

CUSTOMERS' OPINIONS AND SATISFACTION ON THE E-SERVICE OF
AIRFRANCE-KLM

A MASTER'S PROJECT

BY

PORNPIMON PHATTHANAPANICHPAISAN

Presented in Partial Fulfillment of the Requirements for the
Master of Arts Degree in Business English for International Communication
at Srinakharinwirot University

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AN ABSTRACT

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An e-service is one important strategy that most airlines provide to facilitate their customers. This study aimed to explore customers' opinions and the satisfaction level on Air France-KLM e-service. This study focused on the website quality, perceived value and satisfaction on e-service usage. 100 Air France-KLM customers who were checking in for Air France-KLM flights during October 1st-7th, 2008, at Suvarnabhumi airport were randomly selected to respond to a questionnaire designed in accordance with the objectives of the study. The data were analyzed and presented in frequency and mean. The findings of this study revealed that the customers had positive opinions on the website quality and perceived value of Air France-KLM e-service. Furthermore, they were highly satisfied when using e-service via Air France-KLM website, and they would continue using Air France-KLM e-service in the future.

ความคิดเห็นและความพึงพอใจของลูกค้าต่อบริการอิเล็กทรอนิกส์ของ

แอร์ฟรานซ์-เคแอลเอ็ม

บทคัดย่อ

ของ

พรพิมล พัฒนพานิชไพศาล

เสนอต่อบัณฑิตวิทยาลัย มหาวิทยาลัยศรีนครินทรวิโรฒ เพื่อเป็นส่วนหนึ่งของการศึกษา

ตามหลักสูตรปริญญาศิลปศาสตรมหาบัณฑิต

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การบริการอิเล็กทรอนิกส์เป็นกลยุทธ์สำคัญอย่างหนึ่งที่สายการบินส่วนใหญ่นำมาให้บริการเพื่ออำนวยความสะดวกแก่ลูกค้า สารนิพนธ์ฉบับนี้มีวัตถุประสงค์เพื่อศึกษาความคิดเห็นของลูกค้าและระดับความพึงพอใจต่อบริการอิเล็กทรอนิกส์ของแอร์ฟรานซ์-เคแอลเอ็ม การศึกษานี้เน้นที่คุณภาพของเว็บไซต์ คุณค่าที่รับรู้ได้ และความพึงพอใจในการใช้บริการอิเล็กทรอนิกส์ ในระหว่างวันที่ 1-7 ตุลาคม 2551 ผู้วิจัยได้สุ่มตัวอย่างจากลูกค้าแอร์ฟรานซ์-เคแอลเอ็มขณะกำลังเช็คอินเที่ยวบินของแอร์ฟรานซ์-เคแอลเอ็มที่ทำอากาศยานสุวรรณภูมิ เป็นจำนวน 100 คน เพื่อให้ตอบแบบสอบถามที่สร้างขึ้นตามวัตถุประสงค์ของการศึกษานี้ ผลการวิเคราะห์แสดงเป็นค่าความถี่และค่าเฉลี่ย ผลการศึกษาพบว่าลูกค้ามีความคิดเห็นในเชิงบวกต่อคุณภาพเว็บไซต์ และคุณค่าที่รับรู้ได้ต่อบริการอิเล็กทรอนิกส์ของแอร์ฟรานซ์-เคแอลเอ็ม นอกจากนี้ลูกค้ามีความพึงพอใจมากในการใช้บริการอิเล็กทรอนิกส์ทางเว็บไซต์ของแอร์ฟรานซ์-เคแอลเอ็ม และลูกค้ามีความคิดเห็นว่าจะใช้ บริการอิเล็กทรอนิกส์ผ่านทางเว็บไซต์ของแอร์ฟรานซ์-เคแอลเอ็มต่อไป

The Master's Project Advisor, Chair of Business English for International Communication Program, and Oral Defense Committee have approved this Master's Project as partial fulfillment of the requirements of the Master of Arts Degree in Business English for International Communication of Srinakharinwirot University.

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CHAPTER 1

INTRODUCTION

Background of the Study

Air travel is a principal mode of transportation that has played an important role in global tourism. Airline business has been developed consistently regarding the speed, technology, safety, and comfort in order to facilitate passengers travelling from one location to another in a short time. Because of the high profit, airlines have developed the marketing strategy and have improved the overall quality to attract passengers. At the same time, e-services have been increasingly provided via the Internet by many airlines to offer more benefits to their customers. As a result, the service by airline staff may be less necessary and this will help the airlines to save the operation costs.

At present, the Internet has become a potential distribution channel that helps improve the service quality for airlines. Lovelock (2001) suggested that today's customers are increasingly time sensitive, and speed is often seen as a key document in a good service. Firms need to look for ways to compete on speed and to minimize time wasted

waiting for a service. As a result of advances in computers and telecommunications, especially the growth of the Internet, electronic delivery of services is expanding rapidly (p. 14). Zhou (2004) also added that since airlines' products and services are intangible, consumers rely heavily on information about the product or service before buying. Consumers need up-to-date, fast, interactive information that is available 24 hours a day, seven days a week. With the capability of the Internet, communication between service providers and customers can be done in a timely manner, and without the limitation of the geographic location (p. 6). Nowadays, the Internet has globally become a vital medium of communication in people's daily life for both leisure and business activities. According to World Usage Statistics, the total number of world Internet users is over 1,319 million for year-end 2007 ("Internet Usage Statistics," 2008). This rapid growing rate reveals a significant opportunity for airlines businesses to provide online services in order to attract and facilitate their customers.

Online sales in airline business have been provided not only to attract and facilitate customers, but they have also been considered an important strategy that helps reduce the distribution costs. Air France-KLM, after merging in May 2004, is the largest airline company in the world in terms of operating revenues from 2006 to March 2007. The

operating profit of Air France-KLM during that period was up to 1,591 million US\$ (IATA economics briefing, 2007, p. 2). The merger between Air France and KLM has led to increased profitability. However, as the airline industry is a competitive business, Air France-KLM has been continuing improving its online sales in order to maintain its largest market share and to reduce distribution costs. Lu (2007) stated that facing fiercer market pressure brought by factors such as the development of low cost carriers and the globalization of civil aviation industry, airlines have found that it is critical for them to lower their costs as much as possible so as to make them more competitive (p. 1). Besides, Pandit (2006) asserted that distribution costs are second highest airline costs after salaries. Hence airlines are making all efforts to bring them down (p. 7). According to *Wolkenridder magazine* of November 2007, KLM was incurring relatively high costs for distribution via reservation systems and commission paid to travel agents in some countries. A change of strategy was required. Low-cost carriers like Ryan Air and EasyJet had demonstrated that selling tickets online was vastly more efficient for airlines as well as for their customers (p. 28).

