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**CUSTOMER SATISFACTION WITH AIR SERVICE
DELIVERY WITHIN KIRIBATI**

BY

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ABSTRACT

Delivering high quality service to passengers is important so that airlines can survive and strengthen their competitiveness. Service quality conditions influence an airline's competitive advantage, and with it come market share, and ultimately profitability (Morash & Ozment, 1994). Since, service quality is an important factor in customer satisfaction; this study is basically conducted in Kiribati so that the level of satisfaction can be described allowing an airline and airport management to fully recognize the deficiencies of their service quality.

This thesis assessed customer satisfaction with air service delivery within Kiribati, including inter-island comparisons. The main research objective of the study was to describe the level of customer satisfaction with the service delivery of both the domestic airline and local airports.

The research method consisted of a survey regarding satisfaction with both airline and airport services. A structured questionnaire was developed using the SKYTRAX questionnaire as benchmark. The questionnaire was personally administered to the target population of domestic air travellers within Kiribati.

A stratified sampling procedure was used for this research. Each stratum represents different levels of air service availability within the Gilbert group because of geographical distance from the capital. An island within each stratum was selected as being most representative of such stratum. A total of 200 questionnaire were distributed, 50 questionnaire per stratum, of which were returned. Therefore, the final research sample consisted of 177 participants.

Results show that, irrespective of islands, customer satisfaction is poor. This indicates that air service quality does not match the expectations of customers. With respect to islands, the study also found that passengers are not satisfied with air service delivery on their respective islands, including both the domestic airline and the local airport. This study also concludes that satisfaction level is significantly different between islands, age groups and gender. Although there are service dimensions which were reported as satisfactory by customers, satisfaction levels were, overall, poor.

In conclusion, this study suggests that policy-makers as well as airline and airport management need to take workable measures to improve upon air service quality. It is important for air service providers to recognize the importance of customer satisfaction; as such satisfaction may be the pillar for business continuation in Kiribati. Air Kiribati as well as airport managers must identify and improve upon factors that could limit or prevent customer defection to alternative transport modes. These factors may include employee performance and professionalism, willingness to solve problems, friendliness, and level of knowledge, communication skills and selling skills, among others.

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