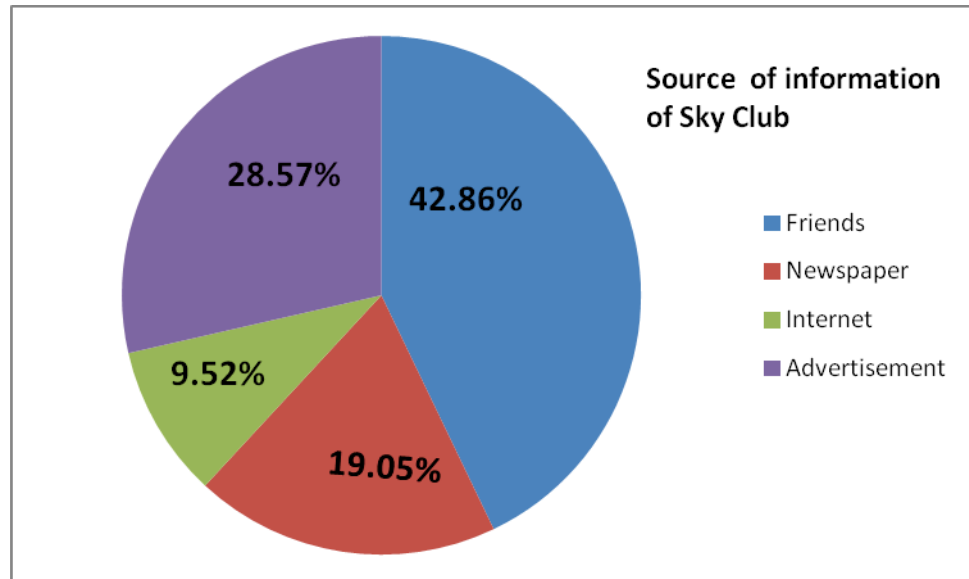
Figure.12 source of information of sky club

Figure 12 shows the source of information of sky club the respondents first got from. The figure clearly shows that the majority of the respondents have known about the sky club from the friend circle, which counts 42.86%. The second highest majority of respondents got the information about sky club from advertisement, which counts 28.57%. 19.05% of the respondents received the information about the sky club from newspaper. And only 9.52% of the respondents got to know about sky club from internet. This shows that still the communication source is either people or advertisement in television or newspaper. So the source of information of sky club at current situation is also friend and advertisement.

Travelling period of time
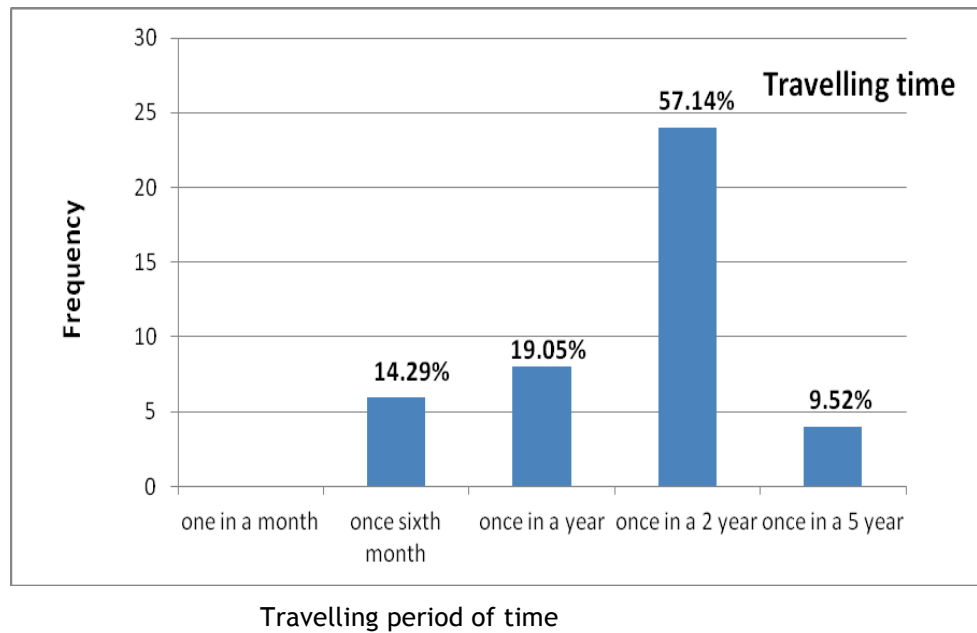
Table, 13 travelling period of time

