

# Factors Influencing Customer Satisfaction in Buddha Air, Bharatpur Chitwan

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## Abstract

The primary purpose of this study was to examine the customer satisfaction on quality and price of the products, customer management and employees' behaviour of Buddha Air at Bharatpur, Chitwan. The survey study was used as research method and the survey questionnaire was used as the research instrument to collect data in this study. One hundred and eighty-five respondents had been selected randomly where one hundred and eight was male population (58.37 %) and seventy-six was female population (41.63 %). The response rate was 92.5%. The Factor Reduction Method via Principal Component Analysis was applied to find the relationship between the dependent variable and the independent variables. The results show that there was significant association between customer satisfaction and strict flight schedule and long security checking process, fluctuation in ticket price, employee motivation skills and politeness, customer centered strategy and positive behaviour of employees and adequate facilities and proper customer management skills ( $p < 0.05$ ). The results further show that customers were found dissatisfied with the current ticket prices, service quality, employee's behaviour and customer relationship management practices in Buddha Air, Bharatpur, Chitwan, Nepal. The previous studies reveal that customer satisfaction is embedded in effective and efficient customer management, high quality product, better customer relationship management and politeness of employees' behaviour. The implication of this study will be beneficial for the board members of the company executive level of Buddha Air to formulate new customer-centered strategies and also be useful for the branch managers of Buddha Air all over the country to improve their managerial skills and to penetrate in new market.

**Keyword:** *Customer satisfaction, the survey respondents, Principal Component Analysis, customer management.*

## 1. Introduction

In Nepal, the airlines history has begun since 1958 as the first airline named Royal Nepal Airlines based on Tribhuvan International Airport, Kathmandu. It's been long time since the airlines facilities has been competing with prices and service quality to win the heart of customers. It is obvious that, customer satisfaction is the key measure of products and services quality to meet the customers' expectation. Buddha Air Pvt. Ltd is a private air travel company founded on 23 April 1996. It is the best domestic airline company of the nation. It has over 13 domestic and more than two international destinations. It has facility to operate the famous for the Everest Experience Flight. It is in the process of further expansion in international sectors. After 20 years of dedicated non-stop service, more than 100,000 flight hours logged in with over 10 million passengers flown to thirteen destinations with permanent runways in the country, Buddha Air today is the largest domestic air travel operator in Nepal employing more than 900 experienced professionals ("Buddha Air", 2018).

The main office of this airline is based on Jawalakhel, Lalitpur in Nepal. This study intends to study service quality, price, customer management and employees' behaviour related to customer satisfaction (Fripp, 2018). The primary objective of this study was to examine the customer satisfaction at Buddha Airline. The secondary objectives were to examine the level of customers' satisfaction level in relation to price of ticket, the service quality, customer management and in relation to employee behaviour at Buddha Air. The previous studies reveal that customer relationship management (CRM) had become the most important influence on customer satisfaction. CRM is a strategic approach that is concerned with creating improved shareholder value through the development of appropriate relationships with key customers and customer segments (Boettger, 2019). This study is for providing a greater understanding in customers' needs through the service quality, price of the products, employees' behaviour and customer relationship management factors. Customers are the king of every business. Satisfied customers are the important property of the business enterprises. Conversely, dissatisfied customers are the main reason of business risk (Khashab, Gulliver and Ayoubi, 2018). There is a tough competition among airline industries. Airlines should satisfy customers to survive in the competitive airline market. Customer service shouldn't just be a department, it should be the entire company services including the quality, brand image and customer loyalty (Study on Citilink Airline Passengers, 2019). Hence, the results obtained from this research might be helpful for management in making plans for the improvement in services quality. The previous study shows that a majority of the customers were not satisfied with service provided by different Airlines. So, they are diversified to other means of transportation. Transport and the financial status of the airlines has seemed in degrading trends (Aboulafia & Michaels, 2018). Therefore, Airline industries have to focus on customer center strategies.

## 2. Research Design

This study used quantitative methods design. During the quantitative phase, the survey method was used to collect data from the respondents because this method can cover the larger number of respondents which ensures the generalization of the findings (Kothari, 2004).

### Ethical consideration

Ethical approval was obtained from the administration of Buddha Airs and other ethical considerations were also fulfilled during this study. Research Department of OCEM has provided permission to go to Buddha Air for the data collection along with the acceptance letter of Buddha Air to collect data with the customers.

### Quantitative phase

A questionnaire was developed using the survey instruments from previous research studies in the area of customer satisfaction. The questionnaire was piloted with five pediatric customers. The questionnaire was designed to examine the experiences and opinions of respondents and their demographic information.

