

**CUSTOMER CARE AND SALES VOLUME: A CASE STUDY OF AIR  
TANZANIA**

**BY**

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**A DISERTATION SUBMITTED TO THE SCHOOL OF BUSINESS AND  
MANAGEMENT IN PARTIAL FULFILLMENT OF THE AWARD  
OF A BACHELOR OF MARKETING MANAGEMENT OF  
KAMPALA INTERNATIONAL UNIVERSITY**

**DECEMBER 2010**

## DECLARATION

I, Munisi Walter Okuli, declare that as far as I know, this dissertation has not been submitted before for the award of a degree in any University.

Signed..........Date.....10<sup>th</sup> December 2010.....

**Munisi Walter Okuli.**

## APPROVAL

This research of Customer Care and Sales Volume is submitted for the Bachelor Marketing Management with my approval.

Signed... Mr. Said .....

Date... 10/12/10 .....

Mr. Gulebyo Muzamir Said.

## **DEDICATION**

This dissertation is dedicated to my mother Joyce Benjamin Mushi and my father Okuli Elipokea Nkya Munisi for the courage and determination they showed when they decided to be a graduate as well and pursued higher learning studies.

**May God bless you.**

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## ABSTRACT

The purpose of the study was to establish the effects of customer care and sales volume. The study was prompted by the fact that the airline's performance was far below expectation of the airline's management and was affecting its' sales volume. The study used a cross sectional survey descriptive research designs. The research was guided by the following objectives; to establish factors that affect customer care in Air Tanzania, establish relationship between customer care and sales volume, and establish ways to improve customer care in Kenya airways. Data were collected from secondary and primary sources. Purposively selected primary data sources were airlines and travel agents officials and customers. Data were collected from these respondents using questionnaires.

The research findings revealed that different research factors affect customer care these included product knowledge, staff competence, provision of information, on-time performance, communication system, competition, profits and handling of customer complaints. The mentioned factors will positively or negatively contribute to enhance of customer care in an organization thus impact on sales volumes.

The research findings revealed concluded that there is a strong relationship between customer care and sales volume through Air Tanzania's loyal program.

The research findings recommended that customer care could be improved in different ways by improving on the check-in counters at the airport, recruitment

more reservation and ticketing staff that should be well trained and experienced.

Air Tanzania should install a modern call centre and improve on public relation.

Air Tanzania should have separate counters and reward competent staff and agents and improve on the Air Tanzania web-site.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 BACKGROUND OF THE STUDY**

Air Tanzania like other airlines is engaged in passenger and cargo handling, courier and mails delivery. Air Tanzania regional offices have the problem of attaining their allotted sales quota. Each year, regional offices are given figures in dollars by their head office in Tanzania which they have to attain through their sales. When the regional manager fails to obtain the figure, he/she is rated as a poor performer. To meet the sales quota, regional offices have to increase their sales volume. This is done by enhancing customer care. It is believed in organizations and business that customer care has a major role to play in the sales volume of the company's products or services. Customer care being a process, not a single event, is all about good care resulting from combining technical skills with interpersonal skills. The sheer volume can result in more apathy by consumers. Customer care by airlines has shown much impact on the sales volume.

## 1.2 STATEMENT OF THE PROBLEM

In today's competitive business environment, Kenya Airways needs to have proper sales volume control because if it is not observed because of its innumerable advantages such as meeting operational costs, overhead costs, and expand services.

Unfortunately sales volume in Air Tanzania has been reported to be low like for instance in terms of passenger performance Abdallah Uluti (2009), asserts that the number of passengers carried in the year 2008/9 was 142000 while the previous year 2007/8 was 155000 thus a decline. In terms of revenue performance the same records showed a decline in revenue collected as USD 2,200,000 in 2008/9 while the previous year 2007/8 USD 2,355,000 was collated.

The declined performance is a result of Air Tanzania numerous problems.

The airline does not have enough trained marketing staff compared to her competitors. The few the airline has are not marketing professionals but experienced reservations and ticketing agents. The airline does not provide sales promotion materials regularly to the agents. Take an example of Emirates airlines which unlike Air Tanzania, has assigned specific sales executives to the agents and corporate clients. These sales executives call on their assigned clients and agents regularly to supply both promotion materials and information and to attend to clients' needs for seats and cheap fares. Air Tanzania do not give competitive incentives to agents and corporate organizations. Clients complain of poor

telephone techniques at their Kampala office. When clients ring, they are handled by an automatic machine which is not customer friendly. When the client is finally connected to the staff, they are either kept on hold for long or promised to be called back which also many times is not done. So clients are forced to contact their competitors for better services. The counter staffs are not enough to handle the clients efficiently and in a friendly manner. Another notable factor for poor customer care is the lack of separate counters for corporate, agents and walk-in clients. Sometimes a client has to wait for about two hours for an agent purchasing group tickets to be served. The business clients who fly on Air Tanzania complain of misplacement and loss of baggage while transiting Nyerere International Airport. This has led to loss of clients to other competing airlines like Ethiopian and Emirates airlines because baggage is the live hood of business clients.

However, Air Tanzania competitors such as British Airways, Emirates, KLM, Ethiopian Airlines, South Africa Airways and Air Uganda have embraced proper sales volume control so if Air Tanzania does not control its sales volume it risks its survival. Hence the need for the proposed study to establish whether customer care is one of the factors affecting sales volume in Air Tanzania.

### **1.3 PURPOSE OF THE STUDY**

The purpose of the study was to examine the effect of customer care on sales volume.

### **1.4 OBJECTIVES OF THE STUDY**

The specific objectives of the study were to:

1. Establish factors that affect customer care in Air Tanzania.
2. Establish relationship between customer care and sales volume.
3. Establish ways to improve customer care in Air Tanzania.