Table 13 shows the travelling period of time of respondents. The figure clearly shows that the majority of respondents travel once in a 2 year, which counts 57.14%. 19.05% of respondents travel once in a year and 14.29% of respondents travel once in a six month. The respondents travelling once in a five year are 9.52% only. The study shows clearly that there are no respondents at all that travel once in a month. So the figure also shows that more people travel only once in a two year.

4.3. Satisfaction level on survey
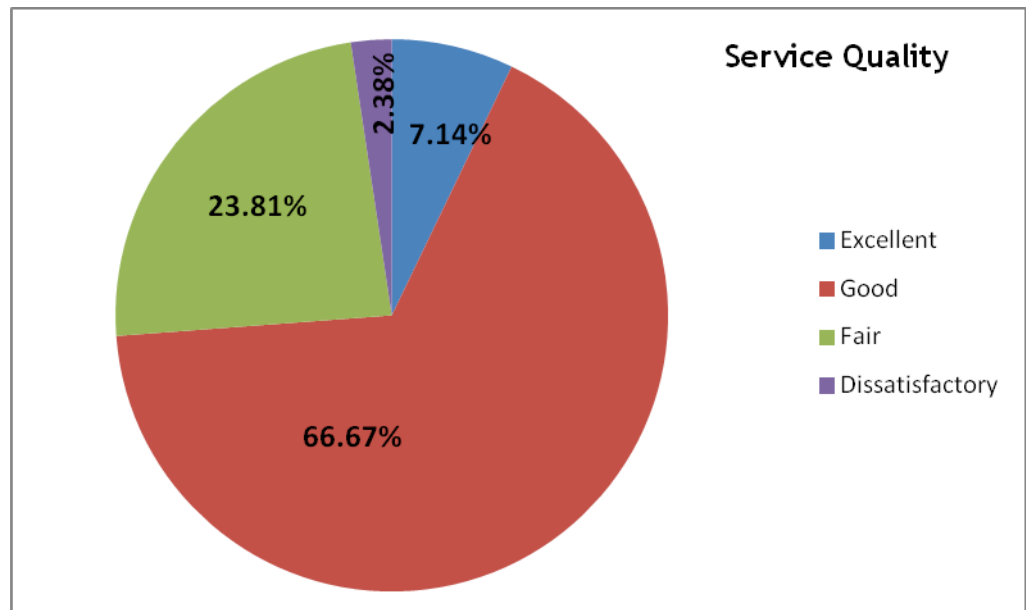
Figure.14 service quality

Figure 14 shows how much quality service the staffs provide to the customers. The highest majority of respondents agree that they have been provided good service quality which counts 66.67%. 23.81% of the respondents find the service quality is fair. Whereas 7.14% of respondents find the service quality excellent and only 2.38% of respondents find the service quality as dissatisfactory. So the staffs and the management should try to improve in the quality of service they provide to their customers in coming future.