Consequently, most airlines increasingly provide electronic tickets (e-ticket) because they cost less than paper tickets do. According to IATA (2008), it is estimated that

approximately 9 US\$ in savings could be made when an electronic ticket is issued instead of a paper ticket. Doganis (2001) suggested that websites are also cheaper than telephone call centres since the number and cost of reservation staff can be significantly reduced or even eliminated altogether (p. 168). In addition, according to IATA study in 1966 (as cited in Doganis, 2001), the breakdown of airline distribution costs in 1996; commissions paid to agents accounted for 42.8 per cent of airline distribution costs, equivalent to 7.5 per cent of total operating costs. While reservations and ticketing represented a further 31.0 per cent of distribution costs and payments to computer reservation system fees were 7.1 per cent. The total distribution costs represented 17.5 per cent of the total operating costs of international airlines (p. 166). These significant figures have influenced airlines on creating their online sales to reduce distribution costs.

Accordingly, Air France-KLM has been persuading customers to purchase online by providing more online services that customers can accomplish via the website. According to *Wolkenridder Magazine*, Van der Zee (2007) noted that customers visiting the company website will increasingly get the feeling they are shopping at a supermarket. Not only can customers buy e-tickets and pay online, but they can also redeem award tickets, buy travel insurance, find travel information, book hotels and rental cars, select seats, change

itineraries, indicate meal preferences, excess baggage, check flight delays, print boarding card, and check in online. This innovation facilitates customers' traveling and reduces stress level, because customers can get updated information and process their requirement online whenever and wherever they need (p. 28).

In addition, the customers who purchase e-tickets via the website are offered the cheapest price comparing with other distribution channels. If customers purchase tickets from travel agents, the price is definitely higher for the commission fee. Even if, they buy tickets directly from a call center or at a ticket office, the service charge must be added to the ticket price. Presently, the Internet is increasingly having positive impact on Air France-KLM's sales. Air France itself generates 12 per cent of its revenue through the Internet ticket sales, and one of every five tickets is sold on the Internet (Front page news, 2008). KLM also sells worldwide one sixth of tickets online via klm.com, but this percentage is increasing rapidly (*Wolkenridder magazine*, 2007, p. 28). However, a personal service at the ticket office is still obviously required by some customers who are unfamiliar with the Internet.

Traditionally, when customers visit Air France-KLM city ticket office, they will find the airline staff at the front counter available to serve them during the office hours. According to Air France-KLM Regional Commercial Director, on average, there are about 10 people coming to the ticket office for staff assistance a day. As it is a small number, Air France-KLM decided to replace the staff service by providing only the e-service to the customers. The replacement will be beneficial to the company to reduce operating costs. The service staff will be no longer presented at the front counter; they will be moved to the back office doing other tasks such as answering customers' calls and replying e-mails. Hence, when customers arrive, they will find instructions informing that they can use the e-service from computers provided by themselves. However, if customers encounter difficulties in processing the e-service, they can ring the staff for assistance, and the staff will show up to assist them to accomplish the e-service. This new strategy, called "Virtual City Ticket Office," began in November 2008 (personal communication, March 7, 2008).

Consequently, Air France-KLM expects that customers will use the e-service conveniently in the long run, and this will result in people's declining on visiting the ticket office. The company also hopes that this innovation will reduce distribution costs when the e-service eventually replaces the staff service. Therefore, this research is proposed to

study the opinions and satisfaction of Air France-KLM customers towards the e-service at a virtual city ticket office. The findings will add to the body of knowledge on website quality, customers' perceived value and satisfaction. Air France-KLM will, therefore, improve of the e-service to reach the customers' satisfaction.

Objectives of the Study

This research has two objectives as follows:

1. To study customers' opinions on the e-service of Air France-KLM.
2. To measure customer satisfaction levels towards the e-service of Air France-KLM.

Significance of the Study

The findings of this study will be beneficial for Air France-KLM to improve the quality of the e-service in terms of website quality: design, content, function, speed, and ease of use, to meet the customer's satisfaction. The findings will also be a significant guideline for other businesses planning to promote an e-service as another effective tool of marketing

strategy as they will be able to see aspects of website quality that satisfies their existing and future customers.

Scope of the Study

This study focuses on customers' opinions and satisfaction level on Air France-KLM e-service. The data were obtained from 100 Air France-KLM customers who were checking in for Air France/KLM flight at Suvarnabhumi Airport during October 1st – 7th, 2008.

Definition of Terms

Terms in this study are defined as follows:

E-service is an electronic channel through which consumers receive products and/or services (Luarn & Lin, 2003, p. 157).

E-Ticket is the electronic version of the conventional paper ticket. It is an electronic record kept in a computer database that is used instead of a printed-paper ticket (KLM, 2008).

In short, this study aims to study customers' opinions and satisfaction level on the e-service of Air France-KLM. The findings of this study will be beneficial for Air France-KLM to improve the quality of the e-service in terms of website design to meet the customer's satisfaction.

CHAPTER 2

REVIEW OF RELATED LITERATURE

This chapter is a review of related literature which includes a website quality, customer value, customer satisfaction, and related research.

Website Quality

The quality of a company website plays a very significant role in maintaining its customers. A variety of factors related to website quality have been demonstrated to significantly influence consumers' online shopping attitudes and behavior. Better website quality can guide the consumers to complete transactions smoothly and influence a customer's decision to repeatedly make a purchase from a particular e-service vendor. In contrast, worse quality would hinder their online shopping moves (Li & Zhang, 2002, p. 512; Luarn & Lin, 2003, p. 157).

To create good quality website, some important factors, such as attractive website design and ease of use should be involved. It is a key challenge of a company to design a

website that is attractive on first viewing and interesting enough to encourage repeated visits. Visitors will also judge a site's performance on its ease of use and its physical attractiveness.

Perceived ease of use is directly related to computer-mediated services and refers to the extent to which a person believes using the technology will be free of effort. If customers think the technology is too difficult to use, they may not use the e-service technology at all. Ease of use also provides access to people with disabilities and from different levels of educational and cultural backgrounds (Ba & Johanson, 2006, p. 7; University of Washington, 2008). Ease of use can be broken down into three attributes: (1) The Website can be downloaded quickly, (2) the first page is easy to understand, and (3) the visitor finds it easy to navigate to other pages that open quickly (Kotler, 2006, p. 568). The context of a good webpage concerns how easy it is for a user to find the information they require from a given website. The content style has a huge impact on the usability of a website. Basically, users tend to skim the text and dip into detail, rather than read a whole page. They prefer a short, bullet-pointed format, and an easy website (Edie, 2006, p. 2).

Physical attractiveness of the website is another important element to be considered when judging overall quality. It is determined that, first, individual pages are clean looking, visually appealing, and not overly crammed with content. Some aspects, such as irritating color combinations, blinking text, animated images, excessive use of images and too much advertising should be avoided. Next, the typefaces and font sizes are readable. Large font size requires frequent scrolling; while too small font size causes the difficulty for visitors to read. Finally, the site makes good use of colors that make the webpage easy to read (Kelly, 2000, p. 1; Kotler, 2006, pp. 567-568; University of Washington, 2008).

