



Internship report on
“An effective analysis of the service delivery and customer
satisfaction”

Supervised to
Dr. Mohammad Tareque Aziz
Associate Professor

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ID: 14364029

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Letter of transmittal

May 23, 2017

To

Dr. Mohammad Tareque Aziz

Associate Professor

BRAC Business School

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66 Mohakhali, Dhaka-1212, Bangladesh

Subject: Submission of internship report.

Dear Sir,

I am submitting my internship report which is “An effective analysis of the service delivery and customer satisfaction” as the pre-requirement of internship program according to the curriculum of BRACU.

I would like to thank you for assigning this report to me as it helped to identify the practical corporate life scenario and to apply my theoretical knowledge on it and to capture how it works on real life. I sincerely hope that my work will come up to the level of your expectations.

I welcome your query and grateful to answer them.

Sincerely yours

Nakib Hasan Siam

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MBA

Declaration of Academic Integrity

I hereby confirm that the presented paper on
“An effective analysis of the service delivery and customer satisfaction” is solved by
my own work and if any text passage, diagrams from the official websites and from
any other sources are include in the reference and have been acknowledged.

Name: Nakib Hasan Siam

Date: 23.05.2017

ACKNOWLEDGEMENT

I am very much grateful to my honorable supervisor Dr. Mohammad Tareque Aziz, Associate Professor, BRAC Business School, for providing me the valuable suggestions and guidelines to accomplish that report from the very beginning. I am even thankful to all the respected faculty members, employees, staffs for their continuous suggestion, support, and supervision.

Then I express my sincere gratitude to Md. Al-Amin Hossain, Director-Branding and Marketing of “Kingston Holidays”. Without his help this report might not have been a comprehensive and informative one.

Finally my sincere gratitude goes to my family, friends, classmates and colleagues who helped me whenever I needed.

I have tried my level best to make this report accurately informative. However, there might some mistakes or limitations in preparing the report. In this regard, I want to say I am alone responsible for any mistakes that may crop in.

.....
Nakib Hasan Siam

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Executive summary

Kingston Holidays is a relatively newly opened travel agent, operated by skilled and sophisticated resources with the mission to serve the best in the arena of travel and tourism. Its main service is to provide best tour packages in neighboring country such as India, Nepal, Bhutan, Thailand, Singapore, Malaysia, Sri Lanka, China and Indonesia with the most affordable worth and professional guide support. Kingston Holidays aims to let people venture into new places with undiscovered beauty. Their main services include tour packages, ticketing services, visa services and money exchange services. These all services combined the followings: arranging the tickets, assistance on arrival, accommodation, breakfast, lunch and dinner, sightseeing with professional tour guide, return airport transfer, visa assistance, 24 hours helpline and money exchange services as well.

The survey findings are more or less satisfactory for the Kingston holidays. Majority customers which are 45%, choose Kingston holidays because of their experience which is positive sign for the company. 68% of the total respondents are agree with that, Kingston holidays provide the services what they are committed to provide while 17% are highly disagree with that statement. They should give more concentration on that 17%. As we all of know marketing and sales is the heart of an organization. The whole business depends on the sales team. Majority 63% are agreeing with that, the sales agent was professional and catered instinctively to their needs. 59% of the total respondents said that, the sales agent was well informed and provided the necessary information materials. But 67% remain neutral when they were asked that, based on the service provided by the Kingston holidays; will they prefer them in near future for travel? Yeas Kingston holidays has the facility of customized service but even though 78% customers thought that, Kingston holidays need be more customer driven, while 17% customers recommend that, improvement of the accommodation is much needed. Another finding suggests that, 63% customers come to know and or prefer Kingston holidays from hearing their friends, family members, colleagues. That indicates they need to focus more on advertisement and branding. According to the research findings, about 57% agree that the service provided by the “Kingston Holidays” are satisfactory and well managed. Yes the percentage is good but they should focus more on increasing that number. Along with that, they should also focus on 19% customers who said that, they are somewhat dissatisfied.