Staffs welcomed me when I entered the office
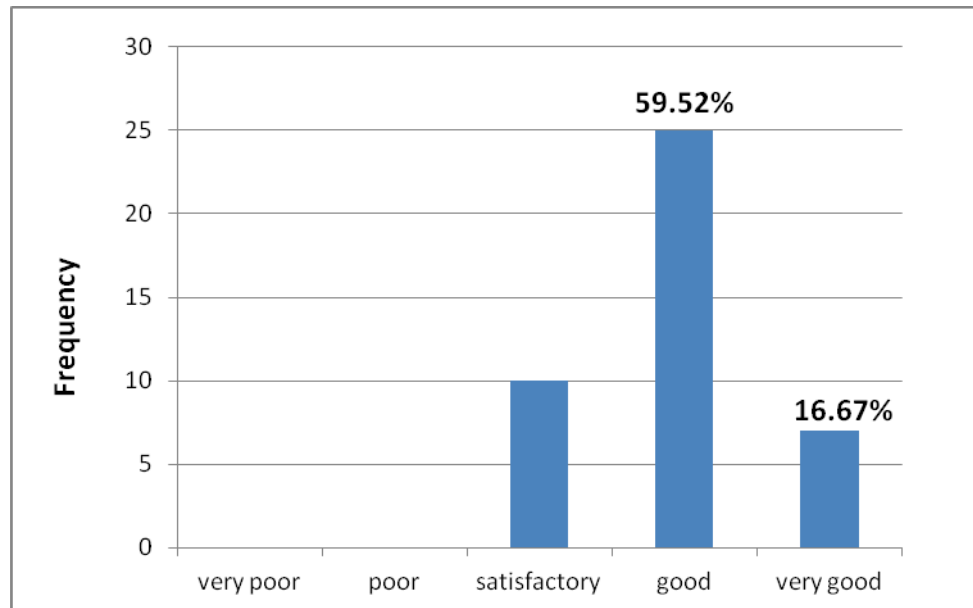
Table, 15 saffs welcomed when I entered the office

Table 15 shows the level of satisfaction of the services provided to the respondents when they first entered the office. The highest majority of respondents found that they were welcomed good when they entered the office. 23.81% of respondents found the service as satisfactory only when they entered the office. And lastly only 16.67% found very good service when staffs welcomed them in office. None of the respondents found the service as poor and very poor when they first entered the office. In the Sky Club, customers feel that the staffs welcomed them in good way or satisfactory, so in future the staffs should try to give their best way of greeting the customers.

Staffs are responsive and well trained
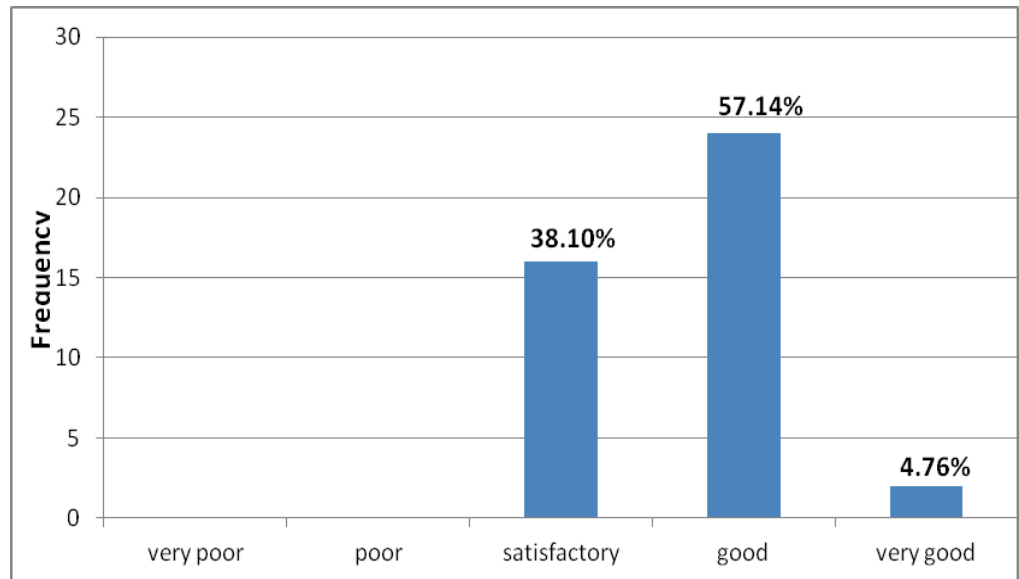
Table,16 staff's response to the customer

