



**CUSTOMER PERCEPTION OF AIRLINE SERVICES
PROVIDED BY AIR ASIA**

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ABSTRACT

This study measures customer perception on services provided by Air Asia. Customer perception measured through service quality by using SERVQUAL elements and the data collected at UiTM Kota Samarahan. The result of this study can be showed that the service quality has a relationship with customer behavioural intention. The good service quality can retain customer to be loyal with them.

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CHAPTER 1: INTRODUCTION

1.0 Introduction

In this chapter will explain about background of study, research problem, research question, research objective, scope of study, limitation of study, significant of study and definition of terms. This chapter will be the guideline for this research and the easy way to complete it.

1.1 Background of Study

In generating revenue and remain competitively strong in business they needs a successful strategies for a company to overcome rivalry from others and also as the advantages for them. The customer's point of view is a whole business seen from the point of view. This does not exclude the competition in aviation of airline industries as the core concept of airline industries is mainly on customers' satisfaction. Customer expectations are pre-trial beliefs about a product or service. (Parasuraman, 1994). There for customer's confidence before buying a service which is used as a standard in assessing the performance of services. Therefore, airlines must understand their customers by improving service quality apart from resorting to various marketing strategy tools such as intensive marketing, advertising, promotion and as well as ticket prices.

A customer's assessment in term of service quality and perception is very important information to upgrade or to meet customers' satisfaction and as well as airlines' objectives. The information obtained is crucial in understanding the customers' behavior and business performances of a

CHAPTER 2: LITERATURE REVIEW

2.1 Service Quality

Service quality is a consumer's overall impression of the relative inferiority/superiority of the organization and its service (Bitner, 1994). The importance of service quality has been widely discussed by researchers, for example Parasuraman, Zeithaml & Berry (1991) argued that delivering high quality in the service industry has been recognized as the most effective means of ensuring that a company's offerings are uniquely positioned in a market filled with similar competitive offerings. Airline service quality is different from services in other industries. An airline service comprises tangible and intangible attributes. Airline carry passengers to the destination using aircraft, and passengers experience diverse intangible services from airlines such as on time performance, in-flight service, and service frequency and so on. (Shostack, 1977), asserted that airline travel is intangible-dominant. It does not yield physical ownership of a tangible good. Thus, airline is more influenced by intangibles than tangibles.

2.2 SERVQUAL

According to Fourie and Lubbe (2006), the growth of air carriers has shown that they can successfully compete with other competitor carriers, particularly in the price-sensitive leisure market, on these variables. Despite the considerable amount of research under service quality that has accumulated over the years, only few studies have examined customer expectations of service quality in airline industry (Cunningham, 1995). Most of the literature suggests that airline passengers look at service quality as a multi-dimensional variable, which is consistent with the