### Sampling Design

The target population of this study was five hundred ( $n= 500$ ) where the sample population was one hundred and eighty-five ( $n = 185$ ). Two hundred and twenty questionnaires were dispatched but only the one hundred and eighty five questionnaires were returned by the returnees. The response rate was 84.09 %. Among one hundred and eighty-five respondents, one hundred and five ( $n = 105$ ) respondent was female population and eighty ( $n = 80$ ) was male population.

## Method of Data Collection

The questionnaire was circulated to all 185 customers registered with the Buddha Air, Bharatpur Chitwan. The customers were all registered in Buddha Air's Webpage before two years ago. A link to the web-based questionnaire was sent via email to all paediatric customers in Buddha Air. A reminder email was circulated 2 weeks later. The responses were anonymous and could not be linked to the email address.

## Processing and Analyzing of Data

The survey data were analysed using simple descriptive statistics and correlations. Principal component analysis via Factor Reduction Model was applied to find the new principal components (PCs). Again, Linear Regression Model was used to find the correlation between the selection of Buddha Air and gender of the population.

## 3. Results

The data analysis was based on descriptive statistics analysis. The analysis is embedded in the subscales, Chi-square test, categorical variables of the Linear Regression Model and the principal components.

### 3.1 Data Analysis

Factor analysis was used to reduce the large number of variables to a small number of components. The demand for the air services has increased manifold in the past some years. Buddha Air as an air service provider was examined for factors influencing customer satisfaction against its current ticket prices, service quality, employees' behaviour and customer management. This study undertakes a survey of 185 service users of Buddha Air who fly from Bharatpur to Kathmandu and vice versa. Respondents were contacted via telephone and were asked to rate forty-eight statements on their perceptions and experiences about the Airline's service quality, employee's behaviour, customer management strategy and ticket's prices on a 5-point Likert scale [Completely dissatisfied =1, Dissatisfied =2, I do not know =3, Satisfied =4 and completely satisfied =5]. The concept of data reduction is based on the fact that few components explain most of the variance in dependent variable (Factors influencing customer's satisfaction) (Pandya et al., 2018). KMO and Bartlett's Test was used to ensure the sample sufficiency for the further analysis of the PCs where the minimum value of KMO was fixed  $< 0.60$ . Previous study had sometimes relied heavily on a single-item indicator of customer's satisfaction and preference which maximizes the possibility of measurement error (e.g. Watt & Richardson, 2007). To construct this requirement, this study has chosen to work with more encompassing constructs, measured by multiple items. To identify these underlying themes in the questionnaire, a Principal Component Analysis (PCA) was run. Subsequently, an Exploratory Factor Analysis (EFA) with Varimax rotation was carried out to refine and interpret these components. The reliability of the data was checked by computing scale analysis where the minimum value of the Cronbach's Alpha was considered over 0.60 (Cohen et al. 2011).

Eigenvalues, the screen plot and theoretical interpretability were also used to make a decision on the number of factors. A factor loading of at least [0.40] was taken as cut-off point to incorporate a specific item as an indicator for an understanding motive. To explore the relation between customers' satisfaction and personal variables, descriptive statistics and cross tabulations were computed (Pandya, Bulsari & Sinha, 2018). Descriptive statistics was further employed to analyze customers' motives (satisfaction) for current service facilities, prices of the tickets, customer management strategy and employee's behaviour

towards customer's satisfaction at Buddha Air. Again, the Chi-square Test was computed to examine the association between customer satisfaction and categorical variables (gender, average family income level, profession of the customers, main reasons of choosing Buddha Air, different religions of the customers). A stepwise strategy was followed (Easterby-Smith, Thorpe & Jackson, 2012). Secondly, a Binary Logistic Regression Model was used to assess the impact of the predictor and control variables on all motives of customer's satisfaction. Both significant levels and effective sizes were considered using Cohen's d cut-off points (Cohen, Manion, & Morrison, 2011). Finally, the Wholesome Binary Logistic Regression Model was applied to find the association between all the significant indicators and customer satisfaction.

### 3.2. Quality Factor

The first research instrument was examined by the first survey instrument where respondents were asked to share their experiences and perceptions on environmental cleanness, noise pollution, customers waiting place, easy and comfortable seats, quality of drinking water, facility of using Visa/Master/Debit/Credit Card to purchase tickets, feeling of customers' facilities, money exchange facility, punctuality of flights, adequate overhead facilities and safety of airline flights.