Table 16 shows the responsiveness of staffs to the customers and how well trained are the staffs in customers view. The figure clearly shows that more than half of the respondents got good response from the staff and found staffs as trained good, which counts 57.14%. At second highest 38.10% of respondents found staffs response to them and their training as satisfactory. Only 4.76% of respondents found the staffs response and training as very good. And non of the respondents found staffs response towards them and their training as poor and very poor. According to the respondents the staffs of the sky club are trained good and also they got good response. Very few of the respondents found the response of saffs towards them as very good so, the staffs should try to improve more in their service and the management should provide latest training to the staffs.
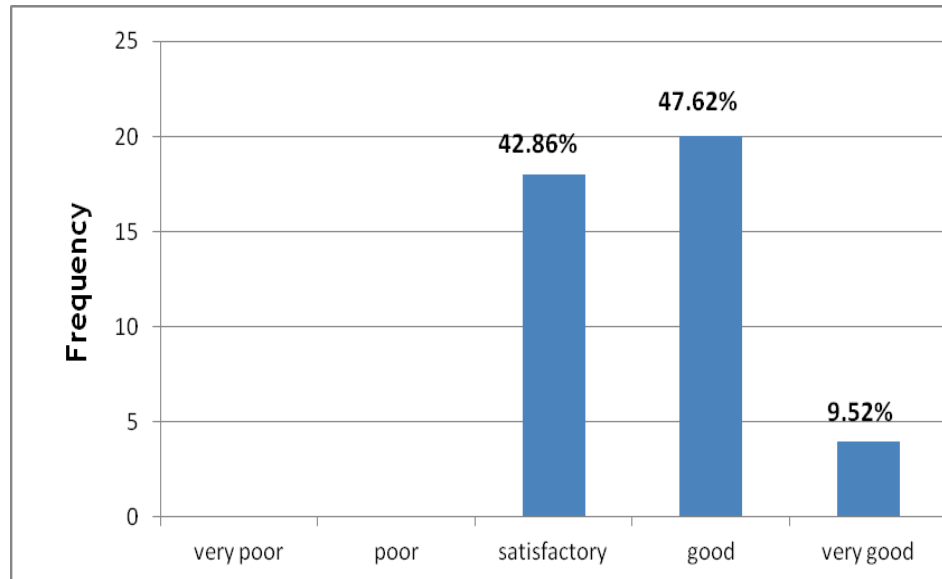
Table,17 staff's nature

Table 17 shows the nature of the staffs. It shows how flexible and friendly the staffs are with the customers. The figure clearly shows that 47.62% of respondents found staffs nature as good. At second place 42.62% of respondents found the staff's flexibilty and friendliness towards them as satisfactory. And only 9.52% of the respondents found the staff's flexibilty and friendliness towards them as very good. Non of the respondents found that staffs where poor or very poor in being flexible and friendly towards them. The customers found the staffs nature as good and satisfactory, very few of them got the saffs nature as very good. So, there should be improvements on staff's nature towards the customers in coming future.
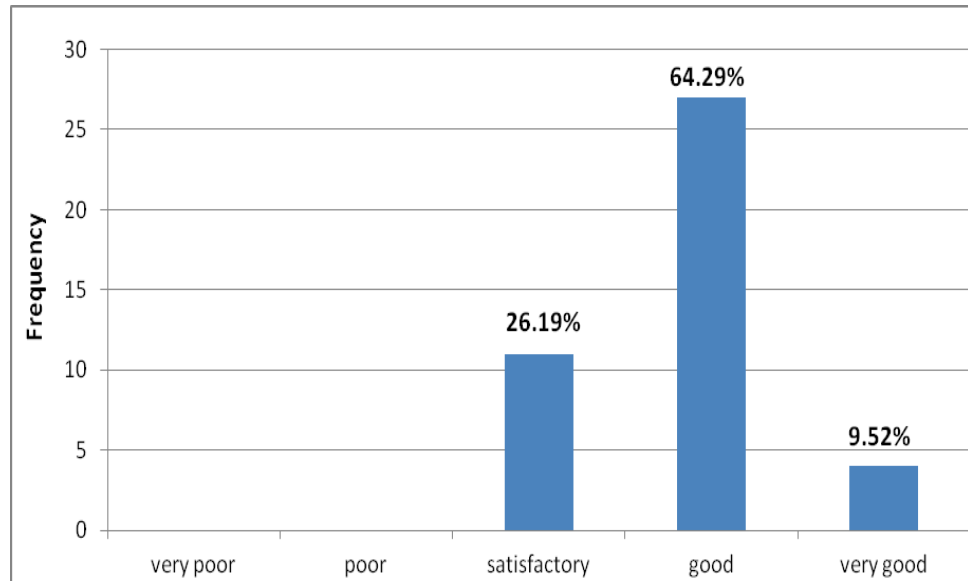
Table,18 Telephone response from employees