In summary, a high quality website is significant for companies to enhance their products and/or services online. If a company website is well-organized and measures up to a high standard, it can influence customers or website visitors to make a purchase via the website.

Customer Value

In this section, the concept of customer value is presented in terms of customer perceived value as well as the perceived value on e-service. Customer perceived value is defined as the difference between the prospective customer's evaluation of all the benefits

and all the costs of an offering and the perceived alternatives (Kotler, 2006, p. 133). The perceived value on e-service is defined as the perceived e-service utility relative to its monetary and non-monetary costs, assessed by the consumer and based on simultaneous considerations of what is received and what is given up to receive it (Luarn & Lin, 2003, p. 159).

In order to survive in a competitive environment, an organization must provide target customers more value than is provided by its competitors. Hawkins defined customer value as the difference between all the benefits derived from a total product and all the costs of acquiring those benefits. Marketing strategy seeks to provide the customer with more value than the competitor does while still producing a profit for the firm. Marketing strategy is formulated in terms of the marketing mix. It involves determining the product features, price, communications, distribution, and services that will provide customers with superior value (Hawkins, 2001, p. 11).

According to Kotler (2006), total customer value is the perceived monetary value of the bundle of economic, functional, and psychological benefits customers expect from a given market offering. Total customer cost is the bundle of costs customers expect to incur in evaluating, obtaining, using, and disposing of the given market offering, including

monetary, time, energy, and psychic costs. Kotler draw an example of Caterpillar (a tractor distributor) to explain that the buyers of Caterpillar see one tractor as worth USD 20,000. In fact, Caterpillar's cost of producing the tractor is USD 14,000, so Caterpillar needs to charge a price between USD 14,000 and USD 20,000. The price Caterpillar charges will determine how much value will be delivered to the buyer and how much will flow to Caterpillar. If Caterpillar charges USD 19,000, it is creating USD 1,000 of customer perceived value and keeping USD 5,000 for itself. The lower Caterpillar sets its price, the higher the customer perceived value and, therefore, the higher the customer's incentive to purchase. Customer perceived value is thus based on the difference between what the customer gets and what he or she gives for different possible choices. The customer gets benefits and assumes costs. The marketer can increase the value of the customer offering by some combination of raising functional or emotional benefits and/or reducing one or more of the various types of costs. The key to generating high customer loyalty is to deliver high customer value (Kotler, 2006, pp. 133-135).

In terms of perceived value on e-service, Luarn and Lin (2003) said that quality of product/service and website is a logical driver of perceived value. The online consumer gives time, cognition and effort to the experience of interacting with the website, and gets

an experience enabled by the website that hopefully makes it easy to find needed/wanted products, to checkout quickly and to receive confirmation about all important aspects of the purchase, such as order-confirmation and delivery-tracking (p. 159).

Peter (2003) defined values as people's broad life goals. Values often involve the emotional affect associated with such goals and needs (p. 78). He stated that buying the product or service through the Internet provides value to potential consumers. For instance, making airline reservations at any time of day or night is a convenience that many consumers value. Because Internet reservations save commissions that airlines would have to pay to travel agents, the airlines can offer even greater value by cutting the price of fares purchased on the Internet. However, the Internet has disadvantages because consumers cannot experience products firsthand as they can in retail stores. Many consumers are fearful of giving out credit card information over the Internet, and many consumers do not trust companies and products they do not know well (p. 16).

In addition, Schneider (2006) pointed out that a seller could create value in a relationship with a customer by nurturing customers' trust and developing it into loyalty. When a customer has an experience with a seller who provides a good service, that customer begins to trust the seller. When a customer has multiple good experiences with a

seller, that customer feels loyal to the seller. Thus, the repetition of a satisfactory service can build customer loyalty that can prevent a customer from seeking alternative sellers who offer lower prices (pp. 149-150).

Accordingly, customer perceived-value is another important factor that a company should take into consideration since high customer value results in high customer loyalty, especially in the area of online business.

Customer Satisfaction

This section is devoted to definitions and concepts of customer satisfaction.

Kotler (2006) defined satisfaction as a person's feeling of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in appointment to his or her expectations. If the performance falls short of expectations, the customer is dissatisfied. If the performance matches the expectations, the customer is satisfied. If the performance exceeds expectations, the customer is highly satisfied or delighted. One key to customer retention is customer satisfaction. A highly satisfied customer generally stays loyal longer, buys more as the company introduces new products and upgrades existing products, talks favorably about the company and its products, pays

less attention to competing brands and is less sensitive to price, offers product or service ideas to the company, and costs less to serve them than to new customers because transactions are routine (p. 136).

According to Hawkins et al. (2001), it is generally more profitable to maintain existing customers than to replace them with new one. Retaining current customers requires that they be satisfied with their purchase and use of the product. Thus, customer satisfaction is a major concern of marketers. He suggested that convincing consumers that a brand offers superior value (relative to the competition) is necessary in order to make an initial sale. Creating satisfied customers, and thus future sales, requires that customers continue to believe that the brand meets their needs and offers superior value after they have used it. That is, the company must deliver as much or more value than the customers initially expected, and it must be enough to satisfy their needs (p. 23).

Customer satisfaction occurs when consumer expectations are met or exceeded and the purchase decision is reinforced. Such reinforcement is represented as feedback from post-purchase evaluation. Satisfaction reinforces positive attitudes toward the brand, leading to a greater likelihood that the consumer will repurchase the same brand and tell others of their favorable experiences with it. If they are dissatisfied, they will be more likely

to switch products or brands and complain to manufacturers, retailers, and other consumers (Asseal, 1995; Peter, 2003).

Customer satisfaction towards the online shopping was defined by Li and Zhang, (2002) as the extent to which consumers' perceptions of the online shopping experience confirm their expectations. Most consumers form expectations of the product, vendor, service, and quality of the website that they patronize before engaging in online shopping activities. These expectations influence their attitudes and intentions to shop at a certain Internet store, and consequently their decision-making processes and purchasing behaviour. If expectations are met, customers achieve a high degree of satisfaction, which influences their online shopping attitudes, intentions, decisions, and purchasing activity positively (p. 514).

In short, customer satisfaction is a major concern of the company. If the performance of a company meets or exceeds customer expectation, customer satisfaction will be high, and it leads to customer intention to purchase and eventually to customer loyalty.

Related Research

The data related to this study in terms of customer loyalty model, perception of e-service quality and attitudes are discussed as follows:

Regarding customer loyalty model for e-service context, it was found that customer satisfaction, trust, perceived value, and attitudinal commitment were important determinants of purchase loyalty. Thus, in order to obtain higher loyalty and commitment, customer loyalty managers need to improve consumer perceived value through increasing their product/service and website quality and pricing their products/services reasonably (Luarn & Lin, 2003, pp. 162-163).