### **1.5 RESEARCH QUESTIONS**

1. What are the factors that affect customer care in Air Tanzania?
2. What is the relationship between customer care and sales volume?
3. What ways can be established to improve customer care in Air Tanzania?

### **1.6 SCOPE OF STUDY**

Air Tanzania is located Air Tanzania House, Ohio street, Ilala Dar Es Salaam. The population scope included airline staff, corporate clients, agents and walk-in clients. The study covers the period from 1<sup>st</sup> June 2006 to 31<sup>st</sup> July 2009 and was carried out in Kampala and Entebbe airport. My content study was customer care and sales volume.

## **1.7 SIGNIFICANCE OF THE STUDY**

The study contributed to the airline industry in gaining insights into the customer care impact on sales volume. It investigated the level of customer care. It also looked into the concept of airline business from many angles: strategies, marketing and promotional.

The findings of the study are expected to be of benefit in the following ways: Airlines will have knowledge on customer care, will increase their sales volume and will be able to attain their sales targets.

When airlines improve their customer care, customers will get better service. This study will also form as a basis for future researchers. The policy makers will benefit in terms of knowledge on the level of customer care of airlines. The factors and ways that will be established will be used in the policy makers' training programmers for the benefit of other industry players. In addition, when the relationship between airlines and customers is good the travel industry will be easier to manage and regulate.

## **1.8 THEORETICAL FRAMEWORK**

The study is based on the theory of customer care by Rizal(2002),which states that any attempt to develop viable strategic ways of improving customer care cannot be completely divorced from the existing general philosophies and theories of planning.

According to Rizal (2002) reflection of theory and practice, customer care is increasingly being seen as an important managerial issue. It has also been acknowledged as a key factor in increasing sales volume. The theory further reflects that existing customers are among the most important assets of airline business as they have already chosen them instead of their competitors. Keeping their custom costs far less than attracting new ones, so it is worth taking steps to ensure that they are satisfied with the service they receive.

Existing customer relationships are opportunities to increase sales volume because customers will already have a degree of trust in the recommendations.

When creating a strategic plan to generate repeat business, it is crucial to focus on customer happiness. Provide your customers with exceptional support and service, yes, but also offer them new products to purchase. These new items can be different but connected to their initial purchase, in keeping with your airline's continuity. New products, innovative offers, and inventive presentations all stimulate sales and keep customers coming back.

Even if you lack the capacity to launch entire product lines as frequently as you'd like, you can offer spin-off products that relate to your customers' initial purchases.

Customer trust is also elemental to repeat business. You want your customers to view your airline as the ultimate source for your set of products or services.

Focus your efforts on honing best presentation, product, cost/value relationship,



and customer service in your niche. Reach out to customers with special offers, targeted mailings, continuity programs, and appreciation letters that instill loyalty.

Loyalty means repeat business.

Kotler (2005) observed that the bounded rational philosophy of planning is the foundation of the rational comprehensive planning theory. He noted that the Rational Comprehensive Planning (RCP) theory applies bounded rational decision-making to planning. In the process, it focuses on four main elements:

- Goal setting in quantitative terms.
- Identification of policy alternatives by using mathematical models.
- Evaluating means against ends.
- Implementation of decisions with feedback loops and repetition of steps.

In practice, successful application of RCP relies heavily on numbers and quantitative analysis. RCP assumes that desired ends can be measured in a quantitative way, thereby side-stepping the qualitative aspects of the variables under consideration. Based on the philosophical line of thought, RCP is highly centralized and strives to be objective, thereby disregarding the subjective dimension of the problem at hand. It attempts to approach planning as a process purely detached from the qualitative perception of variables, thereby ignoring the socio-cultural considerations that may be of interest to effective planning of some variables like tourism. This way, the theory cannot be adopted to develop strategic planning for tourism development and marketing. As Amin (2005) observed, issues that need to be given attention when planning for tourism tend to be complex involving consideration of stakeholder opinions, resource

conditions and other influences that tend to be qualitative and, therefore, not easily solvable in such a direct manner as advocated by the RCP theory.