Table 18 shows the satisfaction of customers from employees while they responsed to telephone. The figure clearly shows that highest majority of the respondents got good response from the staffs when they inquired by telephone. 26.19% of the respondents found satisfactory response while telephone inquiry. And only 9.52% of respondents found the response while telephone inquiry was very good. Non of the respondents found the response to telephone inquiry was poor and very poor. It means that telephone response toward the customer is only in a satisfactory level. So,there should be some improvements done in telephone response service to the customers.
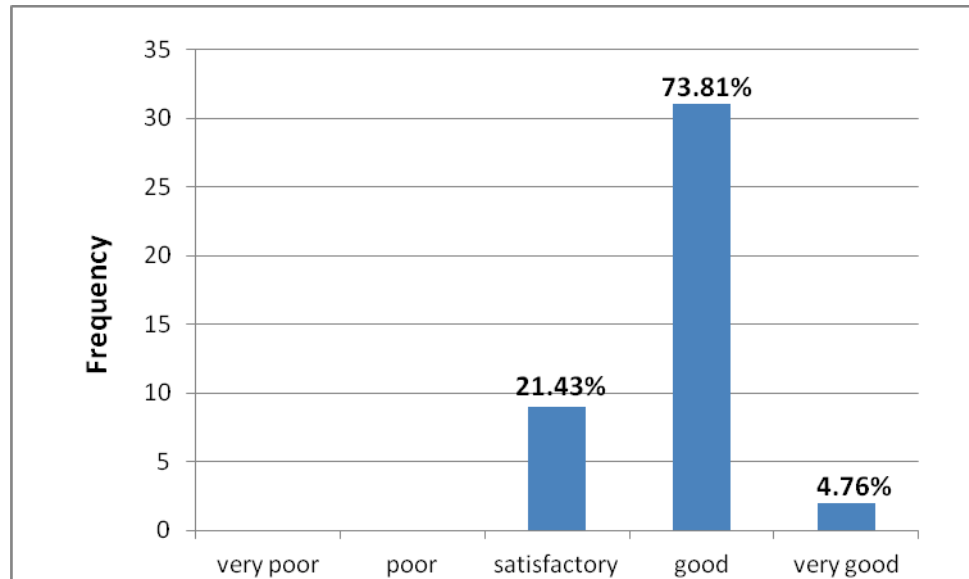
Table,19 e-mail services

Table 19 shows the rate of response through e-mail service. The figure clearly shows that maximum number of respondents got good response through e-mail service, which counts 73.81%, whereas 21.43% of respondents found the email- service response as satisfactory. And only 4.76% of respondents found email service response as very good. But none of the respondents found e-mail service response as poor and very poor. Nowadays, email services have started to be famous in Nepal. So the management of the sky club should try to improve more in their email- services so that the customers get more influenced to use the email- services rather than visiting directly to the office for information.