**Table 1. Varimax rotated principal components matrix on the quality of services for the customers satisfaction before and after service of Buddha Aairs (N = 185).**

Variables	Loadings		
	1	2	3
<b>PROPER SHOPPING ENVIRONMENT AND CUSTOMER MANAGEMENT</b>			
There is no sound pollution in the location of Buddha Aairs.	.700		
The seats are comfortable and easy.	.689		
The is sufficient waiting place for customers in Buddha Air's Office	.655		
The environment is neat and clean in Buddha Aairs.	.614		
There is no sound pollution while taking off Buddha Air.	.424		
<b>QUALITY SERVICES</b>			
Buddha Air Service accepts Visa and other online payment cards.		.807	
The food and beverage are quality and satisfactory.		.748	
I feel comfortable service of Buddha Aairs.		.645	
<b>STRICT FLIGHT SCHEDULE AND SECURITY</b>			
Buddha Air is punctual in its schedule.			.826
The Airlines is safety than other Airlines.			.762
The is the facility of money exchange around the counter.			.623
The Airlines has overhead luggage facility.			.591

The Principal Component Model extracted three PCs where the first PC has five variables, the second PC has three variables and the third PC has four variables. The variances of the first, second, and third account were 26.05 %, 13.43 %, and 10.80 % respectively [KMO = 0.0678]. The first, second, and third PCs were named as the proper shopping environment, quality of services and strict flight schedule and security respectively in Buddha Air.

**Table 2. Mean, standard deviation and Cronbach's Alpha for the scales for quality of services of Buddha Airs for customers' satisfaction (N=185).**

Subscales	Mean	SD	Cronbach's Alpha
Proper shopping environment and customer management	3.41	0.69	0.65
Quality of services	3.16	0.81	0.70
High level facilities and security	3.37	0.72	0,60

The mean values of three subscales were 3.41, 3.16, and 3.37 respectively. The overall mean values of the first, second and third subscales had been seen more than the average value signifying that customers were approximately agreed with the statements that proper shopping environment and customer management, service quality and strict flight schedule and security were satisfactory in Buddha Air (see in detail in Table 2).

**Table 3. Binary logistic regression model of the quality of services for customers' satisfaction (N = 185).**

Independent Variables	B	S. E.	Wald	df	Sig.	Exp (B)	95% C.I for Exp (B)	
							Upper	Lower
Proper shopping Env. and customer management	-.457	.242	3.565	1	0.059	.633	1.018	.394
Quality of services	-.391	.323	1.459	1	0.227	.677	1.275	.359
Strict flight schedule and security	-1.621	.346	21.833	1	.000	.198	.390	.100
Constant	-3.384	.491	47.424	1	.000	.034		

With the Omnibus Tests [Chi-Square = 36.273, df = 3, p = .001] and associated significance level less than 0.05, the present model shows a decrease in deviance in prediction from the base model because the value of Chi-Square is positive. So that this model is better fit compared the base model. The model summary table shows the values of -2Log Likelihood, Cox and Snell R<sup>2</sup> and Nagelkerke R<sup>2</sup> [17.80 % (Cox and Snell) and 38.80 % (Nagelkerke)] variance of the model was explained by the independent variables. Hosmer and Lemeshow Test shows that p = 0.129 > 0.05 is insignificant which is good to support for the regression model fit. Out of 176 customers who chose the first option [satisfied with the service of Buddha Air], this model predicts 163 customers showed their satisfaction for Buddha Air services and 13 customers showed their dissatisfaction for the Airline services. Again, out of 9 customers who showed their dissatisfaction for Buddha Air services, the results show that 5 customers were found dissatisfied and 4 customers were found satisfied for the services of Buddha Airs. Thus, it predicts that customers who showed their satisfaction for the services with 97.00 percent accuracy and the customers who showed their dissatisfaction for the airline services was 23.5 percentage accuracy. The classification table shows that the overall percentage of correct prediction was 90.3 percent. The results show that there was significant association between strict flight schedule and security in and customers' satisfaction (p < 0.05 with odds ratio = .198 < 1, B = -1.621 < 0) indicating a negative impact on customers' satisfaction. When the independent variable high-level facilities and security increases one unit, customer satisfaction can be predicated to decrease around 0.198 times if other variables are controlled. This study has supported the previous findings of de Lange, Samoilovich & van der Rhee (2013) because both the current and the previous studies de Lange et al (2013) have found that airlines' customers were dissatisfied with strict flight schedule and lengthy security processes.

#### 4.2. Price factor

The second research instrument intends to examine the perceptions and experiences of customers on the price level of Buddha Air's ticket and their satisfaction level. The survey instrument was embedded in the price fluctuation, the comparison of ticket's price, facility and discount issues of online ticket buying and selling, and reasonable price of air tickets (Chow, 2014).