Introduction

Undoubtedly today tourism has become an important sector of every nation throughout the world. It has an impact on the development of the country's economy. According to the UNWTO (The United Nations World Tourism Organization) in 2016 the total number of world tourists was 620 million.

In our country's perspective both the number of domestic and international travelers are increasing. And in most of the cases people choose travel agent as their tour guide. As we all know travel agent is a private service that provides travel and tourism related services. According to ATAB (Association of Travel Agents of Bangladesh) there are 388 listed travel agents in Bangladesh. Kingston Holidays is one of them.

Kingston Holidays is a relatively newly opened travel agent, operated by skilled and sophisticated resources with the mission to serve the best in the arena of travel and tourism. Its main service is to provide the best tour packages in neighboring countries such as India, Nepal, Bhutan, Thailand, Singapore, Malaysia, Sri Lanka, China and Indonesia with the most affordable worth and professional guide support. Kingston Holidays aims to let people venture into new places with undiscovered beauty. This organization is passionate to enable people to visit their long expected and imagined destinations by providing superior service at the most competitive prices. Established on the principle that, sensitive tourism, if under the guidance of enlightened people, may prove a viable, sustainable alternative resource to the local people to protect the environment and their traditional and diverse culture.

Their main services include tour packages, ticketing services, visa services and money exchange services. These all services combined the followings: arranging the tickets, assistance on arrival, accommodation, breakfast, lunch and dinner, sightseeing with professional tour guide, return airport transfer, visa assistance, 24 hours helpline and money exchange services as well.

Research design

The research design articulates what data is required, what methods are going to be used to collect and analyze this data, and how all of this is going to answer research question. Both data and methods, and the way in which these will be configured in the research project, need to be the most effective in producing the answers to the research question.

The research design also reflects the purpose of the inquiry, which can be characterized as one or more of the following:

Exploration: for Kingston holiday's exploration could be introducing a new tour package or new service depending on the customer expectations and requirements as well. Along with this, searching where there are new opportunities or not.

Description: it includes describing the existing services like a deep understanding of the packages.

Explanation: clearly explain the internal services and having a clear understanding of the service or package itinerary.

Prediction: identifying the future movement of the customers and developing the packages as per the pre-requisite of the customers.

Evaluation: evaluate each and every customer's opinion and taking the corrective actions if necessary.

History: keeping mind of the company's history, background, mission statement serving the customers best.

Methodology:**Sampling:**

To conduct the study a questionnaire was developed. This contains 25 questions. These questionnaires involve several types of questions as like yes/no question, open ended/close ended question, scaling etc. The sampling size was 30. These sample size was randomly selected. The interview was taken by the selected customers of “Kingston Holidays” who already experienced the services.

Data collection:

Data collection was done through in two ways. Those are as following-

Primary data: Primary data was collected for the official website of the “Kingston Holidays”. Besides these primary data was also collected from the permanent employee of the company.