MinJoon (2002) found that six primary service quality dimensions perceived by Internet purchasers were uncovered: reliability, access, ease of use, personalization, security, and credibility. While seven dimensions were discovered for Internet non-purchasers: security, responsiveness, ease of use, reliability, availability, personalization, and access. Regarding the relative importance of each dimension affecting overall service quality assessment, the "reliability" factor was found to be the most important dimension for Internet purchasers while Internet non-purchasers consider "security" their most critical concern.

Noo-urai (2006)'s research results revealed that attitude of Orient Thai Airline users towards service, ticket fare, convenience in ticket purchasing and promotion were at good level. Attitudes of Thai Air Asia users toward service, ticket fare and promotion were at good level, while Thai Air Asia users' attitudes toward convenience in ticket purchasing were at moderate level. Customers purchased air ticket from airline ticket sale offices. Regarding the behavior trend, both users would probably repeat their purchase with the airlines and they would probably recommend the airlines to others.

Customer attitudes and behavior towards a new electronic banking service, known as "Express Banking Services" recently launched by Bangkok Bank Public Company Limited (BBL) were explored by Chuakaew (2002). Most of the customers had positive attitudes towards the Express Banking Service and suggested the expansion of this service to be available with all BBL's branches. Besides, the service also enhanced the promotion of BBL's image in the marketplace. The finding also revealed that the most favorable service as perceived by the customers was the service rendered through an Automatic Teller Machine (ATM). The key determinants were convenience and speedy service. The study indicated a high level of satisfaction whereby the customers intended to repeat the service. Besides, positive attitudes after the successful application revealed the high

relation to the customers' behavior towards the services as offered by BBL in Bangkok area.

In addition, Rojjanavanichkij (2002)'s study shows most of users had not used Internet banking and might use it in the future. The persons who had used Internet banking of SCB would continue using it. The reason for using was that it is convenience, fast and they have already got their bank accounts. Most of users used Internet banking to check balance account and they were satisfied with this service. Overall, the good attitude of Internet banking users of SCB was in a high level.

In short, the website that is attractive and easy to use provides comfortable feeling to both frequent visitors and first-time visitors. In airline business, consumers value the convenience of receiving the service through the Internet such as making the reservation online anytime of the day. In addition, if the website functions properly to satisfy customers' experience, customers will repeat their purchase at the same website.

CHAPTER 3

RESEARCH METHODOLOGY

This chapter presents the methodology of the research. It contains three sections: participants of the study, instrument of the study, and procedures of the study. The details are as follows:

Participants of the Study

The participants of the study were 100 Air France-KLM customers who were checking in for Air France/KLM flights at Suvarnabhumi Airport during October 1st – October 7th, 2008. A questionnaire designed in accordance with the objectives of this study was distributed to the customers who voluntarily participated in this study. The participants were assured of their individual confidentiality, and they were not offered any incentive to participate in the research.

Instrument of the Study

The questionnaire was designed by adapting the key concept and the characteristics of the website quality introduced by Kotler (2006), the foundation of online customer satisfaction suggested by Ba and Johanson (2006), and the perceived value on the e-service developed by Luarn and Lin (2003). The findings focused on opinions and the satisfaction of customers who used the e-service via Air France-KLM website.

To standardize the questionnaire, the researcher had the Air France-KLM Regional Commercial Director examine the first draft. The feedback and suggestions were used to revise and improve a better version of the questionnaire. After that, the revised questionnaire was used in a pilot study with 10 customers who used e-services of other airlines. They were also interviewed to determine whether the questionnaire was comprehensible to them. Then any ambiguous wording was clarified and revised to effectively serve the objectives of the study.

The questionnaire is attached in the appendix. It consists of three parts as follows:

Part I: General Information of the respondents

This part involves the general information of the respondents regarding their sex, age, and the frequency of Air France-KLM e-service usage.

Part II: Opinion on e-service of Air France-KLM

This part was designed to study the opinion of Air France-KLM customers who had used the e-service via Air France-KLM website. This part consisted of seven attributes regarding the website quality: 1) attractive website design, 2) clear content, 3) available information, 4) download speed, 5) website accuracy, 6) website efficiency, and 7) its ease of use, and seven attributes concerning the perceived value: 1) saving the time, 2) facilitating the requirement, 3) reducing the stress, 4) being reliable, 5) being worth the effort, 6) being beneficial, and 7) providing more convenience than the service staff do. The respondents were asked to rate the level of their agreement to each statement. A five-point Likert scale was employed to measure the levels of the customer agreement ranking from the respondents' strong agreement to strong disagreement.

Part III: Satisfaction towards e-service of Air France-KLM

This part was designed to measure the satisfaction level of customers who used the Air France-KLM e-service. Five statements regarding satisfaction towards the e-service were: 1) requirement accomplishment, 2) time spending, 3) comfortable feeling, 4)

satisfaction on e-service, and 5) repetition of e-service usage, were designed and the respondents were asked to rate their agreement to each statement. The five-point Likert scale was employed to measure the levels of the customer agreement ranking from strong agreement to strong disagreement. Also, the respondents were asked to give additional comments or suggestions in the space provided, since additional comments would provide some other aspects that did not include in the questionnaire.

Procedures of the Study

Data Collection

The survey was conducted at Suvarnabhumi Airport during the check in time for Air France-KLM flights during October 1st - October 7th, 2008 with 100 Air France-KLM customers including male and female, regardless of nationality of age. The convenient sampling was employed in this study. The completed questionnaires were used to obtain the data for the study.

Data Analysis

The data collected from the questionnaires were analyzed by the use of Statistical Package for Social Sciences (SPSS) and presented through descriptive statistics: frequency and mean. According to Pisarnbut (2007), the value of mean was interpreted as follows:

1.00 – 1.80 = Very low

1.81 – 2.60 = Low

2.61 – 3.40 = Moderate

3.41 – 4.20 = High

4.21 – 5.00 = Very high

All results were analyzed in accordance with the research objectives. The findings were presented in tables followed by explanations in Chapter 4. In addition, discussion of the major findings, conclusion of the study, limitation of the study, and recommendation for further studies were offered in Chapter 5.

CHAPTER 1

INTRODUCTION

Background of the Study

Air travel is a principal mode of transportation that has played an important role in global tourism. Airline business has been developed consistently regarding the speed, technology, safety, and comfort in order to facilitate passengers travelling from one location to another in a short time. Because of the high profit, airlines have developed the marketing strategy and have improved the overall quality to attract passengers. At the same time, e-services have been increasingly provided via the Internet by many airlines to offer more benefits to their customers. As a result, the service by airline staff may be less necessary and this will help the airlines to save the operation costs.