4.4. Overall service experience
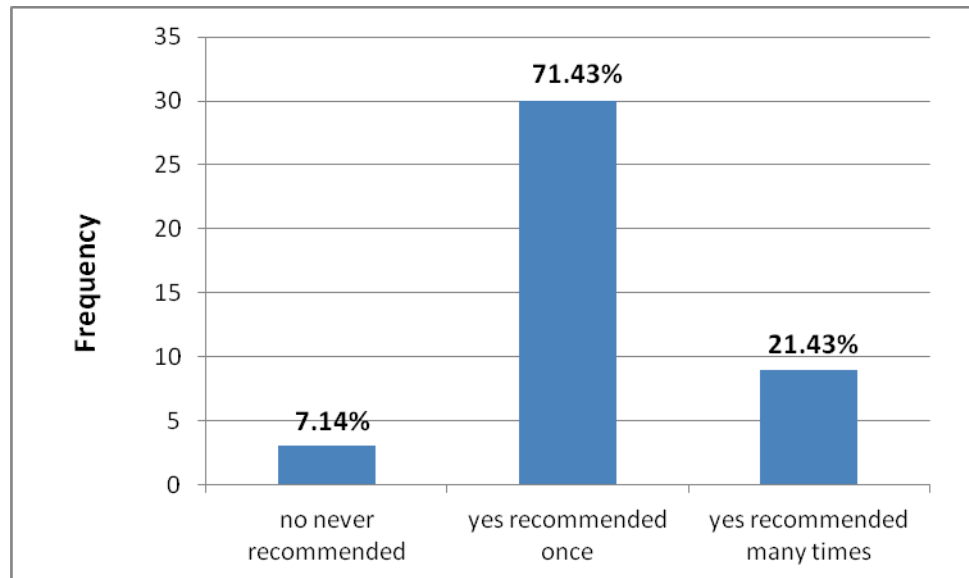
Table, 20 recommended service to others

Table 20 shows the rate of service that customers recommended to other people. The figure clesrly shows that maximum respondents have recommended only once about the service to others, which counts 71.43%. The respondents who recommended many times about the service to others are 21.43%. And 7.14% of respondents have never recommended other people about the services provided by the office. Most of the respondents have recommended only once about the service of sky club to others . This might because the customers are not yet fully satisfied by the service provided. So, the management should give their best in improving their services in future.
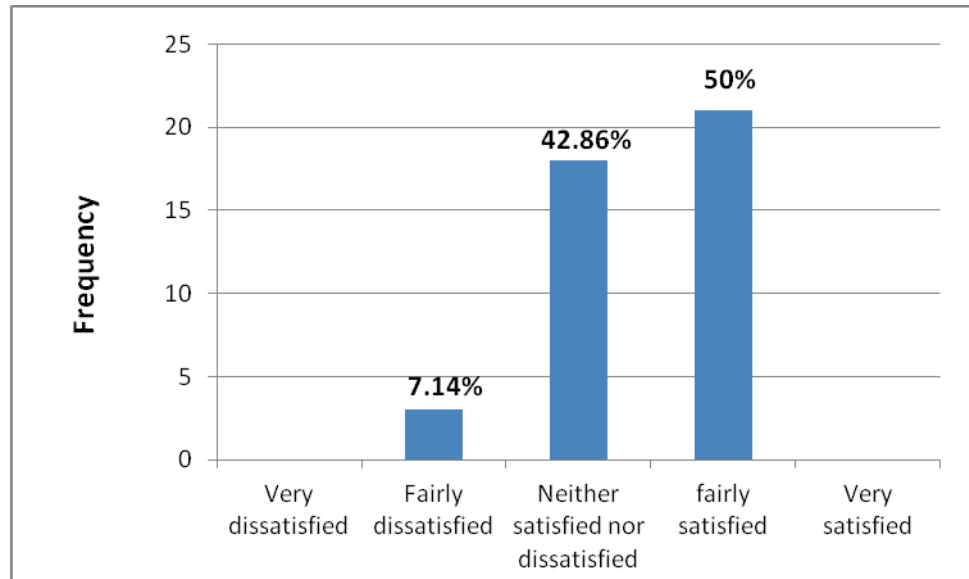
Table, 21 response of overall service of sky club of Yeti airline

Table 21 shows the satisfaction rate of customers by the overall service of Sky Club of Yeti Airline. The figure clearly shows that half of the majority of the respondents are fairly satisfied by the overall service of sky club of Yeti Airlines, which counts 50%. Where as 42.86% of the respondents are neither satisfied nor dissatisfied by the overall service proveded by the sky club of Yeti Airlines. And only 7.14% of the respondents are fairly dissatisfied by the overall service provided by sky club of Yeti Airline. Non of the respondents are very satisfied and very dissatisfied by the service provide by the sky club of Yeti Airlines. Most of the customers are fairly stisfied by the overall services of sky club but there are some who are just satisfied only. So it is the duty of the management to improve in their services so that next time those who are just satisfied will feel as best service has been provided.