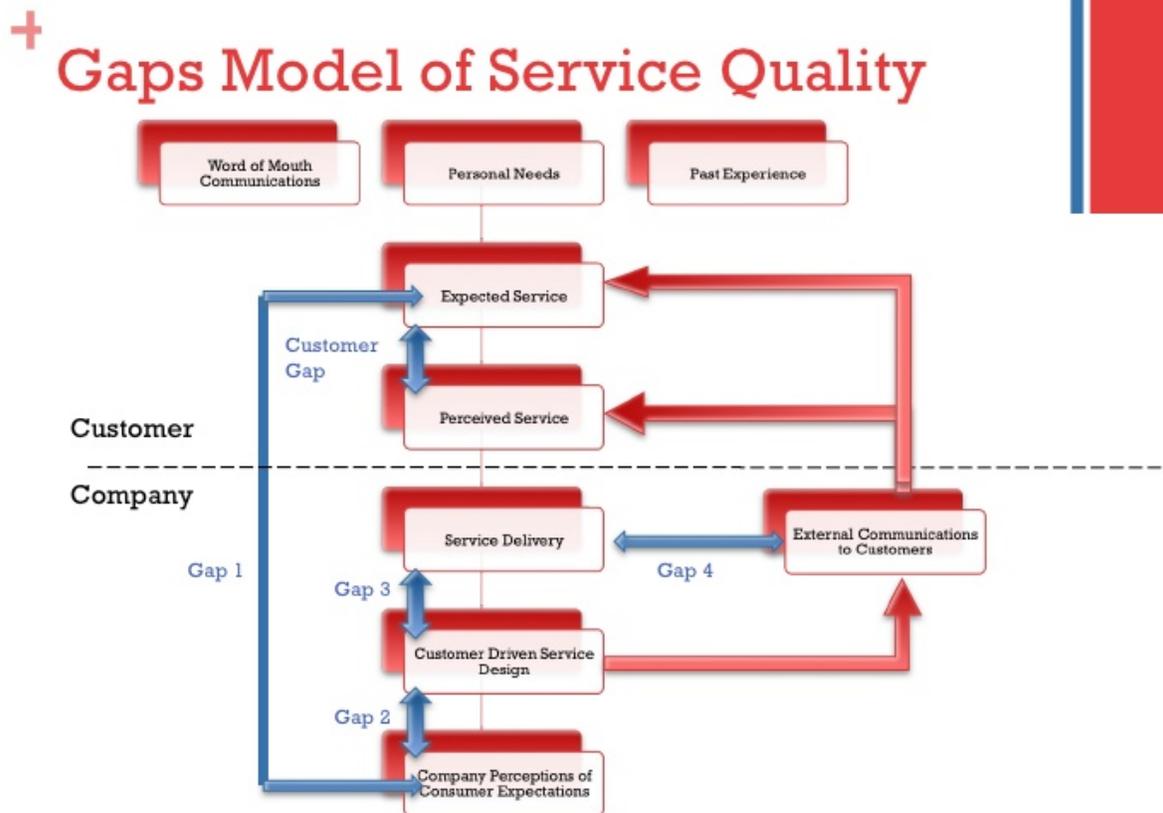
Secondary data: Secondary data was collected through the survey of questionnaire. Besides these, opinion of the respective person was the source of secondary data collection. Along with these, practical applications of the organization were also an important source of secondary data collection.

Data analysis:

After collecting the both primary and secondary data, the most effective and useful were selected for the analysis. Among them filter and data mining formula was used to find out the most appropriate and relevant data. When data filtering and data mining were completed that primary and secondary data was used to conduct the survey. With the help of these data questionnaire for the survey was developed. After conducting the survey with questionnaire the percentages was calculated and the most appropriate findings was included.

GAP Model of Service Quality

The GAP model (also known as the 5 gaps model) of service quality is an important customer satisfaction framework. In a “conceptual model of service quality and its implications for future research.” (the journal of marketing, 1985), A. Parasuraman, VA Zeitham and LL Berry identified this gap model and by using this gap model organizations seeking to meet customers’ expectations of the customer experience. According to this model the five gaps are presented in the following picture.



(Parasuraman, Zeithaml & Berry, 1985)

The aim of “GAP model of service quality” analysis is to ascertain any actual or perceived gaps between customer’s expectations and perceptions of the service offered.