**Table 4. Varimax rotated principal components matrix on the price of Buddha Air ticket for the customers satisfaction (N = 185).**

Variables	Loadings	
	1	2
<b>Price of Tickets</b>		
Online ticket purchase price of Buddha Air is similar with other airlines.	.859	
The cost price of ticket in Buddha Air is equal to other Air lines.	.803	
The price of the ticket in earlier booking is cheaper in Buddha Airs.	.487	
<b>Fluaction in Ticket Price</b>		
There is price fluctuation in Buddha Airs.		.865
The ticket price is consistence in Buddha Airs.		.682
The ticket price of the Buddha Air is cheaper.		.525
The ticket price in Buddha Air is constant.		.520

The Principal Component Model extracted two PCs where the first PC has three variables, and the second PC has four variables. The variances of the first and second, Principal Components account for 30.37% and 14.85% respectively [KMO = 0.0658]. The first and second PCs were named as the price of ticket and nature of ticket price respectively.

**Table 5. Mean, standard deviation and Cronbach's Alpha for the scales for the price of Buddha Air ticket for the customers satisfaction (N=185).**

Subscales	Mean	SD	Cronbach's Alpha
Price of tickets	2.49	.086	0.65
Fluctuation in ticket price	2.93	0.60	0.60

The mean values of two subscales were 2.49 and 2.93 respectively. The overall mean values of the first and second subscales had been lower than the average value signifying that customers were not satisfied with the statements that the price of the ticket in Buddha Air was cheaper and the fluctuations in ticket price occur time and again (see in detail in Table 5).

**Table 6. Binary logistic regression model of the price of Buddha Air ticket for the customers' satisfaction (N = 185).**

Independent variables	B	S. E.	Wald	df	Sig.	Exp (B)	95% C.I for Exp (B)	
							Upper	Lower
Prices of tickets	-.154	.259	.355	1	.552	.857	1.423	.517
Fluctuation in ticket price	-.747	.252	8.776	1	.003	.474	.777	.289
Constant	.304	-2.526	68.880	1	.000	.080		

The Omnibus Tests [Chi-Square = 9.295, df = 2, p = .010] and associated significance level less than 0.05,

the present model shows a decrease in deviance in prediction from the base model because the value of Chi-Square is positive. So this model is better fit compared to the base model. The model summary table shows the values of -2Log Likelihood, Cox and Snell R<sup>2</sup> and Nagelkerke R<sup>2</sup> [4.90 % (Cox and Snell) and 10.70 % (Nagelkerke)] variance of the model was explained by the independent variables. Hosmer and Lemeshow Test shows that  $p = 0.268 > 0.05$  is insignificant which is good to support for the regression model fit. Out of 185 customers who chose the first option [satisfied with the price of Buddha Air], this model predicts 168 customers showed their satisfaction for the ticket price of Buddha Airs and 17 customers showed their dissatisfaction for the price of Airline services. Thus, it predicts that customers who showed their satisfaction for the price of tickets with 100.00 percent accuracy. The results show that the overall percentage of correct prediction is 90.8 percent. The results show that there was significant association between fluctuations in tickets' price and customers' satisfaction ( $p < 0.05$  with odds ratio = .474 < 1, B = -747 < 0) indicating a negative impact of ticket price on customers' satisfaction in Buddha Air Service. When the independent variable fluctuation in tickets' price increases one unit, customer satisfaction can be predicated to decrease around 0.474 times if other variables are controlled. This study has supported the previous study of Aligholi (2014) because this study has also highlighted that fluctuation in tickets' price made customers dissatisfied which is also highlighted by this study.

### 3.3. Service quality of the employees of Buddha Airs

The third research instrument intended to examine the association between employees behaviour and customers satisfaction in Buddha Air. The third survey instrument was embedded in the polite behaviour of Air hostess, employees' politeness to customers, motivation of employees to deliver service to customers, services for entertainment, use of new technological tools, cooperative behaviour of employees, satisfaction of the services delivered by Buddha Airs, realization of mistakes by employees, service of ATM around Airline counters, fulfillment of employees' responsibilities on time, customer centered employees and polite behaviour of pilots.

**Table 7. Varimax rotated principal components matrix on the employees' behaviour on the customers satisfaction (N = 185).**

Variables	Loadings			
	1	2	3	4
<b>SERVICE QUALITY AND EMPLOYEE'S BEHAVIOUR</b>				
Employees are polite in the area of Buddha Air' counter	.841			
Employees are highly interested to provide services to customers.	.667			
The service quality of Buddha Airs is satisfactory.	.620			
<b>EMPLOYEE MISTAKES AND ENTERTAINMENT</b>				
There are entertainment services in Buddha Airs.		.721		
Employees of Buddha Airs realize their mistakes while dealing.		.630		
Employees are customer centred in Buddha Airs.		.594		
<b>PILOT BEHAVIOUR AND EMPLOYEE COOPERATION</b>				
Buddha Air has used new technological tools in its services.			.831	
The employees of Buddha Airs are cooperative and helpful.			.603	
The pilots are polite while dealing with customers.			.501	

<b>COMPETENT EMPLOYEES AND ATM SERVICE FACILITY</b>			
18.9. There is ATM service around the ticket counter.			.851
18.10. The employees fulfil their assigned duties on time.			.739
18.1. The behaviour of Air Hostess is polite and helpful			.523

The Principal Component Model extracted four PCs where the first, second, third and the fourth PC have three variables each. The variances of the first, second, third and the fourth Principal Components account for 34.88 %, 12.85 %, 10 % and 9 % respectively [KMO = 0.721]. The first and second, third and the fourth PCs were named as employee motivation and politeness, customer centered strategy and positive attitude of employees, pilot behaviour and employees' cooperation and competent employees and service facilities respectively.