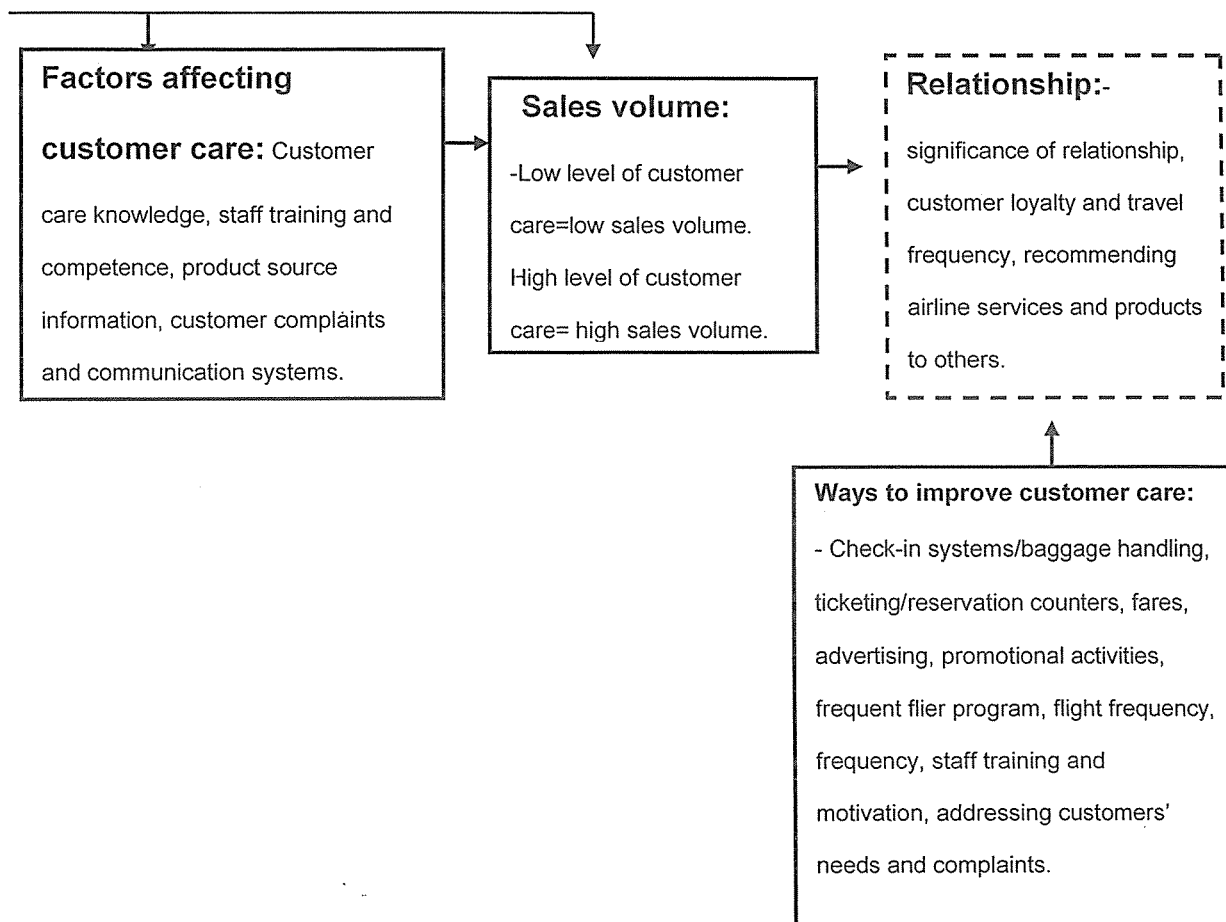
A number of other planning theories have been developed some of which are essentially similar in approach to RCP. According to Kotler (1997), optimization is one such theory. This theory is highly similar in approach to RCP only that its aim is not just planning perfectly, but rather, planning in order to achieve the best results out of the available resources. Amin (2005) observed that this theory makes use of mathematical models to come up with ways by which minimum resources can be utilized to realize maximum results. He noted further that the optimizing theory is mostly concerned with:

- Formulating goals in quantitative terms and trying to combine them into single measures of the overall performance.
- Seeking the best available policies, programs, procedures, and practices by using mathematical models.
- Transforming a variety of different projects into common scale-graded in terms of cost so that comparisons and assessments are possible.
- Minimizing the resources required to obtain a specified level of performance, maximizing the performance that can be obtained with resources that are expected to be available, and obtaining the best balance of costs and benefits.

## 1.9 CONCEPTUAL FRAMEWORK

The study's conceptual framework shows how sales volume depends on customer care. It also indicates how customer care influences sales volume. The framework indicates the factors needed to improve customer care and how the strategies can be developed.

The study was conceptualized as shown in Figure 1.1



### Figure 1: Conceptual framework on customer care and sales volume

The sales volume depends not only on staff knowledge of what customer care is, but also on trained staff and their competence, handling customer needs and complaints, public relation and good communication with agents and customers. This connection is shown by the arrows emerging from each of these variables' boxes to the sales volume box. The better the customer care the higher is the sales volume and vice-versa.

Customer care influences the airline's performance in terms of its sale volume. The incremental planning theory is adopted in the study because by its dictum, it permits the development of strategic ways based on the logic analysis of studied variables and their relationships as shown in the framework, using questionnaire views and opinions generated from actual experiences of the stakeholders in air travel industry.

The framework indicates that strategic ways can be developed by formulating various ways including urgent areas to be addressed. They include training and equipping airline staff with promotional materials, separate counters for travel agents, corporate and walk-in customers. Other areas are: attending to customer complaints, provision of promotional materials, and the airline to increase the frequency from the present yearly to quarterly basis. Air Tanzania have to encourage the use of web and improve so as to decrease on the number of

clients who wait for service at the airline reservation offices. Other areas to be covered include awarding of competent airline staff for motivation and recruitment of more reservation and ticketing staff.

The framework further shows that there is significant relationship between customer care and sales volume. Significant relationship also exists between customers' number of times flown on Air Tanzania and the willingness to recommend the airline to others. The relationship is in terms of factors that affect customer care and the ways that can be used to improve customer care. The existence of the relationship is a necessary condition to conclude that the ways to be established can indeed improve the airlines' sales volume.

## CHAPTER TWO

### LITERATURE REVIEW

This chapter focuses on concept of customer care, concept of sales volume, factors that affect sales volume, relationship between customer care and sales volume and ways to improve customer care.

#### **2.1 Concept of customer care**

The concept of customer care is defined differently. This implies that any attempt to formulate ways to improve it must provide a clear understanding of the concept on which the plan is based. Indeed it is not proper to formulate ways for something that is not properly defined.

Customer care is defined as the wholesome of positive activities, attitude and care rendered to clients or customers enhancing a good image of the care given or company. Thus customer care is a process and not a single event through which good care results from combining technical skills with interpersonal skills when providing any products or services in an organization (Anon 2008). However, Cook (2000) based her definition of customer care on personal experience. She quoted two examples. One is of a garage that provides complimentary umbrellas to its customers when they go to collect their cars when it is raining. The second example is that of a newsagent who gives customers

free sweets when they go to pay their newspaper bills. Cook (2000) says that these are two examples of good care.

### **2.1.1 Concept of sales volume**

According to Kotler *et al* (2003), sales volume is defined as the quantity of products or customers provided by an organization within a specific sales period that could be ranging for months or years. Within the airline industry, sales volume accounts for the quantity in terms of numbers of passengers, cargo, mail and courier that a particular airline has been able to uplift within a specified period (IATA, 2008).