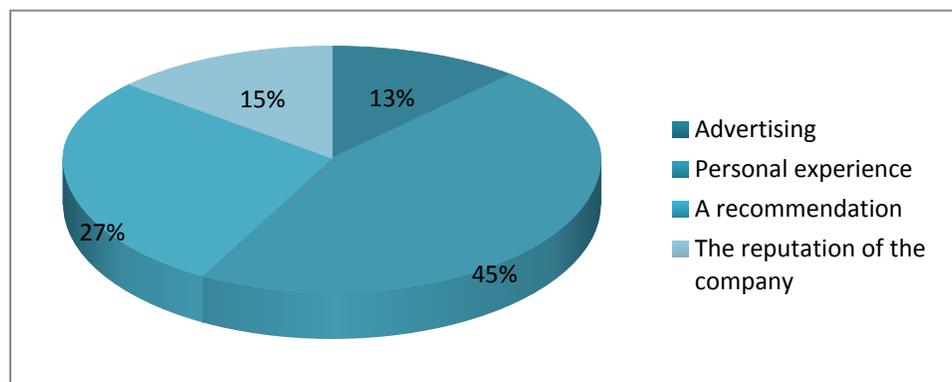
GAP 1: Customers expectations versus management perceptions.

This gap addresses the difference between consumer's expectations and management perceptions of service quality. A primary cause in many organizations for not meeting customers' expectations is that the organization lack accurate understanding of exactly what those expectations are.

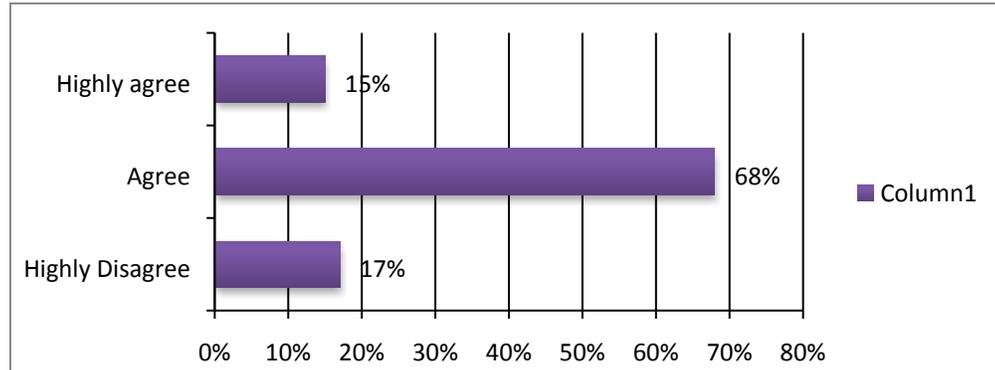
To analyze the gap 1 following two questions and their findings will be make it more clear. These two questions represent both the management perceptions and customer expectations.

Why did you choose "Kingston Holidays" over other travel agents?

Personal experience	1
Advertising	2
A recommendation	3
prices	4
The reputation of the company	5
Other	6



Kingston holidays provide you the services what they are committed to provide.



The GAP is 23%.

By analyzing both of the above questions the result of GAP 1 is 23%. There are some reasons behind it. Those are as follows:

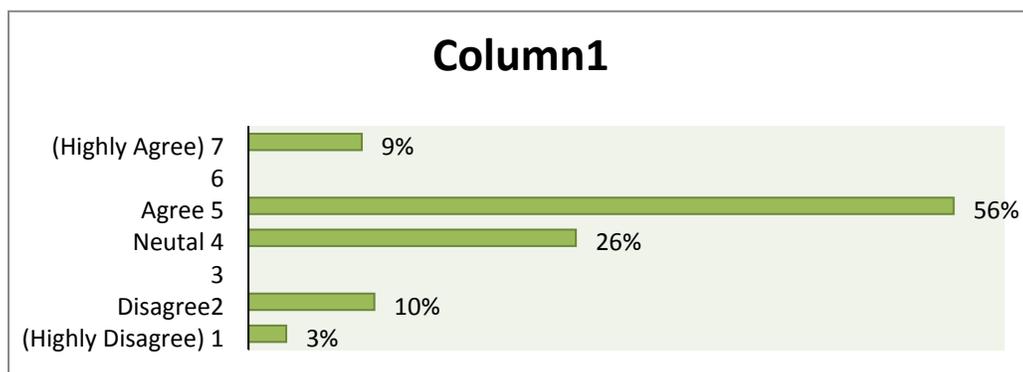
1. Management may be unwilling to ask about expectations.
2. Management may be unprepared to address expectations.
3. Management doesn't want to provide the specific service that customer expect.