**Table 8. Mean, standard deviation and Cronbach's Alpha for the scales for employees' behaviour for the customers satisfaction (N=185).**

<b>Subscales</b>	<b>Mean</b>	<b>SD</b>	<b>Cronbach's Alpha</b>
Service quality and employee's behaviour	2.41	0.78	0.67
Employee mistakes and entertainment facilities	2.74	.080	0.60
Pilot behaviour and employees' cooperation	2.66	0.91	0.65
Competent employees and service facilities	2.55	0.86	0.63

The mean values of four subscales were 2.41, 2.74, 2.66 and 2.55 respectively. The overall mean values of the first, second, third and fourth subscales had been seen lower than the average value signifying that customers were approximately dissatisfied with the statements that service quality and employees' behaviour, employee mistakes and entertainment facilities, pilot behaviour and employees' cooperation and competent employees and service facilities from Buddha Air Service (see in details in table 8).

**Table 9. Binary logistic regression model of employees' behaviour for customers' satisfaction (N =185).**

<b>Independent variables</b>	<b>B</b>	<b>S. E.</b>	<b>Wald</b>	<b>df</b>	<b>Sig.</b>	<b>Exp (B)</b>	<b>95 % C.I for Exp (B)</b>	
							<b>Upper</b>	<b>Lower</b>
Service quality and employee's behaviour	-.566	.244	5.396	1	.020	.568	.915	.362
Employee mistakes and entertainment facilities	-.649	.302	4.627	1	.031	.523	.944	.289
Pilot behaviour and employees' cooperation	-.307	.267	1.318	1	.251	.736	1.242	.436
Competent employees and service facilities	.041	.252	0.26	1	.872	1.042	1.708	.635
Constant	-2.631	.323	66.303	1	.000	.072		

The Omnibus Tests [Chi-Square = 14.844, df = 4, p = .005] and associated significance level less than 0.05, the present model shows a decrease in deviance in prediction from the base model because the value of Chi-Square is positive. So that this model is better fit compared the base model. The model summary table shows the values of -2Log Likelihood, Cox and Snell R<sup>2</sup> and Nagelkerke R<sup>2</sup> [7.700 % (Cox and Snell) and 16.80 % (Nagelkerke)] variance of the model was explained by the independent variables. Hosmer and Lemeshow Test shows that p = 0.119 > 0.05 is insignificant which is good to support for the regression model fit. Out of 181 customers who chose the first option [satisfied with the employee behaviour of Buddha Airs], this



model depicts that 176 customers show their satisfaction for Buddha Airs' employees behaviour and 17 customers showed their dissatisfaction for the Airline's employees behaviour. Again, out of 4 customers who showed their dissatisfaction for Buddha Air's employee behaviour, the results show that 4 customers were found dissatisfied for the employee behaviour of Buddha Air. Thus, it predicts that customers who showed their satisfaction for the employee behaviour with 97.60 percent accuracy and the customers who showed their dissatisfaction for the airline services was 0 percentage accuracy. The results show that the overall percentage of correct prediction is 88.60 percent. The results also show that there was significant association between service quality and employees' behaviour and customers' satisfaction ( $p < 0.05$  with odds ratio =  $.568 < 1$ ,  $B = -.566 < 0$ ) indicating a negative impact on customers' satisfaction. When the independent variable service quality and employee's behaviour increases one unit, customer satisfaction can be predicated to decrease around 0.568 times if other variables are controlled. Similarly, there is significant association between employee mistakes and entertainment facilities and customer's satisfaction ( $p < 0.05$  with odds ratio =  $.523 < 1$ ,  $B = -.649 < 0$ ) indicating a negative impact on customers' satisfaction. Again, when the independent variable customers centered strategy and positive attitude of the employee increases one unit, customer satisfaction can be predicated to decrease around 0.649 times if other variables are controlled. This study supported the research findings of Kattara, Weheba & El-Said (2008) because both studies found that there was positive correlation between service quality, employee's behaviour and customers satisfaction. The previous study had also found that customers were satisfied when they received quality airline services and employees' polite behaviour. Importantly, the previous research had also concluded that employees' behaviours have great effect on overall customer satisfaction regardless of customers' gender, nationality, and purpose of visit, number of visits and length of stay.