The above definitions indicate a general consensus that customer care is about peoples' perceptions: it is often subjective and intangible experience (Cook, 2000). The perception of the care that a customer receives depends on expectations. If the care the customer receives is better than the expectation, then this is termed as good care. But if it exceeds the expectations then it is termed excellent customer care. However if care is less than the expectation, this constitutes to bad care (Tony, 2001).

The definitions especially that of Kotler *et al* (2003) provide a useful basis for formulating ways of improving customer care to increase sales volume. The fact that customer care is the wholesome of positive activities, attitude and care implies that it affects sales volume of airlines. The definitions will therefore be adopted for the study.

## **2.2 Factors that affect customer care**

Frances and Roland (1999), customer care is affected by both positive and negative factors. The positive factors are those activities when practiced improve customer care. But the negative factors are the activities when done result in poor customer care.

Further Frances and Bee (1999) stated that typically, the sort of positive factors that tend to emerge with consistency are the following:

- Recruiting knowledgeable and professional staff.
- Friendly and courteous staff, even when under pressure.
- Helpful staff but not pushy.
- Listening to customers.
- Taking responsibility.
- Doing what you would.
- Keeping customers informed.
- Caring and responding promptly to customer enquires /problems.
- Being proud of your product/service organization

They however pointed out the following negative factors,

- Suppliers not being interested or bothered with customer complaints.
- Staff and management not accepting their faults.
- Staff always turning up late.



The free marketing online (2009), discuss the factors affecting customer under the heading “Why do customer care systems sometimes fail?” It states that thousands of organizations, despite having customer care programmes, have customers who receive poor service and complain about it. The free marketing online (2009) identified the following factors as affecting customer care negatively:

- Allocating a specific department for customer care instead of training and empowering all staff to deal with customer care issues.
- Companies imposing customer care programmes on staff without explaining the reasons behind them.
- Shifting staff from one department to another thus hindering them to know the customers and their needs very well.
- Some companies persisting in thinking that technology is the answer to tackling customer care issues.

### **2.3 The relationship between customer care and sales volume**

There is significant relationship between sales volume and customer care. The relationship is by the factors that affect customer care and the ways that can be used to improve customer care. The existence of the relationship is a necessary condition to conclude that the ways to be formulated can indeed improve the airlines' sales volume. The relationship further confirms that the underperformance in terms of airlines' sales volume is related to lack of formulated strategic ways.

Airlines have to promote and improve customer care to increase their sales. The high rate of airlines success depends mainly on the right implementation of customer care management (Edi, 2005).

According to Cook (2000), British Airways increased their sales in 1984 when they concentrated on customer care. They created a clear competitive advantage by recognizing the need to adopt a more customer oriented approach. This implies that there is significant relationship between customer care and sales volume. Frances and Bee (1999) also concurred with Cook (2000) that the relationship is significant because satisfied customers tell others; and more customers mean more sales.

#### **2.4 Ways that can be established to improve customer care**

Kotler (2003) refers to establishment of ways as the practical framework established to be used to guide airlines where they are going over the next one or more years. He added that establishment is the outcome of strategic planning, since this involves the process by which planners develop ways that offer direction and therefore, a basis for making decisions regarding where to go and how to get there.

Frances and Bee (1999) dealt with establishment of ways to improve customer care and zeroed on the following ways:

- Focusing on your customers and the services you provide both internal and external.

- Identifying your real customer needs and how best to meet them.
- Finding out what customers actually think of your service.
- Improving communication with your customers face to face on the telephone or in writing.
- Turning customer's complaints into opportunities to impress.
- Monitoring, evaluating and continuously improving your customer care.

Anon (2008) identified the following ways that should be included in the establishment of ways to improve customer care:

- Listening to customers' needs and expectations attentively, friendly, effectively and delivering the services.
- Providing follow-up and solving the problems.

Cook (2000) however was of the view that in order to improve customer care the following ways should be established:

- Keeping to promises always i.e. under- promise and over-deliver.
- Giving more personal touch than physical environment.
- Communicating key messages using a web site.
- Improving total relationship with customers and the process through which service is delivered to the customer.

## CHAPTER THREE

### METHODOLOGY

#### 3.1 Introduction

The research design adopted for the study, area of the study, the study population, sample size, the sampling techniques, the instruments, procedure and methods used to collect and analyze the data are presented in this chapter.

#### 3.2 Research Design

The study was designed as a cross-sectional survey involving a descriptive, longitudinal and analytical research design. When the design is used, data are collected using either interviews or questionnaires and is analyzed either descriptively, analytically or using both methods. These characteristics were utilized by the study.

Semi-structured questionnaires were used. Each of the selected categories of respondents had a questionnaire designed for it. The questionnaires are given in the appendices.

Although the respondents were presumed literate by virtue of their experience and positions in the airline industry, guided questionnaires were designed because of their flexibility, especially when the literacy level of customers is not easy to predetermine. Those customers who were found to be illiterate were guided by translating, interpreting or paraphrasing the questions without

changing the meaning and purpose, and without influencing the respondent's answer.

### **3.3 Study areas**

The study was conducted in Kampala and Entebbe. This is because all airline offices and most of the people traveling by air are situated in these areas.

### **3.4 Study Population**

The population of the study consisted of airline managers and staff, travel agents, corporate and walk-in clients. The number of respondents expected to participate in the research is 45.

### **3.5 Sampling and sample size**

The sample size of the study was 45 and consisted of different categories of respondents that included 10 airliners, 15 travel agents and 20 customers (passengers). The data used in the study were both qualitative and quantitative collected in form of respondents' perceptions, opinions and suggestions.