GAP 2: Management perceptions versus service specification.

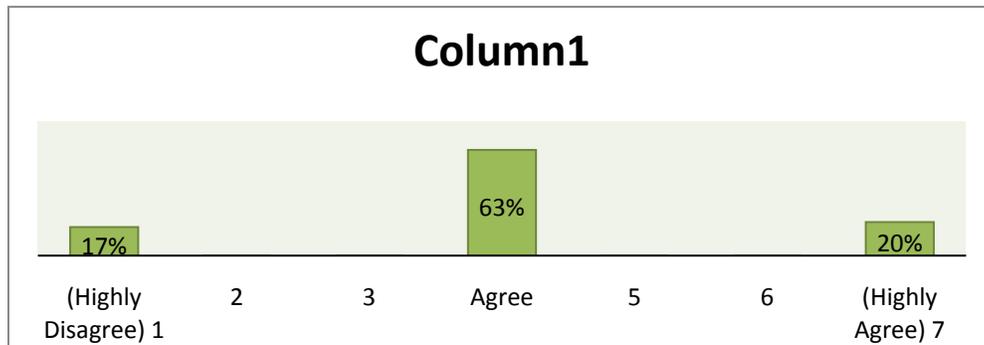
This gap represents variation between perceptions of the management about the expectations of customers and specification of service quality.

In gap 2, two questions are compared as like above two questions and their interpretation are as follows:

The packages are offered by the Kingston Holidays are well designed and easy to understand.



The sales agent was professional and catered instinctively to your needs.



The GAP is 7%.

By analyzing both of the above questions the result of GAP 2 is 7%. There are some reasons behind it. Those are as follows:

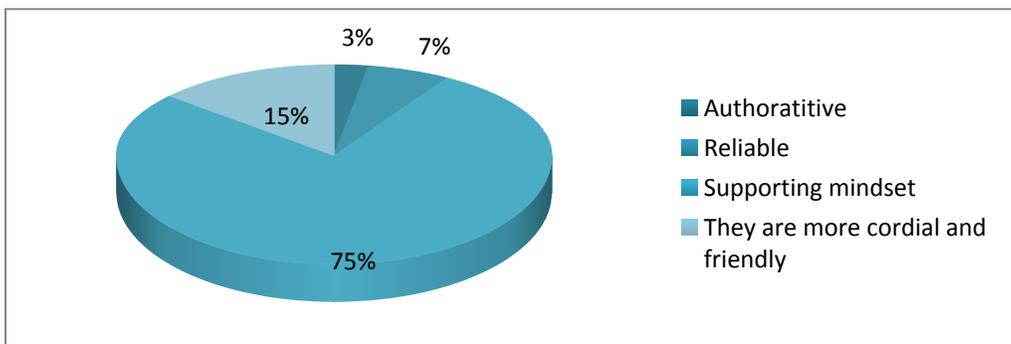
1. Poor service design
2. Absence of customer driven standards
3. Failure to develop tangibles in line with customers expectations
4. Servicescape design doesn't meet customer and employee needs.

GAP 3: Service specification versus service delivery.

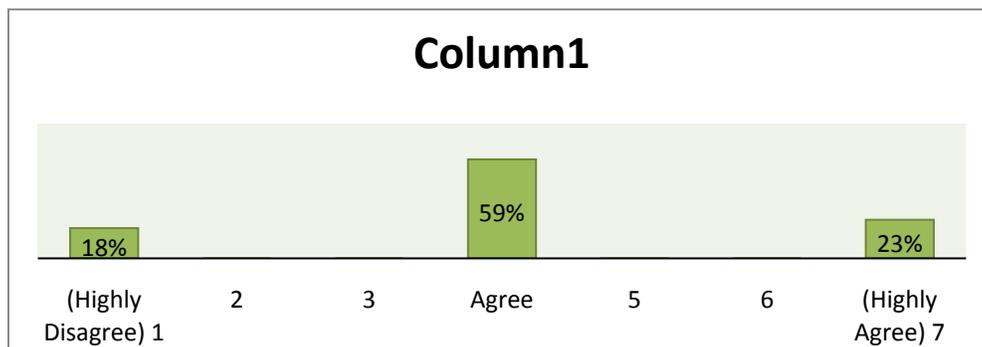
This gap represents difference between specification of service quality and attributes of the process of the service production and delivery, i.e. difference between what managers have defined as standard of service quality and the way how a service was actually delivered.