### 3.4. Customer Relationship Management CRM)

The fourth research instrument intended to examine perceptions and experiences of respondents on the customers' management and their satisfaction level at Buddha Air. The fourth survey instrument was embedded in availability of air tickets in each ticket counter, ease of ticket availability, time consuming in check-in and check-out, distance between ticket counter and airline take off destination, facility of ticket cancellation and holding, comparison of Buddha Air with other air services, management of waiting place, and the management of loyalty card. The empirical studies had prioritized the importance of CRM in company business strategy. CRM is an integration of technologies and business processes used to satisfy the needs of a customer during any given interactions. More specifically, CRM involves acquisition. CRM life-cycle follows eight stages which are planning, research, system analysis, design, construction, implementation, maintenance and documentation and adaption (Amoah Mensah, Quaye & Mensah, 2018).

**Table 10. Varimax rotated principal components matrix on the customer management for the customers satisfaction (N = 185).**

Variables	Loadings			
	1	2	3	4
<b>FACILITIES AND CUSTOMER MANAGEMENT</b>				
Buddha Air provides all services on time.	.766			
The facilities of Buddha Airs are satisfactory.	.759			
Employees answer the customers inquiry	.699			

There is proper waiting room management for customers in Buddha.	.490			
<b>FACILITIES TO BUY TICKETS</b>				
The ticket is easily available to customers.		.840		
Tickets are available in each service counter.		.819		
<b>FACILITIES OF TICKET POSTPONE AND CANCELLATION</b>				
There is the facility of ticket postpone.			.831	
There is ticket cancellation facility.			.769	
Ticket counter is close to plane take off area.			.523	
<b>USE OF ADVANCED TECHNOLOGY FOR CUSTOMER MANAGEMENT</b>				
Less time is consumed in check-in and check-out.				.646
Buddha Air is better than other airlines.				.645
There is the facility of Loyalty card in Buddha Air Service.				.500

The Principal Component Model extracted four PCs where the first PC has four variables, the second PC has two variables, the third PC has three variables and the fourth PC has three variables respectively. The variances of the first, second, third and fourth Principal Components account for 40.45%, 20.37%, 15.35% and 14.85% respectively [KMO = 0.0628]. The first, second, third and the fourth PCs were named as ‘facility and customer management facilities to buy tickets, facilities to postpone & cancel tickets and use of advanced technology’ for customer satisfaction.

**Table 11. Mean, standard deviation and Cronbach’s Alpha for the scales for employees’ behaviour for the customers satisfaction (n=185).**

Subscales	Mean	SD	Cronbach’s Alpha
Facilities and customer management	2.49	0.73	0.66
Facilities to buy tickets	2.85	1.14	0.76
Facilities of ticket postpone and cancellation	2.59	0.70	0.61
Use of advanced technology for customer management	3.27	0.71	0.60

The mean values of four subscales were 2.49, 2.85, 2.59 and 3.27 respectively. The overall mean values of the first, second, and third subscales had been seen a bit lower than the average value signifying that customers were approximately dissatisfied with the statements that the facilities to buy tickets, and facilities of ticket postpone and cancellation in Buddha Air. But the mean value of the fourth subscales had seemed higher than the average value signifying that customer were approximately satisfied with the technology used to manage customers in Buddha Air (see in detail in table 8).

**Table 12. Binary Logistic Regression Model on Customer Satisfaction at Buddha Air (N = 185).**

Independent variables	B	S. E.	Wald	df	Sig.	Exp (B)	95% C.I for Exp (B)	
							Upper	Lower
Facilities and customer management	.700	.347	4.082	1	.043	2.014	3.973	1.021
Facilities to buy tickets	.006	.256	0.001	1	.980	1.006	1.661	.610
Facilities of ticket postpone and cancellation	.682	.371	3.381	1	.066	1.978	4.092	.956
Use of advanced technology for customer management	-.427	.402	1.125	1	.289	.653	1.436	.297
Constant	4.728	1.742	7.369	1	.007	.009		