**Table 1: Sample size distribution**

	<b>Frequency</b>	<b>Percentage</b>
Airline Officials	10	22.2
Travel Agents and Tour Operators	15	33.3
Passengers	20	44.5
<b>Total</b>	<b>45</b>	<b>100.0</b>

### **3.6 Data sources**

The study data were obtained from both primary and secondary sources. The primary sources were the selected respondents. The secondary data were the relevant books, periodicals, magazines, newspapers and journals. Before the various instruments were administered, they were tested for validity and reliability.

### **3.7 Data collection methods and instruments**

The data collection instruments were basically self administered questionnaires, interviewing method and observation. These sources were of great importance as they enabled the researcher to have a foundation of research.

#### **3.7.1 Questionnaires**

These were carefully designed instruments for collecting data in accordance with the specification of the research questions. It was an efficient data collection

mechanism as the researcher knew exactly what was required and how to measure the variables of interest. Questionnaires were administered personally or mailed to respondents for this case study. The use of questionnaires was preferred because they were less expensive than the other methods. They were stored for future references and gave straight forward answers. They covered a wide geographical area since the researcher approached respondents more easily and was easy to evaluate (Amin, 2005).

### **3.7.2 Interviewing method**

Interviewed is defined as questionnaires where the investigator gathered data through direct verbal interactions with participants. An interview was used especially with the head of advertising in the company, top management and the customers. The advantage of this method was that the researcher carried it face to face with the respondent.

### **3.7.3 Observation**

According to Amin (2005), observation is a method of data collection that employs vision as its main means of data collection. It is a process in which one or more persons examine what is happening in some real life situation and the classified plus recorded partitioned happenings according to some planned scheme. The advantage of this is that the information given by the respondent is protected and there is confidentiality of information and better recommendations based on personal observations.

### **3.8 Data analysis**

The respondents filled the questionnaires. The filled questionnaires were corded, edited, analyzed and recorded in a summary tabled in computer program. The statistical program for social sciences (SPSS) was used to determine the different weights of responses given and with the program reduced the massive paper work.

### **3.9 Limitations of the study**

The study required a lot of money required for transportation to Entebbe, photocopying, internet surfing, buying the relevant books, periodicals newspapers and magazines, typing and sometimes meals. But the researcher tried to apply all available means and efforts so that to make sure the research was carried out and findings were obtained.

The study faced a problem of lack of cooperation from airline personnel being a not- paying exercise; the morale of respondents to participate in the study was low. Also being an employee of one of the airlines, respondents were reluctant to provide me with some vital data. However the researcher did give the respondents assurance of confidentiality of all information revealed during the exercise.

Generally there is a shortage of airline industry books, customer service and sales. But the researcher had to visit different libraries, bookshops and websites.



Time factor was such a big problem whereby most of the respondents like airline managers are busy people to complete the questionnaire. The researcher was able to fix appointment (s) with the airline managers on specific days and time to have the work done.

Some of the respondents were arrogant and were not willing to participate in a free study exercise. The researcher took time off to explain and educate the respondents the importance of customer case in the airline industry.

## CHAPTER FOUR

### PRESENTATION, ANALYSIS AND INTERPRETATION OF RESULTS

#### 4.1 Introduction

This chapter contains findings which are presented following the research questions formulated to guide the study. The findings are presented according to the categories of respondents from whom the data were collected. The results are presented in four sections. Section one is devoted to results obtained on the relevant sample characteristics. Each of the remaining three sections corresponds to each of the three research objectives of the study as stated in Section 1.4 of Chapter One (page12).

#### 4.2 Identification and classification on information

Table 4.1: Gender of respondents

<u>Gender</u>	Frequency	Percentage
Male	25	55.6
Female	20	44.4
<b>Total</b>	<b>45</b>	<b>100.0</b>

Source: Primary Data

The findings revealed that the majority of the respondents that participated in the exercise were male with a percentage of 55.6% and the minorities were female with a percentage of 44.4 %.

Air Tanzania should enhance more of customer care when handling and serving male passengers. Priority should be given in case of promotional fares, enrolment of the Flying Blue Program and feedback in case of complaints.

**Table 4.2: Age of respondents**

<b>Age bracket</b>	<b>Frequency</b>	<b>Percentage</b>
Below 18 years	05	11.1
18-45 years	25	55.6
Above 45 years	15	33.3
<b>Total</b>	<b>45</b>	<b>100.0</b>

Source: Primary Data

The finding of the research revealed that, the majority of the respondents were of the age bracket above 18-45 represented by 55.6%, while minority were of the age bracket below 18 years represented by 11.1%. Therefore, more attention in the airline industry should be given to the youth being the majority. This agrees with Cook, 2000 who asserts that the perception of the care that a customer receives depends on expectations.

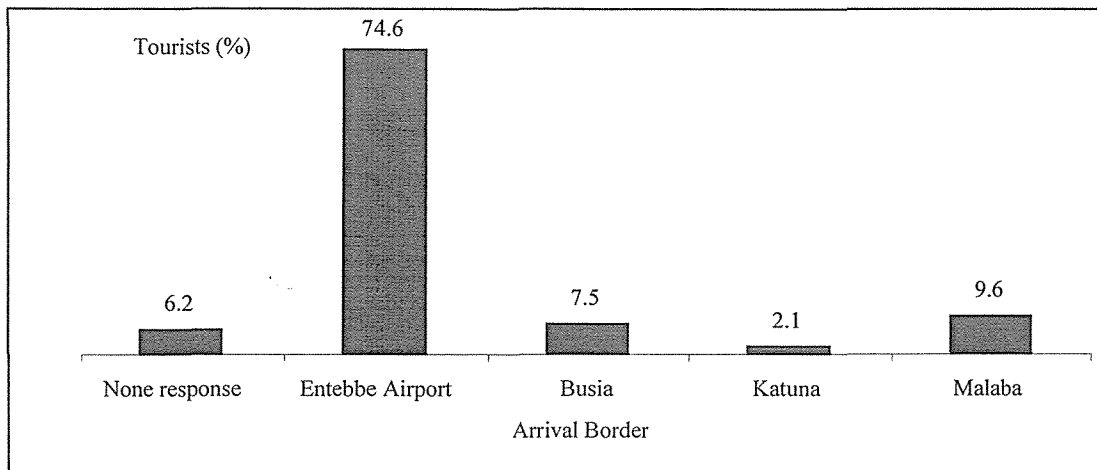
**Table 4.3: Experience of respondents**