4.5. Open comments from staff members

The author asked some questions to the case company staff members related with the service quality and customer satisfaction. There were no such long comments from the staff members but they gave some comments in the comment box as described below. The first question was "how do you make your customer satisfied?" they replied, "first of all they ask the customer what kind of service they want now, and try to give the best service they can and also try to offer some extra benefits to the customer".

Second question was "how do you know your customer will come again to buy tickets?" They explained, mainly business customer come frequently, because of satisfactory compliments given by the regular customer and we fulfill all desire of customers according to the aspect of airline. Last question was "how Sky Club of Yeti Airline meets customer's expectation?" There were four multiple type of answers which was Punctuality, online service, customer benefits and accuracy. Most of the staffs replied punctuality is our strong point which can attract the customers.

4.6. Open comments from the customers

According to the customer's comments, there should be much more improvement in the current service; such as e-mail service, telephone inquiry service, internet service. They added staffs should be trained according to new systems and to use new and modern equipments so that they can do best performance. Sometime during the festival they want to have ticket offer not only for single but also some discount to the couple. Most of the customers replied that they found everything as good.

4.7 Validity and reliability of the survey

Meaning a researcher must study what is supposed to be researched and if there are no objectives for the study then he or she might end up researching on wrong issues and this result to variables and issues that will not be clearly defined to be valid or rather lead to meaningless data for the research at hand. (cited:improving customer satisfaction and customer service levels, Onyango Shalotte, 2011).

In this research study, researcher took customer and staffs survey by using questionnaires. Customer questionnaires are distributed by the staff member of selected organization and customers are chosen randomly in a way that those customer who usually comes to buy the tickets. The survey was carried out to find out the level of customer satisfaction and service quality amongst the customers of Yeti airline and employees.

Reliability is the consistency of your measurement, or the degree to which an instrument measures the same way each time it is used under the same condition with the same subjects. In short, it is the repeatability of your measurement. A measure is considered reliable if a person´s score on the same test given twice is similar. It is important to remember that reliability is not measured, it is estimated. Therefore, in the question design, I tried to keep the question simple to understand so that respondents can respond their feeling easily, so there would not be possibility of misunderstanding when answering the questions.

5. **Discussions**

Customer satisfaction has been studied for several years and all the organization tries to establish high level of customer satisfaction.

High level of customer satisfaction enables the high profit and fame of organization. The main objective of this thesis is to analyze the customer satisfaction level through the questionnaires and to give suggestions to improve service level for the company.

The customer basic information also can assist the target of company and they can make their future plan. According to the research, Survey results, the current quality of service is good. The employee's attitudes to customers was their individual responsiveness, e-mail reply, and staff's attitude toward the customers, and when the customer visited the company to buy tickets or to know about the tickets currents price, was good. Therefore, the overall service of Sky Club of Yeti Airline was fairly satisfied. From the point of staff view, it seems like they are helpful, co-operative, smiley face, punctuality, ready for give satisfactory services to the customers. But most of customers seems like they go to buy tickets directly to the airline rather using internet base. Therefore, based on the this thesis research survey, majority of

customers are satisfied with service provided by Yeti Airline but still they have some weaknesses which should be improved for the future success.

Customers play the vital role in any business organization or companies. The company's success or failure is fully depending upon the customer satisfaction level and quality of service provided by company's employees. Customer service analysis and customer satisfaction research has been studied in many years to improve customer satisfaction level and quality service. I have to give my personal thanks to the case company for valuable effort, help and excellent co-operation with the staff members. I hope this research study will be advantage to the case company for their future progress about the customer satisfaction and good customer service quality.

I would like to suggest to the case company after conducting this study, it would be more benefit to develop online ticketing system for their customers. Although Airlines and Sky Club is doing well at the current situation as it is one of the top Airlines of the nation but there are few weaknesses that should be paid attention so that it could turn into the strength of success by taking proper measures. None of the organization is totally fulfilled itself; they do have some weaknesses which should be overcome from their past results.

The airlines should not always focus on increasing the number of Sky club member but should focus on retaining and satisfying the present members from switching to other airlines by providing better services. From the respondent's view of the survey, the company should be facilitate by internet service so that every customer can get information staying at home ,rather going directly to the tickets counter to buy tickets and they also can compare ticket price themselves.