What specific criteria of other similar type of travel agent have inspired you most that is absent in “Kingston Holidays”?

Reliability	1
Authoritative	2
They are more cordial and friendly	3
They keep more confidentiality	4
They have supporting mindset	5



The sales agent was well informed and provided the necessary information materials.



The GAP is 7%.

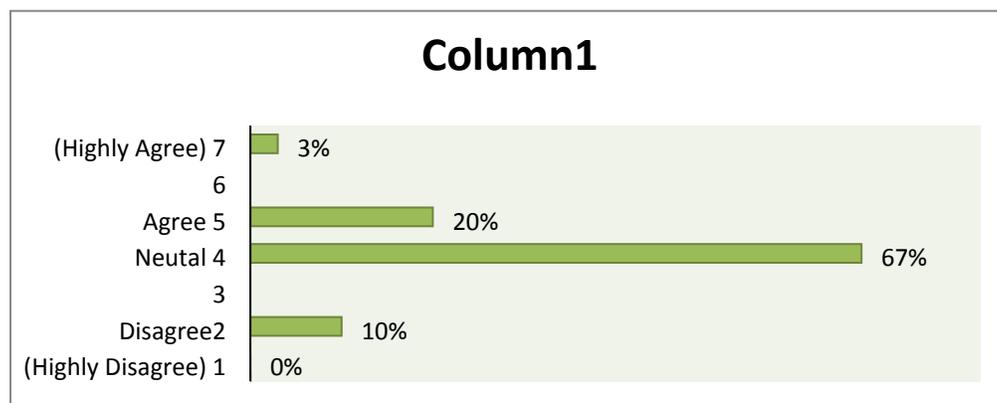
By analyzing both of the above questions the result of GAP 3 is 16%. There are some reasons behind it. Those are as follows:

1. Deficiencies in human resource policies
2. Role ambiguity and role conflict
3. Failure to match supply and demand
4. Problem with service intermediaries
5. Difficulty in controlling quality and consistency

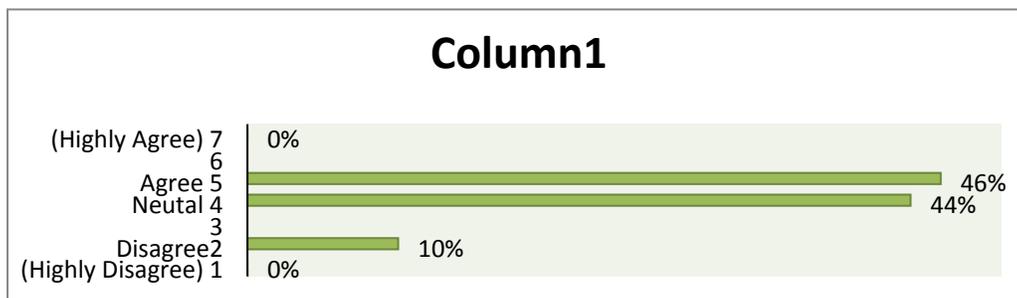
GAP 4: Service delivery versus external communication.

This gap is the difference between service delivery and the service provider's external communications. Promises made by a service company through its media advertising, sales force and other communication may potentially raise customer expectations, the standards against which customers assess service quality. The discrepancy between actual and promised service therefore can widen the customer gap.

Based on the service provided by the Kingston holidays, will you prefer them in near future for travel?