The Omnibus Tests [Chi-Square = 10.602, df = 4, p = .031] and associated significance level less than 0.05, the present model shows a decrease in deviance in prediction from the base model because the value of Chi-Square is positive. So that this model is better fit compared with the base model. The result of model summary show the values of -2Log Likelihood, Cox and Snell R<sup>2</sup> and Nagelkerke R<sup>2</sup> [5.60 % (Cox and Snell) and 12.10 % (Nagelkerke)] variance of the model was explained by the independent variables. Hosmer and Lemeshow Test shows that p = 0.087 > 0.05 was insignificant which is good to support for the regression model fit. Out of 185 customers who chose the first option [satisfied with the customer management at Buddha Air], this model depicts that 168 customers showed their satisfaction for customer management at Buddha Airs and 17 customers showed their dissatisfaction for the customer management at Buddha Airline. Thus, it shows that customers who showed their satisfaction for the customer management at Buddha Air with 100.00 percent accuracy. The results show that the overall percentage of correct prediction is 90.80 percent. The results also show that there is significant association between facilities and customer management and customers' satisfaction (p < 0.05 with odds ratio = B = .700 > 0) indicating a positive impact on customers' satisfaction. When the independent variable facilities and customer management increases one unit, customer satisfaction can be predicted to increase around 2.014 times if other variables are controlled. This study has supported the study of Hui, Zhang & Zheng (2013) because Hui et al. (2013) had also found that facilities and customer management of communal facilities was the most crucial dimension with regard to the overall customer satisfaction and communication efficiency and efficacious promotion events are also important for maintaining customer satisfaction.

### Binary Logistic Wholesome Model on Customer Satisfaction at Buddha Air

All the significant indicators selecting from each Binary Logistic Regression Tables (see in the table 3, 6, 9.12) were entered the Binary Logistic Regression Model. The main purpose of this analysis was to find the Wholesome Model on customer satisfaction at Buddha Air.

**Table 13. Binary Logistic Wholesome Model on Customer Satisfaction at Buddha Air (N = 185).**

Independent variables	B	S. E.	Wald	df	Sig.	Exp (B)	95 % C.I for Exp (B)	
							Upper	Lower
Fluctuation in ticket price	-.582	.289	4.046	1	.044	.599	.985	.317
Employee motivation and politeness	-.451	.245	3.396	1	.065	.637	1.029	.394
Customer centered strategy and positive employees	-.278	.337	.684	1	.408	.757	1.464	.392
Facilities and customer management	.258	.319	.655	1	.418	1.295	2.421	.693
Strict flight schedule and security	-1.512	.397	14.469	1	.000	.221	.481	.101
Constant	-3.609	.568	40.411	1	.000	.027		

The Omnibus Tests [Chi-Square = 39.888, df = 5, p = .001] and associated significance level less than 0.05, the present model shows a decrease in deviance in prediction from the base model because the value of Chi-Square is positive. So that this model is better fit compared with the base model. The model summary table shows the values of -2Log Likelihood, Cox and Snell R<sup>2</sup> and Nagelkerke R<sup>2</sup> [19.40 % (Cox and Snell) and 42.30 % (Nagelkerke)] variance of the model was explained by the independent variables. Hosmer and Lemeshow Test shows that p = 0.654 > 0.05 is insignificant which is good to support for the regression model fit. Out of 176 customers who chose the first option [satisfied with the customer

management at Buddha Air], this model predicts 165 customers showed their satisfaction for customer management at Buddha Air and 11 customers showed their dissatisfaction for the customer management at Buddha Airline. Again, out of 9 customers who chose the second option dissatisfaction, this model predicts that 3 were still dissatisfied and 6 were found satisfied with the price of the tickets, quality of service, employee behaviour and customer management. Thus, it predicts that customers showed their satisfaction for the customer management at Buddha Air with 98.20 percent accuracy and also predicts that customers showed their dissatisfaction for the cost price of ticket, quality of services, employee behaviour and customer management at Buddha Air with 98.20 percent accuracy which predicts 35.30 percent accuracy. The results show that the overall percentage of correct prediction is 92.40 percent. The results also show that there was significant association between fluctuation in ticket price and customers' satisfaction ( $p < 0.05$  with odds ratio = .599 < 1,  $B = -.582 < 0$ ) indicating a negative impact on customers' satisfaction. When the independent variable fluctuation in ticket price increases one unit, customer satisfaction can be predicated to decrease around 0.559 times if other variables are controlled. This study has supported the previous study of "The Effect of Price and Service Quality on Customer Satisfaction in Mutiara Hotel Bandung" (2016) because both previous and current studies found that there is negative association between the price fluctuation in ticket price and customers' satisfaction. The previous study also disclosed that customers were found dissatisfied when the price of the ticket price goes up and down. Similarly, there was significant association between strict flight schedule and security ( $p < 0.05$  with odds ratio = .221 < 1,  $B = -.1.512 < 0$ ) indicating a negative impact on customers' satisfaction. When the independent variable strict flight schedule and security increases one unit, customer satisfaction can be predicated to decrease around 0.559 times if other variables are controlled. This study has supported the study of Fornell, Mithas, Morgeson & Krishnan (2006) because the previous and the current studies had found that there was negative association between strict flight schedule, lengthy security processes and customers' satisfaction.

### 3.5. Results on categorical variables of the Linear Regression Model

The categorical variables on reasons of choosing Buddha Air and gender were entered the Linear Regression Model of the SPSS to find the correlation between them.