I personally want to suggest to the company that they can change the price rate of tickets to their regular customers. Sometimes, they should offer some discount in domestic flights during festivals or New Year which can increase their customers' in internal flight.

Nowadays, modern technology is changing day by day and to match modern technology business entrepreneurs have to updates in order to satisfy target customers and   as well as existing customers. Every business organization is not only focus on price of product but also they have to realize that good customer relationship will take more importance role in business. Good customer service provides a value of customer and made their product profitable.

Sky club of Yeti airlines is a one of branch of Yeti airlines which sells domestic and international airline tickets. They used loyalty program for the customer who usually buy a ticket from Yeti Airlines. This thesis is based on theoretical background secondary data and primary data. The methodology which was used for this study is quantitative and qualitative. Based on results, research found that the current customer service which was provided by Sky Club is good. The results shows that staff member are helpful, co-operative, smiley face, punctuality and they are ready to give satisfactory service to the customer. Customers play the vital role in business organization. A good customer service can satisfy the customer so that customers continue to buy the service which was provided by organization. The online service of the company is not satisfaction level to the customer so that it is recommended that it would be better to develop online service.

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List of Figures:

Appendix

Questionnaires to the customers

This questionnaire is for the purpose of writing final thesis which aims to find out customer service analysis of SKY CLUB of Yeti Airlines. The respondent´s identities are definitely confidential.

1. What is your gender?
   - ☐ Male
   - ☐ Female
2. Where do you reside?
   - ☐ Urban areas
   - ☐ Rural areas
3. What is your age group?
   - ☐ Below 19 years
   - ☐ 20-35 years
   - ☐ 35-45 years
   - ☐ 45-60 years
   - ☐ Above 60 years
4. What is your professional status?
   - ☐ Student
   - ☐ Employed
   - ☐ Unemployed
   - ☐ Retired
5. How often do you travel from airplane?
   - ☐ One in a month
   - ☐ Once six month
   - ☐ Once in a year
   - ☐ Once in 2 year
   - ☐ Once in 5 year
6. How do you rate services that you normally use?
   - ☐ Excellent
   - ☐ Good
   - ☐ Fair
   - ☐ Dissatisfactory
7. Which of the following sources do you want to use to gain information about airline tickets?
   - ☐ Internet
   - ☐ Travel agency
   - ☐ Directly with airline

8. How do you know about Sky Club?
   - ☐ Friends
   - ☐ Newspaper
   - ☐ Internet
   - ☐ Advertisement

9. How satisfied with services of Yeti airlines?

    (1= very poor, 2= poor, 3= satisfactory, 4= good, 5=

    very good)

    1. The staff welcomed me when I entered the office

       1   2   3   4

       5

    2. The staffs are responsive and well trained

       1   2   3   4

       5

    3. The staffs are flexible and friendly

       1   2   3   4

       5

    4. Inquiry by telephone

       1   2   3   4

       5

    5. E-mail services

       1   2   3   4

       5

10. Have you ever recommended service of Yeti Airlines to others?
    - ☐ No, never recommended
    - ☐ Yes, recommended once
    - ☐ Yes, recommended many times

11. Staffs are friendly
    - ☐ Disagree
    - ☐ Somewhat disagree
    - ☐ Neither agree nor disagree
    - ☐ Somewhat agree
    - ☐ Agree

12. How would you describe the overall service of Sky Club of Yeti Airline when you bought the tickets?
    - ☐ Very dissatisfied
    - ☐ Fairly dissatisfied
    - ☐ Neither satisfied nor dissatisfied
    - ☐ Fairly satisfied
    - ☐ Very satisfied

13. Open comments and suggestions.

Questionnaire to the staffs

1. How do you make your customer satisfied?
2. How do you know your customer will come again to buy tickets?

3. Sky Club of Yeti Airlines meet up customers´ expectation

  ☐ Punctuality

  ☐ Online service

  ☐ Customer benefits

  ☐ Accuracy

4. Open comments and suggestions