At present, the Internet has become a potential distribution channel that helps improve the service quality for airlines. Lovelock (2001) suggested that today's customers are increasingly time sensitive, and speed is often seen as a key document in a good service. Firms need to look for ways to compete on speed and to minimize time wasted

waiting for a service. As a result of advances in computers and telecommunications, especially the growth of the Internet, electronic delivery of services is expanding rapidly (p. 14). Zhou (2004) also added that since airlines' products and services are intangible, consumers rely heavily on information about the product or service before buying. Consumers need up-to-date, fast, interactive information that is available 24 hours a day, seven days a week. With the capability of the Internet, communication between service providers and customers can be done in a timely manner, and without the limitation of the geographic location (p. 6). Nowadays, the Internet has globally become a vital medium of communication in people's daily life for both leisure and business activities. According to World Usage Statistics, the total number of world Internet users is over 1,319 million for year-end 2007 ("Internet Usage Statistics," 2008). This rapid growing rate reveals a significant opportunity for airlines businesses to provide online services in order to attract and facilitate their customers.

Online sales in airline business have been provided not only to attract and facilitate customers, but they have also been considered an important strategy that helps reduce the distribution costs. Air France-KLM, after merging in May 2004, is the largest airline company in the world in terms of operating revenues from 2006 to March 2007. The

operating profit of Air France-KLM during that period was up to 1,591 million US\$ (IATA economics briefing, 2007, p. 2). The merger between Air France and KLM has led to increased profitability. However, as the airline industry is a competitive business, Air France-KLM has been continuing improving its online sales in order to maintain its largest market share and to reduce distribution costs. Lu (2007) stated that facing fiercer market pressure brought by factors such as the development of low cost carriers and the globalization of civil aviation industry, airlines have found that it is critical for them to lower their costs as much as possible so as to make them more competitive (p. 1). Besides, Pandit (2006) asserted that distribution costs are second highest airline costs after salaries. Hence airlines are making all efforts to bring them down (p. 7). According to *Wolkenridder magazine* of November 2007, KLM was incurring relatively high costs for distribution via reservation systems and commission paid to travel agents in some countries. A change of strategy was required. Low-cost carriers like Ryan Air and EasyJet had demonstrated that selling tickets online was vastly more efficient for airlines as well as for their customers (p. 28).

Consequently, most airlines increasingly provide electronic tickets (e-ticket) because they cost less than paper tickets do. According to IATA (2008), it is estimated that

approximately 9 US\$ in savings could be made when an electronic ticket is issued instead of a paper ticket. Doganis (2001) suggested that websites are also cheaper than telephone call centres since the number and cost of reservation staff can be significantly reduced or even eliminated altogether (p. 168). In addition, according to IATA study in 1966 (as cited in Doganis, 2001), the breakdown of airline distribution costs in 1996; commissions paid to agents accounted for 42.8 per cent of airline distribution costs, equivalent to 7.5 per cent of total operating costs. While reservations and ticketing represented a further 31.0 per cent of distribution costs and payments to computer reservation system fees were 7.1 per cent. The total distribution costs represented 17.5 per cent of the total operating costs of international airlines (p. 166). These significant figures have influenced airlines on creating their online sales to reduce distribution costs.

Accordingly, Air France-KLM has been persuading customers to purchase online by providing more online services that customers can accomplish via the website. According to *Wolkenridder Magazine*, Van der Zee (2007) noted that customers visiting the company website will increasingly get the feeling they are shopping at a supermarket. Not only can customers buy e-tickets and pay online, but they can also redeem award tickets, buy travel insurance, find travel information, book hotels and rental cars, select seats, change

itineraries, indicate meal preferences, excess baggage, check flight delays, print boarding card, and check in online. This innovation facilitates customers' traveling and reduces stress level, because customers can get updated information and process their requirement online whenever and wherever they need (p. 28).

In addition, the customers who purchase e-tickets via the website are offered the cheapest price comparing with other distribution channels. If customers purchase tickets from travel agents, the price is definitely higher for the commission fee. Even if, they buy tickets directly from a call center or at a ticket office, the service charge must be added to the ticket price. Presently, the Internet is increasingly having positive impact on Air France-KLM's sales. Air France itself generates 12 per cent of its revenue through the Internet ticket sales, and one of every five tickets is sold on the Internet (Front page news, 2008). KLM also sells worldwide one sixth of tickets online via klm.com, but this percentage is increasing rapidly (*Wolkenridder magazine*, 2007, p. 28). However, a personal service at the ticket office is still obviously required by some customers who are unfamiliar with the Internet.

Traditionally, when customers visit Air France-KLM city ticket office, they will find the airline staff at the front counter available to serve them during the office hours. According to Air France-KLM Regional Commercial Director, on average, there are about 10 people coming to the ticket office for staff assistance a day. As it is a small number, Air France-KLM decided to replace the staff service by providing only the e-service to the customers. The replacement will be beneficial to the company to reduce operating costs. The service staff will be no longer presented at the front counter; they will be moved to the back office doing other tasks such as answering customers' calls and replying e-mails. Hence, when customers arrive, they will find instructions informing that they can use the e-service from computers provided by themselves. However, if customers encounter difficulties in processing the e-service, they can ring the staff for assistance, and the staff will show up to assist them to accomplish the e-service. This new strategy, called "Virtual City Ticket Office," began in November 2008 (personal communication, March 7, 2008).

Consequently, Air France-KLM expects that customers will use the e-service conveniently in the long run, and this will result in people's declining on visiting the ticket office. The company also hopes that this innovation will reduce distribution costs when the e-service eventually replaces the staff service. Therefore, this research is proposed to

study the opinions and satisfaction of Air France-KLM customers towards the e-service at a virtual city ticket office. The findings will add to the body of knowledge on website quality, customers' perceived value and satisfaction. Air France-KLM will, therefore, improve of the e-service to reach the customers' satisfaction.

Objectives of the Study

This research has two objectives as follows:

1. To study customers' opinions on the e-service of Air France-KLM.
2. To measure customer satisfaction levels towards the e-service of Air France-KLM.

Significance of the Study

The findings of this study will be beneficial for Air France-KLM to improve the quality of the e-service in terms of website quality: design, content, function, speed, and ease of use, to meet the customer's satisfaction. The findings will also be a significant guideline for other businesses planning to promote an e-service as another effective tool of marketing

strategy as they will be able to see aspects of website quality that satisfies their existing and future customers.

Scope of the Study

This study focuses on customers' opinions and satisfaction level on Air France-KLM e-service. The data were obtained from 100 Air France-KLM customers who were checking in for Air France/KLM flight at Suvarnabhumi Airport during October 1st – 7th, 2008.

Definition of Terms

Terms in this study are defined as follows:

E-service is an electronic channel through which consumers receive products and/or services (Luarn & Lin, 2003, p. 157).

E-Ticket is the electronic version of the conventional paper ticket. It is an electronic record kept in a computer database that is used instead of a printed-paper ticket (KLM, 2008).

In short, this study aims to study customers' opinions and satisfaction level on the e-service of Air France-KLM. The findings of this study will be beneficial for Air France-KLM to improve the quality of the e-service in terms of website design to meet the customer's satisfaction.

