

UNIVERSITI TEKNOLOGI MARA

FACULTY OF ADMINISTRATIVE SCIENCE
& POLICY STUDIES

Relocation of AirAsia services at KKIA: Impact on
customer satisfaction

MUHAMMAD NAZMIE BIN MAT NASIR
FALNIDAH BINTI JABIN

2014932297
2014728649

DECEMBER 2016

The Declaration

Declaration

I hereby declare that the work contained in this research proposal is original and our own except those which have been duly identified and recognized. If we are later found to have committed plagiarism or acts of academic dishonesty, action can be taken in accordance with UiTM's rules and academic regulations.

Signed

Falnidah Binti Jabin

Muhammad Nazmie Bin Mat Nasir

Table of contents

Clearance for submission of the Research Report by the Supervisor

The Declaration

Acknowledgement

The Abstract

List of Table

List of Figures

Chapter 1: Introduction

1.0	Introduction	1-2
1.1	Problem Statement	3-5
1.2	Research Questions	5
1.3	Research Objectives	5-6
1.4	Scope of the study	6
1.5	Significance of the Proposed Study	6-7
1.6	Definition of Terms, Terminology & Concepts	7-9

Chapter 2: Literature Review

2.0	Customer satisfaction	10
2.1	Price	10
2.2	Service Quality	11
2.3	Traffic Congestion	11
2.4	Conceptual Framework	11-13

Chapter 3: Research Method

3.0	Research Design	14
3.1	Unit of Analysis	14-15
3.2	Sample Size	15
3.3	Sampling Technique	15-16
3.4	Measurement/ Instrumentation	16-17
3.5	Data Collection	17-18
3.6	Data Analysis	18-19

ABSTRACT

Low cost carriers have become dominant players in the airlines industry in the recent years. Air Asia Malaysia has made a remarkable revolution in the air travel with rapidly increasing growth over the years. The most concern of any airlines corporation would always be the fulfilling the customers' needs by providing benefits and services top of its class. Service quality remains essential in reflecting sales profitability and sustainability of the firm. In December 2015, Air Asia started their operation at the new Terminal which is Terminal 1 KKIA. This creates an attention for us to investigate the impact of this relocation to the customer satisfaction as they are several issues arise because of this relocation. Hence, this study aims to determine the significance of contributing factors which is price, road congestion and service quality towards *customer satisfaction of Air Asia at the new Terminal*.

. CHAPTER 1

INTRODUCTION

1.0 Introduction

Low-cost airline, AirAsia is found in our nation, Malaysia. Currently, AirAsia serves the Southeast Asia and certain region such as Indonesia, India, Singapore, Japan, China, and more. The Air Asia airline actually was founded by DRB-Hicom the government owned conglomerate. But, because of the airlines face with heavily-indebted, AirAsia bought by Tony Fernandes, who is the former Time Warner executive Company Tune Air Sdn Bhd. This Airline began small which they started with only two planes in 2001. But today, AirAsia was operating their schedule domestic and international flight within 100 destinations spanning to 22 states. The headquarters of AirAsia is located in Kuala Lumpur. But in our study of this research, will only focus on the AirAsia airline in Kota Kinabalu Sabah airport.

When it was first built, the original terminal building of the airport is Terminal 2. This terminal is situated at Jalan Mat Salleh in Tanjung Aru. This first Terminal was having its big renovation and expansion reopening on 1 January 2007 in order to accommodate this low cost carriers airline with the visit Malaysia on 2007. Air Asia serves low cost carrier and charter the as the main airlines utilize to the terminal being Air Asia. Terminal 2 airports had the capability to handle 3 million passenger annually and there is 6.9 million passengers has occurred in this terminal in 2013, making terminal 2 as the second busiest