The printed advertisements on newspaper and their email marketing are properly designed to draw your attention?



The GAP is 21%.

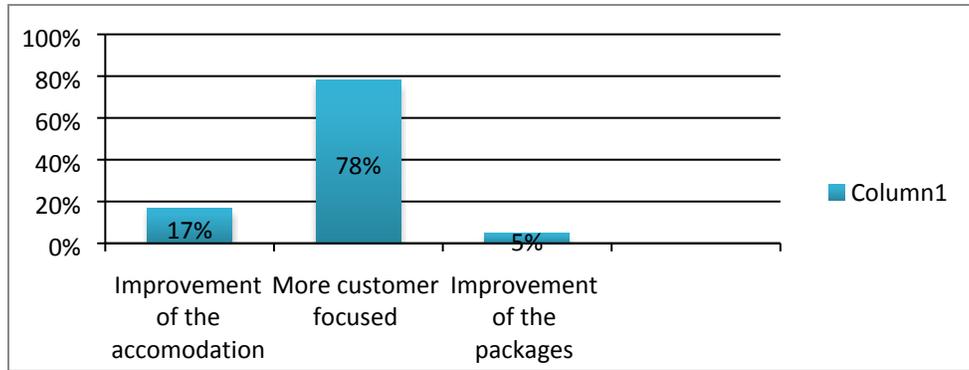
By analyzing both of the above questions the result of GAP 4 is 21%. There are some reasons behind it. Those are as follows:

1. Lack of integrated service marketing communications
2. Ineffective management of customer expectation
3. Overpromising
4. Inadequate horizontal communications.

GAP 5: Customer expectations versus customer perceptions.

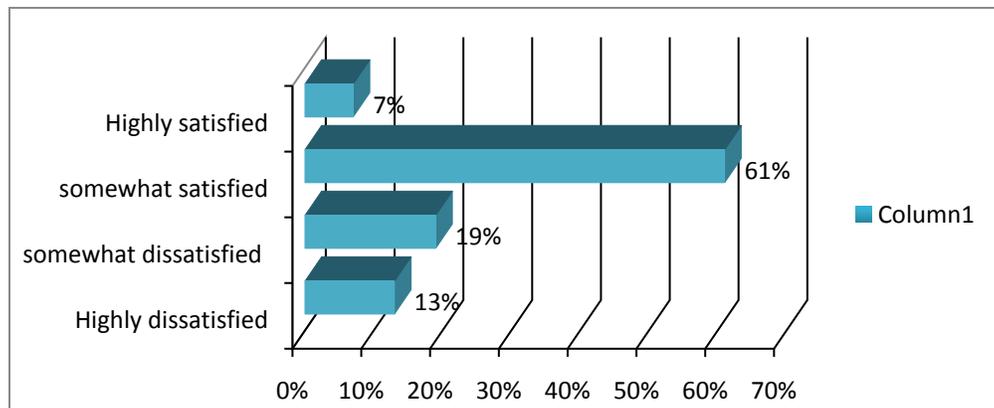
This gap represents difference between customer's expectations regarding the service and their perception about the specific service. This gap depends on size and direction of the four gaps associated with the delivery of service quality on the marketer's size. Customer's expectations are driven from some factors like customers personal needs, customers past experience, word of mouth, and marketing communications from providers. Customer's perception is driven from two areas like service delivery and external communications to customers.

What kind of service do you believe or think Kingston holidays can provide for more customer satisfaction?



How would you rate your overall level of satisfaction with “Kingston Holidays”?

Highly Dissatisfied	1
Somewhat dissatisfied	2
Neutral	3
Somewhat satisfied	4
Highly Satisfied	5



The GAP is 17%

By analyzing both of the above questions the result of GAP 5 is 17%. There are some reasons behind it. Those are as follows:

1. Failure to provide the promised service
2. Inadequate service delivery by de motivated employees
3. Customer’s lifestyle doesn’t match with the service.