**Table 14. The correlation between gender and the reasons for choosing Buddha Air**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.274 <sup>a</sup>	.075	.055	.282	1.892

The outputs of the first Table 14 show the model summary and overall fit statistics. The results show that the R value is .274. Therefore, the customer satisfaction is positively correlated with the reasons of choosing Buddha Air and signifying a weak relationship between the customer satisfaction and reasons for choosing Buddha Air. Again, the  $R^2$  value is 0.075 signifying that the independent variables (price of the tickets, customer management, service quality and employees' behaviour) have explained total variances of 7.50 % on dependent variable customer satisfaction which shows a very weak relationship between the customer satisfaction and reasons of choosing Buddha Air. Again, the adjusted  $R^2$  of the model was 0.055 with the  $R^2 = .075$  that means that the linear regression explains 5.50 % of the variance in the data which is not a large variation so that the regression equation does not appear to be useful for making predictions for the reasons of choosing Buddha Air since the value of  $R^2$  is lower than 1. Again, the Durbin-Watson  $d = 1.982$ , which is between the two critical values of  $1.5 < d < 2.5$  and therefore we can assume that there was no first order linear auto-correlation in the data.

**Table 15. Results of ANNOVA**

Model	Sum of squares	df	Mean square	F	Sig
Regression	1.162	4	.271	3.664	0.007
Residual	14.276	180	.079		
Total	15.438	184			

The results show that the regression model was the statistical significance that was run. Here,  $p < 0.007$ , which is less than 0.05, indicating that, overall, the regression model statistically significantly predicts the outcome variables of customer satisfactions with Buddha Air which is a good fit for the data.

**Table 16. Results of coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients		Sig	95.0% Confidence interval for B	
	B	Std. Error	Beta	t		Upper	Lower
1. Constant	1.037	.038		27.060	.000	1.113	.961
Employee's behaviour	.034	.066	.043	.524	.601	.164	-.095
Price of the tickets	-.037	.066	-.046	-.565	.573	.092	-.166
Service quality	.098	.055	.152	1.783	.076	.206	-.010
Customer Management	.224	.070	.256	3.192	.002	.382	.085

We are 95% confident that the slope of the true regression line is somewhere between .164 and -.095. In other words, we are 95% confident that customer satisfaction with Buddha Air, the level of customer satisfaction increases somewhere between .164 to -.095. It is concluded that on average, for the reasons of choosing Buddha Air "employee behaviour", "the level of customer satisfaction" will increase .034 times. Again, we are 95 % confident that for the reason of choosing Buddha Air "Price of the Tickets" decreases -.037 times. Again, we are 95% confident that the reason of choosing Buddha Air "Service Quality" increases .098 times. Finally, we are 95 % confident that the reason of choosing Buddha Air "Customer Management" increases .224 times.

#### 4. Discussion and Conclusion

The objective of this study was to examine the customers' satisfaction level against current ticket's price, service quality, employees' behaviour, and customer management at Buddha Air. The empirical studies reveal that customer satisfaction is embedded in price level of the ticket, service quality, employees' behaviour and customer management. Four research instruments were used to examine the perceptions and experiences of customers on current rate of ticket prices, service quality, and customer behaviour and customer management. The research method used in this study was the survey method where the survey questionnaires were used as research instrument. The survey questionnaire was returned by one hundred and eighty-five respondents. One hundred and eight (58.37%) was male population and seventy-six (41.63 %) was female population. The response rate was 92.5%. The results show that there is significant association between fluctuation in ticket price, employee motivation and politeness, customer centered strategy, positive employees' behaviour, facilities and customer management and strict flight schedule and security and customer satisfaction. Promoters, company's policy makers, branch managers, researchers and students will be benefited by the implication of this study to understand the perceptions of customers towards the price factor, quality factor, service quality of employees and customer relationship management. More importantly, the findings of this

study would be importantly helpful for company's leaders on how to satisfy their customers at Bharatpur Chitwan. The results further show that the customer management had not a buffering effect on initial levels of customers' satisfaction but affected change over time. In generalizing the results of the present study, there was some cause for concern due to a sampling method and representativeness of the male and female population. The facilities in different airlines, price of tickets, service quality, employees' behaviour and customer management vary in each airline. The conclusions of this research will be beneficial to other airlines to identify the needs and preference of customers so that they can formulate new customer-centred strategies in future. It was summarized by the previous study that customer satisfaction has always been considered a vital business goal because of its crucial role in the formation of customers' desire for future purchase or tendency to buy more. The growing of airlines industry provided opportunities as well as challenges to the business entities in the Airline industry. The opportunities were due to the increasing demand for the airline services, while the challenges were high level of competition between airlines but also due to the growing customer demands for better services.

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