<b>Working experience (Years)</b>	<b>Frequency</b>	<b>Percent</b>
Less than 1	04	8.8
1-10	16	35.6
Over 10	25	55.6
<b>Total</b>	<b>45</b>	<b>100.0</b>

Source: Primary Data

The finding of the research showed that the experience of respondents in the airline industry with the majority having a working experience over 10 years represented by 55.6% implying they were well acquainted with what was happening in the industry. While the minority of respondents had experience less than 1 year represented by 8.8% hence most respondents have knowledge about the airlines operations to enhance customer care.

**Figure 4.1 Passenger arrivals to Uganda by ports of entry**



Source: Primary Data

The findings of the research revealed that majority of the passengers represented by 74.6% arrive in Uganda through Entebbe Airport, while the minority arrives through Katuna boarder represented by 2.1%. Therefore, there is need to emphasize customer care at Entebbe Airport since the majority of the passengers use it as the first point of entry.

### 4.3 Factors that affect customer care

Table 4.4 Factors that affect customer care in case Air Tanzania.

<b>Respondents Areas</b>	<b>Key</b>	<b>Frequency</b>	<b>Percentage</b>
Product knowledge		12	26.7
Staff competence		10	22.2
Source of information		09	20.0
On time performance		07	15.6
Telephone system		03	6.7
Customer complaints		04	8.8
Total		45	100.0

Source: Primary data

The results revealed that, majority of the respondents represented by 26.7% were generally knowledgeable with the product they are selling to the customers. This concurs with Frances and Bee (1999) who assert that one of the positive factors for customer care is recruiting knowledgeable and professional staff.

**Table4.5: Factors considered when airline hire staff**

<b>Skills</b>	<b>Frequency</b>	<b>Percent</b>
Relevant training	18	40.0
Long service – general	02	4.5
Long service – airlines	15	33.3
Marketing	10	22.2
<b>Total</b>	<b>45</b>	<b>100.0</b>

Source: Primary data

The findings revealed that, majority of the airlines and travel agents consider relevant training that is reservations/ ticketing skills represented by 40% while the minority represented by 4.5% to employ staff. Airlines and travel agents should consider relevant training and marketing skills crucial factors when employing their staff. This concurs with the observations in The Free Online (2009) that point out lack of proper training as one of the reasons for failing the customer care system.

**Table4.6: Response on clients' airline of choice**

<b>Airline</b>	<b>Frequency</b>	<b>Percent</b>
Air Tanzania	06	13.3
Emirates	09	20.0
Ethiopian	07	15.6
K.L.M	06	13.3
Air Uganda	03	06.7
South African	04	08.9
S.N. Brussels	05	11.1
British airways	05	11.1
<b>Total</b>	<b>45</b>	<b>100.0</b>

Source: Primary data

The findings of the research revealed that there is competition faced by Air Tanzania in the airline industry. Majority of the respondent showed that they sell or fly Emirates represented by 26.7%, while the minority of the respondents is represented by 6.7%. Air Tanzania needs to enhance customer care since there are very many competitors and so there is need to cater for such stiff competition.



#### 4.4 The relationship between customer care and sales volume

**Table 4.8: Response on relationship between customer care and sales**

volume		
Responses	Frequency	Percent
Yes	30	66.7
No	10	22.2
No responses	05	11.1
<b>Total</b>	<b>45</b>	<b>100</b>

Source: Primary Data.

The results revealed that, majority of the respondents did confirm with yes that there was a relationship between customer care and sales volume in Air Tanzania represented by 66.7%, while the minority had no responses represented by 11.1%. Air Tanzania needs to continuously educate its passengers about the good of being a Flying Blue Program member through enhancing customer care. This agrees with Edi, 2005 who asserts that the high rate of airlines success depends mainly on the right implementation of customer care management.

#### 4.5 Areas respondents need to be improved by Air Tanzania

**Table 4.9: Areas to improve on customer care in the case of Air Tanzania**

Areas	%
Airport check-in counter	14.1
Ticketing counters	15.5
Telephone system in town office	21.1
Staff competence and training	10.0
Promotional activities	8.8
Baggage handling	7.5
Air fares	6.3
Promote packages	5.9
Advertising and seminars	5.4
Create damage control (Image building) campaign using the Internet	5.2
<b>Total</b>	<b>100.0</b>

Source: Primary Data

The research findings revealed that majority of the respondents represented by 21.1% believe that the telephone system should be improved upon to enhance customer care. While the minority of the respondents represented by 5.2% believe that image building is crucial for customer care.

#### 4.5.1 Ways that can be established to improve customer care

**Table 4.9: Ways suggested by respondents to improve customer care**

Ways	%
Training and equipping airline staff	23.3
Separate counters for agents, corporate and walk-in customers	21.8
Attending to customer complaints	21.3
Provision of promotional materials	11.0
Promote use of web service	8.8
Reward competent staff and agents	7.5
Increase staff	6.3
<b>Total</b>	<b>100.0</b>

Source: Primary data

The research findings revealed that the majority of the respondents represented by 23% believes that training and equipping airline staff is one of the best ways to improve on customer care. While minority of the respondents represented by 6.3% fill that increasing on manpower is a good way to improve customer care.