CHAPTER 4

FINDINGS

This chapter presents the findings of this study. According to the questionnaire, the findings includes the general information of the respondents, opinions on e-service of Air France-KLM, as well as the satisfaction towards e-service of Air France-KLM

General Information of the Respondents

This part involves the general information of 100 respondents regarding their sex, age and the frequency of the e-service usage of Air France-KLM. The findings are presented in Table 1.

Table 1 General Information of the Respondents

| General Information | No. of Respondents and % |
|-------------------------------|--------------------------|
| Sex: | |
| Male | 57 |
| Female | 43 |
| Age: | |
| Under 18 | 2 |
| 18-30 | 30 |
| 31-40 | 44 |
| 41-50 | 14 |
| 51-60 | 9 |
| Over 60 | 1 |
| Frequency of e-service usage: | |
| First time | 8 |
| Occasionally | 52 |
| Always | 40 |

N = 100 participants

Table 1 presents the general information of the respondents as follows:

Regarding the sex, out of 100 respondents, 57 of them were male and 43 of them were female. In terms of age, 44 of the respondents were between the ages of 31-40. Meanwhile, 30 of the respondents were between 18 to 30 years old, 14 of them were 41-50 years old, 9 of them were 51-60 years, two of them were under 18, and one of them was over 60 years old.

In terms of frequency of Air France-KLM e-service usage, out of 100 respondents, 52 of them occasionally used the e-service. Forty of the respondents always used Air France-KLM e-service, meanwhile, 8 of the respondents used Air France-KLM e-service for the first time.

To sum up, the findings indicated that this study included both male and female respondents. The majority of the respondents were between 31 to 40 years old. Nearly half of the respondents always used the Air France-KLM e-service and only eight of them used Air France-KLM e-service for the first time.

Opinions on E-service of Air France-KLM

The findings of the respondents' opinion on the website quality and perceived value are tabulated in Tables 2 and Table 3 respectively.

Table 2 Opinions on the E-service of Air France-KLM in Terms of Website Quality

| Website Quality | N | \bar{x} | S.D. | Level of agreement |
|---|-----|-----------|------|--------------------|
| 1. Website design looks attractive. | 100 | 3.61 | 0.76 | High |
| 2. Content is clear and easy to follow. | 100 | 3.94 | 0.69 | High |
| 3. Website provides information you need. | 100 | 3.91 | 0.67 | High |
| 4. Website downloads quickly. | 100 | 3.60 | 0.75 | High |
| 5. Website functions accurately. | 100 | 3.77 | 0.75 | High |
| 6. Website functions efficiently. | 100 | 3.68 | 0.76 | High |
| 7. Overall, website is easy to use. | 100 | 4.07 | 0.74 | High |
| Total | 100 | 3.79 | 0.43 | High |

Table 2 shows the findings of the respondents' opinions on Air France-KLM e-service concerning the website quality. The mean score of all seven statements ranked from 3.60 to 4.07. According to Pisarnbut (2007), it can be interpreted that the level of agreement on each statement was at a high level. The findings revealed that Air France-KLM customers agreed that website design looked attractive ($\bar{x} = 3.61$); the content was clear and easy to follow ($\bar{x} = 3.94$); the website provided the information they needed ($\bar{x} = 3.91$); the website downloaded quickly ($\bar{x} = 3.60$); the website functioned accurately ($\bar{x} = 3.77$); the website functioned efficiently ($\bar{x} = 3.68$); and the website was overall easy to use

($\bar{x} = 4.07$). The overall responses to seven statements were at high level with the average mean score of 3.79.

In conclusion, the findings revealed that the respondents had positive opinions on the Air France-KLM e-service in terms of website quality.

The respondents were also asked for their opinions on the e-service in terms of perceived value. The findings are presented in Table 3.

Table 3 Opinions on the E-service of Air France-KLM in Terms of Perceived Value

| Perceived Value | N | \bar{x} | S.D. | Level of agreement |
|---|-----|-----------|------|--------------------|
| 8. E-service saves your time. | 100 | 4.31 | 0.72 | Very high |
| 9. E-service facilitates your requirement. | 100 | 4.17 | 0.80 | High |
| 10. E-service reduces your stress. | 100 | 3.62 | 0.95 | High |
| 11. E-service is reliable. | 100 | 3.88 | 0.79 | High |
| 12. E-service is worth your effort. | 100 | 3.81 | 0.84 | High |
| 13. E-service is beneficial to you. | 100 | 4.02 | 0.85 | High |
| 14. E-service provides more convenience than the service staff do | 100 | 3.40 | 1.04 | Moderate |
| Total | 100 | 3.89 | 0.67 | High |

Table 3 presents the findings of Air France-KLM customers' opinions on the e-service in terms of perceived value. The average mean score of all responses was 3.89 representing a high level of agreement. The findings revealed that Air France-KLM customers strongly agreed that the e-service saved their time ($\bar{x} = 4.31$). In addition, Air France-KLM customers agreed that e-service had the following perceived value: facilitating their requirement ($\bar{x} = 4.17$), reducing their stress ($\bar{x} = 3.62$), being reliable ($\bar{x} = 3.88$), being worth their effort ($\bar{x} = 3.81$), being beneficial to them ($\bar{x} = 4.02$). Interestingly, the respondents pointed out that e-service moderately provided more convenience than the service staff do ($\bar{x} = 3.40$).

Therefore, it can be concluded that the respondents had positive opinions on Air France-KLM e-service in terms of perceived value.

To sum up, the overall level of the respondents' agreement regarding the website quality and perceived value was high. It can be assumed that the customers considered the website quality and perceived value of Air France-KLM satisfactory.

Satisfaction towards E-service of Air France-KLM

This section presents the respondents' satisfaction towards Air France-KLM e-service. A five-point Likert scale was employed to measure the level of 100 Air France-KLM customers' agreement on five statements ranking from strong agreement to strong disagreement. The findings are presented in Table 4.

Table 4 Satisfaction towards E-service of Air France-KLM

| Satisfaction towards e-service | N | \bar{x} | S.D. | Level of agreement |
|--|-----|-----------|------|--------------------|
| 1. Your requirement is always accomplished. | 100 | 3.56 | 0.93 | High |
| 2. Time spent on e-service meets your expectation. | 100 | 3.81 | 0.73 | High |
| 3. You feel comfortable to use e-service. | 100 | 4.07 | 0.71 | High |
| 4. You are overall satisfied with e-service. | 100 | 4.01 | 0.69 | High |
| 5. You will continue using e-service via Air France-KLM website. | 100 | 4.15 | 0.66 | High |
| Total | 100 | 3.92 | 0.58 | High |

Table 4 illustrates the findings of the respondents' satisfaction towards the e-service of Air France-KLM. It was found that the level of agreement to five statements regarding the customer satisfaction was high with the average mean score of 3.92. The findings revealed that Air France-KLM customers agreed that their requirement was always

accomplished ($\bar{x} = 3.56$); time spent on e-service met their expectation ($\bar{x} = 3.81$); they felt comfortable to use e-service ($\bar{x} = 4.07$); they were overall satisfied with e-service ($\bar{x} = 4.01$); and they would continue using e-service via Air France-KLM website in the future ($\bar{x} = 4.15$).