This agrees with Kotler (2003) who asserts that there must be established ways as the practical framework to be used to guide organizations where they are going over the next one or more years.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSION, RECOMMENDATIONS AND AREAS OF FUTURE RESEARCH**

#### **5.0 INTRODUCTION**

This chapter presents the summary of the research findings, conclusions and recommendations based on the findings of the research and areas of further research.

#### **5.1 Summary of findings**

The summary of the study is organized according to the themes derived directly from the objectives and research questions of the study.

##### **5.1.1 Factors affecting customer care**

The research findings revealed that different research factors affect customer care these included product knowledge, staff competence, provision of information, on-time performance, communication system, competition, profits and handling of customer complaints. The mentioned factors will positively or negatively contribute to enhance of customer care in an organization thus impact on sales volumes.

### **5.1.2 The relationship between customer care and sales volume**

The research findings revealed that there is a strong relationship between customer care and sales volume through Air Tanzania's loyal program. Many of the respondents showed that they are members of the Flying Blue Program where they have enjoyed different privileges like free tickets, promotional fares, priority waitlist, access to the lounges and extra baggage allowance. It is believed that many passengers have continuously flown Air Tanzania because of the benefits they enjoy being members the program thus enhancing the relationship between customer care and sales volume in the organization in the competitive world.

### **5.1.3 Ways to improve customer care**

The research findings revealed that customer care can be improved in different ways that is improving the check-in counters at the airport, recruitment of more reservation and ticketing staff, a telephone operator instead of the present unfriendly automatic answer machine, Public relation, provision of promotional materials and advertising, training and equipping airline staff, creation of separate counters for agents, corporate and walk-in customers, addressing customer needs and complaints, rewarding competent staff and agents and making the Air Tanzania web-site more customer friendly when using it.

Actually, when the above ways are adopted, they will help improve the customer care of the airlines especially Air Tanzania in terms of sales volume.

## **5.2 Conclusion**

Based on the research findings it was concluded that there was a close relationship between customer care and sales volume. When customer care is enhanced efficiently and effectively it in turn leads to high sales volume. Therefore, Air Tanzania needs to embrace and enhance customer care as a major tool to survive and thrive in today's' competitive world.

## **5.3 Recommendations**

Based on the research findings, the following are the recommendations:

Air Tanzania should establish a better and well designed call centre that will help to know how many calls have come in and been picked within the required time of three rings. Airline staff will be in position to reach all those customers whose calls were not answered as expected as not lose the business to the competitor.

In business competition is there to stay, Air Tanzania needs not to sit back and relax ensuring on-time performance and increase on their fleets within the region, efficient handling of customer's complaints and giving feedback, and control of baggage pilferage by ensuring proper tags are given at the check in counters to the passengers.

Air Tanzania should have customer's loyalty by providing all the information that customers need to know about the airline for example promotional fares on the market, security alerts when need be.

Air Tanzania should on the check-in counters at the airport, e-check-in system, fast track section for VIP and frequent flyers and also to increase on the number staff and computers.

Air Tanzania and travel agents should emphasize on marketing skills in addition to relevant training that is reservations and ticketing skills and long service when recruiting their staff to serve customers fast. The staff should be well trained and experienced.

Air Tanzania should install a call centre and recruit telephone operators instead of the present unfriendly automatic answer machine. By so doing, the company will be able to keep of all the in-coming calls that have been picked and those not picked to return their calls.

Air Tanzania's public relation should be improved by paying continuous visits to corporate and travel agents. They should provide agents with more promotional and advertising materials and increase on frequency of supply.

The airline should have in house training and equipping airline staff should be carried out to enhance their knowledge.

Air Tanzania should create separate counters for agents, corporate clients and walk-in customers and also to address customer needs and complaints.

Lastly, Air Tanzania should reward competent staff and agents and improve on the web-site to be more users friendly.

#### **5.4 Suggested areas of future research**

There is need to do research in advertising and sales volume, further research also can be done in motivation and sales volume.



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## Appendix 1: Questionnaire for Tour Operators and Travel Agents.

Name of Company ... ..

Business address ... .. Tel ... .. Email ... ..

Number of years in the travel industry ... ..

Position held ... ..

### DATA REQUIRED FROM TOUR OPERATORS AND TRAVEL AGENTS.

1. Are you a member of any of the following Associations? (Tick the one you belong to)

☐ TUGATA      ☐ AUTO      ☐ IATA

2. What are your clients' main purposes (s) for visiting Uganda?

- a) Holiday
- b) Business
- c) Vacation
- d) V.F.R
- e) Others

3. Are you provided with promotion materials by Air Tanzania?

- a) Yes
- b) No

4. If yes, how often do you get the materials?

- a) Yearly
- b) ½ yearly
- c) Quarterly
- d) Monthly

5. Do you receive promotion materials from other airlines?

a) Yes

b) No

b) If yes, name the airline(s).

.....

.....

.....

6. Do you receive any of these from Air Tanzania?

a) Incentives

Yes/No

b) Loans

Yes/No

c) Sponsorships

Yes/No

d) Training

Yes/No

7. Please give suggestions or comments to improve airlines' customer care.

.....

.....