In summary, the findings can be concluded that the level of Air France-KLM customer satisfaction towards Air France-KLM e-service in terms of accomplishment, time spent, comfortable feeling, overall satisfaction, and commitment to continuously use, was high. In other words, Air France-KLM e-service highly satisfied its customers who used the e-service to accomplish their requirement.

In addition, in Part III of the questionnaire, the respondents were also asked for their additional comments and/or suggestions on Air France-KLM e-service. However, there were only eight comments returned from 100 respondents. These comments could be concluded that the respondents realized the advantages of e-service because the e-service was convenient. As a result, the respondents had positive opinions on the e-service. However, some customers sometimes encountered some difficulties while using the Air France-KLM e-service via the website because of its malfunctions. For instance, the website did not accept the payment by credit card, e-check in did not work for a period of

time. It was also found that the e-service was difficult for some customers such as an old generation. In addition, the respondents informed that a personal service available by the company staff was somehow still necessary or preferable to accomplish some particular requirements. These comments presented the customers' opinions that were useful for the company to improve the service quality accordingly.

In short, the findings of the study can be concluded that the respondents had positive opinions on the Air France-KLM e-service in terms of website quality and perceived value. In addition, the level of Air France-KLM customer satisfaction towards the Air France-KLM e-service was high.

Discussion of the major findings, conclusion of the study, limitation of the study and recommendation for further studies are presented in the following chapter.

CHAPTER 5

DISCUSSION AND CONCLUSION

This chapter consists of four main sections: discussion of the major findings, conclusion of the study, limitations of the study, and recommendations for further studies.

Discussion of the Major Findings

The major findings of this study are presented in relation to two objectives of the study as follows:

Objective 1: To study customers' opinions on e-service of Air France-KLM.

In this study, the respondents' opinions on Air France-KLM e-service concerning the website quality and the perceived value were explored. The findings of this study revealed that customers had positive opinions on the e-service in terms of website quality and perceived value.

Regarding Air France-KLM website quality, seven attributes were investigated in this study: 1) attractive website design, 2) clear content, 3) available information, 4) download

speed, 5) website accuracy, 6) website efficiency, and 7) its ease of use, and the findings can be concluded that the customers found the quality of Air France-KLM website satisfactory. In other words, it can be assumed that the quality of Air France-KLM website satisfied customers who used e-service via Air France-KLM website.

According to the findings, it is necessary that Air France-KLM should maintain good quality of the website to satisfy existing customers using the e-service via the website. Besides, good website quality will play a significant role to attract new visitors using an e-service. According to Kotler (2006), it is a key challenge of a company to design a website that is attractive on first viewing and interesting enough to encourage repeated visits. Visitors will judge a site's performance on its ease of use and its physical attractiveness. Therefore, if customers are able to achieve their requirements online easily at the first time they use the e-service, they will repeat their usage of the e-service including their purchase via the website. This can be well supported by Ba and Johanson (2006) as they indicated that perceived ease of use is directly related to computer-mediated services and refers to the extent to which a person believes using the technology will be free of effort. If customers think the technology is too difficult to use, they may not use the e-service technology at all.

In terms of perceived value on Air France-KLM e-service, the respondents stated that Air France-KLM e-service averagely provided perceived value at high level in the following attributes: 1) saving their time, 2) facilitating their requirement, 3) reducing their stress, 4) being reliable, 5) being worth their effort, 6) being beneficial to them, and 7) providing more convenience than the service staff do.

Significantly, it was found that "time saving" was the factor that customer considered the most valuable. This may be due to the fact that customers always require a prompt and available service from the company. For instance, regarding the advantages of an e-service, customers are able to buy an air ticket whenever they need via the Internet. Furthermore, customers can get the e-ticket or other online services in a short time. On the other hand, it is time-consuming if customers need to buy an air ticket at the ticket office. Not only do the customers need to visit the ticket office in person, they may also have to wait in a long queue for a particular service available from the company by staff. Therefore, this can infer that time saving is an important advantage of Air France-KLM e-service that customers consider significant to them when getting the service from the company. The findings are relevant to Lovelock's suggestion (2001) concerning service speed. He pointed out that today's customers are increasingly time sensitive, and speed is often seen as a key

document in good service. Firms need to look for ways to compete on speed and to minimize time wasted waiting for a service. In addition, Zhou (2004) supported that consumers need up-to-date, fast, interactive information that is available 24 hours a day, seven days a week. With the capability of the Internet, communication between service providers and customers can be done in a timely manner, and without the limitation of the geographic location. Also, Peter (2003) ascertained that buying a product or service through the Internet provides value to potential consumers. Making airline reservations at any time of day or night is a convenience that many consumers value.

Interestingly, regarding perceived value, the findings of this study showed that the respondents moderately perceived the value of Air France-KLM e-service concerning its convenience. This may plausibly explain that an e-service involves new technology that is sometimes unstable and malfunctioned. In addition, an e-service is a new technology that a former generation may not be familiar with. Therefore, e-service may not all time provide the convenience to all kinds of customers. This can be well supported by the comments added to this study by some Air France-KLM customers. The respondents acknowledged the advantages of e-service as it was convenient; however, some of them encountered some difficulties while using the e-service, for instance, the website sometimes did not work

for the payment by credit cards, e-check in and buying access baggage online. As a result, they had to contact the service staff for the assistance. Therefore, it can be concluded that the personal service by staff is somehow still necessary or preferable for customers who have difficulties using the e-service, who need certain assistance, and who are unable to use e-service successfully.

Overall, the level of satisfaction regarding perceived value on Air France-KLM was high. Notably, it may be assumed that the good quality of website provided by Air France-KLM was correlated to how the customer perceived the value on the e-service. This can be well supported by Luarn and Lin (2003). They indicated that quality of a website is a logical driver of perceived value. The online consumer gives time, cognition and effort to the experience of interacting with the website, and gets an experience enabled by the website that hopefully makes it easy to find needed/wanted products, to checkout quickly and to receive confirmation about all important aspects of the purchase, such as order-confirmation and delivery-tracking. This can be concluded that if the quality of the website is high, the customer perceived value on e-service will consequently be high. Likewise, poor website quality can result in low perceived value on e-service.

To sum up, according to the first objective of this study, the findings indicate that Air France-KLM customers found the website quality and the perceived value of e-service of Air France-KLM satisfactory.

Objective 2: To measure customer satisfaction levels towards e-service of Air France-KLM.

Concerning the customer satisfaction towards e-service of Air France-KLM, it was found that the overall satisfaction was at high level. Significantly, the respondents also indicated that they would continue using the e-service via Air France-KLM website. The findings can be supported by Asseal (1995) that satisfaction occurs when consumer expectations are met or exceeded and the purchase decision is reinforced. Such reinforcement is represented as feedback from post-purchase evaluation. He claims that Satisfaction reinforces positive attitudes toward the brand, leading to a greater likelihood that the consumer will repurchase the same brand. He also points out that dissatisfaction results when consumer expectations are not met. Such disconfirmation of expectations is likely to lead to negative brand attitudes and lessens the likelihood that the consumer will buy the same brand again. In addition, Peter (2003) asserted that if customers are satisfied

with a product, service, or brand, then they will be more likely to continue to purchase it and tell others of their favorable experiences with it. If they are dissatisfied, they will be more likely to switch products or brands and complain to manufacturers, retailers, and other consumers. Furthermore, according to Rojjanavanichkij (2002) in users' attitudes towards Internet banking service, it was found out that the persons who have used Internet banking of Siam Commercial Bank would continue using it. The reason for using is that it is convenient and fast. Accordingly, it is possible to conclude that if customers are satisfied with the service or product provided by a company, they will repeat their purchase or return to that company again.

To sum up, the findings in accordance with the second objective of this study infer that overall Air France-KLM customers were satisfied with the e-service usage via Air France-KLM website, and they would continue using Air France-KLM e-service in the future.

Conclusion of the Study

Airline business is one of the most competitive service industries. Not only do airlines need to gain more customers to increase the profit, they also need to reduce their costs. Therefore, Air France-KLM launched an e-service to help save the operation costs.

Also, the company expects that their customers will acknowledge the advantages of e-service and continuously use the e-service to buy an e-ticket and get other services such as finding flight information and check-in electronically by themselves. Accordingly, this study was conducted to explore Air France-KLM customers' opinions and satisfaction on Air France-KLM e-service and Air France-KLM might find the results of the study beneficial to the development of their e-service. During a week in October 2008, the questionnaires designed in accordance with the objectives of the study were distributed to 100 Air France-KLM customers who were checking in for Air France-KLM flights at Suvarnabhumi airport and the results were analyzed and presented in frequency and mean.

The findings of this study can plausibly explain that the customers had positive opinions on the website quality and perceived value of Air France-KLM e-service. Furthermore, the customers were overall satisfied when using e-service via Air France-KLM website. Therefore, according to the result of this study, it is significant to propose that Air France-KLM should maintain its website efficiency to meet and/or exceed both existing and new customer expectation. Also, the customers' satisfaction will lead customers to make a purchase and to receive the service online via the website by themselves in the future.

Convincingly, this will be advantageous for the company to increase the company profit and to decrease the company operating costs effectively.

Limitations of the Study

This study had the following limitations:

1. This study was conducted with 100 customers who were checking in for Air France-KLM flights at Suvarnabhumi airport during a period of time; October 1st-7th, 2008.

The results represent the opinions of some Air France-KLM customers at only a certain time. Therefore, the findings of the study may not represent the opinions of all Air-France-KLM customers.

2. The results of this study were analysed focusing the opinions of the Air France-KLM customers. Therefore, the demographic factors such as gender, age, nationality, occupation, etc. that might affect the opinion and satisfaction of the customer were not included in this study.

Recommendations for Further Studies

Some recommendations for further studies are proposed below:

1. Nowadays, many airlines provide e-service to facilitate their customers. If any airline needs to improve its e-service, further studies regarding customers' opinions on e-service of that airline should be conducted.
2. Further research on an e-service of an airline should be conducted considering other demographics such as nationality and occupation. This would provide an insight of the results.
3. A comparative study of e-service usage between two airlines such as one European airline and one Thai airline or between one low cost airline and one general airline should be conducted. The findings would be useful to investigate the strengths and weaknesses on e-service, of two different companies. Therefore, the marketers can learn to adjust an e-service to expand the target group.
4. Customers' opinions on e-service of other service industries such as hotel, banking, cinema, local transportation, etc. should also be conducted. The findings will be useful for the marketers to explore e-service of different businesses in a wider range.

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APPENDIX

QUESTIONNAIRE

This survey aims to study Air France-KLM customers' opinions and satisfaction on e-service of Air France-KLM website. The information will be used to improve the service quality. Your kind cooperation in completing this questionnaire will be highly appreciated. The information will be used only in the study and will be kept confidentially.

Part I: General Information of the respondents

Directions: Please mark ✓ on the appropriate answer and fill in the blank if necessary.

1. Sex: Male
 Female

2. Age:
- | | |
|---|--|
| <input type="checkbox"/> Under 18 years | <input type="checkbox"/> 18-30 years |
| <input type="checkbox"/> 31-40 years | <input type="checkbox"/> 41-50 years |
| <input type="checkbox"/> 51-60 years | <input type="checkbox"/> Over 60 years |

3. How often do you use e-service?
- First time
 - Occasionally
 - Always

Part II: Opinions on e-service of Air France/KLM

Directions: Please indicate the level of your agreement with the following statements by marking ✓ in the appropriate boxes.

| Opinions on e-service | Strongly Agree 5 | Agree 4 | Neutral 3 | Disagree 2 | Strongly Disagree 1 |
|--|---------------------|------------|--------------|---------------|------------------------|
| Website Quality | | | | | |
| 1. Website design looks attractive. | | | | | |
| 2. Content is clear and easy to follow. | | | | | |
| 3. Website provides the information you need. | | | | | |
| 4. Website downloads quickly. | | | | | |
| 5. Website functions accurately. | | | | | |
| 6. Website functions efficiently. | | | | | |
| 7. Overall, website is easy to use. | | | | | |
| Perceived Value | | | | | |
| 8. E-service saves your time. | | | | | |
| 9. E-service facilitates your requirement. | | | | | |
| 10. E-service reduces your stress. | | | | | |
| 11. E-service is reliable. | | | | | |
| 12. E-service is worth your effort. | | | | | |
| 13. E-service is beneficial to you. | | | | | |
| 14. E-service provides more convenience than the service staff do. | | | | | |

Part III: Satisfaction towards e-service of Air France/KLM

Directions: Please indicate the level of your agreement with the following statements by marking ✓ in the appropriate boxes.

| Satisfaction | Strongly Agree 5 | Agree 4 | Neutral 3 | Disagree 2 | Strongly Disagree 1 |
|---|---------------------|------------|--------------|---------------|------------------------|
| 1. Your requirement is always accomplished. | | | | | |
| 2. Time spent on e-service meets your expectation. | | | | | |
| 3. You are satisfied with the e-service. | | | | | |
| 4. You feel comfortable to use e-service. | | | | | |
| 5. You will continue processing e-service via Air France/KLM website. | | | | | |

Comments: Your comments or suggestions on e-service of Air France/KLM will be helpful for the company to improve the quality of service.

..... Thank you very much for your participation.....

VITAE

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