8. In your opinion, how do Air Tanzania rate on the following features? (Please circle corresponding numbers which best respect your opinion, “1” “extremely poor” and “7” “extremely well”)

	Poor		Fair		Good		Extremely Well	
1. Customer	1	2	3	4	5	6	7	
2. Staff competence	1	2	3	4	5	6	7	
3. Product knowledge	1	2	3	4	5	6	7	
4. Telephone service	1	2	3	4	5	6	7	
5. Check-in counter	1	2	3	4	5	6	7	
6. Baggage handling	1	2	3	4	5	6	7	
7. On-time performance	1	2	3	4	5	6	7	
8. Ticketing counters	1	2	3	4	5	6	7	
9. International Airfares Costs	1	2	3	4	5	6	7	

9. In your estimation, in which areas should Air Tanzania make improvements in order to attract international customers? (Please circle corresponding numbers most appropriate, from "1" as "no improvement needed", to "7" "significant improvement needed")

	No Improvement Needed					Significant Improvement Needed	
1. Telephone services	1	2	3	4	5	6	7
2. Airfares	1	2	3	4	5	6	7
3. Promotional Activities	1	2	3	4	5	6	7
4. Ticketing counters	1	2	3	4	5	6	7
5. Customer relationship	1	2	3	4	5	6	7
6. Travel Agents' visits	1	2	3	4	5	6	7
7. Incentives/ Credit facilities	1	2	3	4	5	6	7
8. Training/Sponsorship	1	2	3	4	5	6	7

Thank you for your cooperation.

## Appendix 2: Questionnaire for Airlines Representatives/ Staff.

Name of Airline: .....

Business address ... .. Tel: ..... Email... ..

Number of employees: ... ..

Name of Respondent: ... ..

Number of years worked in the airline industry: ... ..

Position held.....

### DATA REQUIRED FROM AIRLINE REPRESENTATIVES.

1. How do you rate your knowledge about customer care?

- a) Very poor      b) Poor      c) Fair      d) Good      e) Extremely good

2. Are your fares competitive with other competing airlines?

- a) Yes      b) No

3. If the answer to above is no, give reasons why you think so.

.....

4. What are your views about your airline's customer care?

- a) Average      b) Politically influenced  
c) Good      d) No value for money  
e) Has the potential

5. What is the significance of customer care to your sales volume/sales quota?

- a) Very significant                      b) Significant
- c) Less significant                      d) Not significant

6. In your opinion what is the passenger's main source of information about your services?

- a) Business contacts
- b) Friends
- c) Media
- d) Relatives
- e) Promotional materials
- f) Educational institutions

7. What level or factors does your employer consider when selecting staff to key positions?

- a) Relevant training                      b) Long service (tourism)
- c) Long service (general)              d) Marketing skills

8. How is your staff training affected?

- a) Abroad                                  b) In-house training
- c) Higher education institutions      d) Vocational schools

9. Does your airline provide promotional materials?

- a) Yes                                      b) No



10. If yes, how often do they provide the materials?

a) Yearly    b) ½ yearly    c) Quarterly    d) Monthly    e) Not regular

11. Do your facilities and handling services at Entebbe Airport match with International standards?

a) Yes                      b) No

12. How do you rate the facilities?

a) Adequate    b) Average    c) Below international standard

13. In your view, what are the areas that need improvement in your airline? Tick as many as you require.

a) Telephone service      b) Check in counter   c) Airport staff quality      d) Staff competence      e) Transit lounge      f) On-time performance      g) Cargo facilities

14. Going by your flight schedule, what are your future plans for Uganda?

.....

.....

.....

15. What areas do you think need development in order to attract tourists?

- |                              |                           |
|------------------------------|---------------------------|
| a) Visits to agents          | b) Country's image        |
| c) Promotional activities    | d) Political stability    |
| e) Staff competence          | f) Promotional activities |
| g) Airport handling services | h) Incentives             |
| i) Air fares                 | j) Staff motivation       |

16. If you do not see your airline as a competing airline at this time, what change would be necessary to you to adapt a favorable approach?

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17. What problems do you encounter with the following clients?

- Agents

.....

- Corporate

.....

- Walk-in

.....

18. Please give any other suggestions or comments to improve airlines' customer care.

.....

.....

.....

**Thank you for your cooperation.**

### Appendix 3: Questionnaire for Customers/Passengers.

Dear Respondent,

#### Objective of the survey

This is to request you to assist the bearer to collect airline data from you with a view of improving the development of customer care.

Date:.....

Flight Number (For air visitors) .....

Arrival border post .....

1. What is your country of residence?.....

2. What is your nationality?.....

3. What is your occupation?.....

4. Sex:

a) Male      b) Female

5. What was your main purpose of visiting Uganda?

- a) Holiday/Leisure/Vacation
- b) Business
- c) Conference
- d) Visiting Friends and Relatives
- e) Transit
- f) Pilgrimage/Religion
- g) Other purpose (specify)

6. What was your main source of information about Air Tanzania?

- a) Business contacts
- b) Government source
- c) Friends/Relatives
- d) Media
- e) Newspapers/magazines/Radio/T.V
- f) Travel/Tour agent
- g) Internet
- h) Airlines
- i) Internet.

7. Have you flown Kenya Airways before?

- a) Once. b) Twice. c) More than two times. d) None

8. Which of the following classes did you take?

- a) First class
- b) Business class
- c) Economy.

9. How long do you intend to stay in Uganda?.....

10. In which age group do you fall?

- a) 18-30. b) 30-50. c) 50-60. d) Above 60.

11. Are alone or accompanied on this trip?

- a) Alone b) Accompanied

12. Which other airlines have used in the recent 12 months?

- a) Emirates. b) Ethiopian Airlines. c) K.L.M. d) British Airways. e) South African Airways.

13. What was your travel arrangement?

- a) Package b) Group. c) Own arrangement

14. Are you willing to recommend Kenya Airways to your friends?

- a) Yes    b) No    c) Not sure.

15. What was your most exciting experience in on Air Tanzania?

.....

.....

.....

16. Was there any unpleasant experience you would like to specify?

.....

.....

17. Do you intend to use Air Tanzania in the near future?

a) Definitely b) Perhaps c) Unlikely d) No

18. Please give suggestions/comments to improve airlines' customer care.

.....

.....

**Thank you for your time.**