Consumer behavior of “Kingston Holidays”

The main service of “Kingston Holidays” is to provide best tour packages in neighboring country such as India, Nepal, Bhutan, Thailand, Singapore, Malaysia, Sri Lanka, China and Indonesia. Their other services include ticketing services, visa services and money exchange services.

Consumer behavior in services is determined through five different stages. These are given below.

The Consumer Buying Process



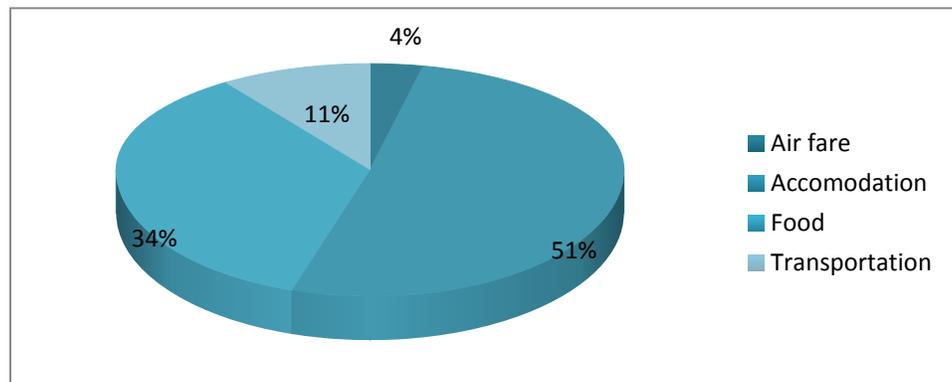
www.shanepatrickjones.com

1. Need recognition

According to the Maslow’s need hierarchy theory needs can be plotted under these following categories:



According to the research, the selected respondents recognize their needs on the basis of air fare, accommodation, food arrangement and transportation. According to the survey findings majority 51% give their first priority on accommodation. That means they wanted to be sure about the beading system. While 34% respondents are concern about food whether the food will be hygienic or not. And 11% respondents are concern about the transportation. That is how they will be pick up from the airport after arrival and how they will be carried on their sightseeing program. And rests of the 4% are concern about the airfare that means they search for economy class rather than business class.



2. Information search

Customers are searching their information in two ways as follows:

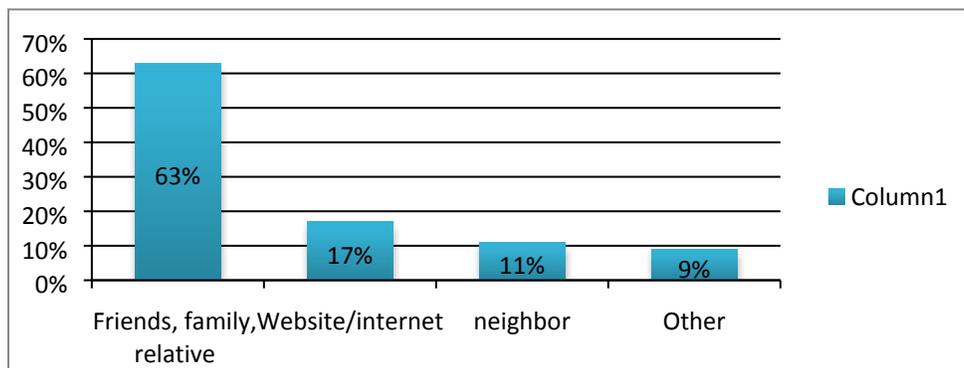
- Personal
- Non personal

Personal: the personal ways of getting information are family, friends, relative, neighbor etc.

Non personal: the non personal ways of getting information are internet, website, e-mail, online advertisement, television commercial etc.

According to the survey findings about 63% respondents said that, they prefer their friends, family members, colleagues etc for choosing that travel agent as because of this sources are more reliable and almost every customer wants the best use of their

money while 17% respondents said that, they prefer internet. 11% consult with their neighbor and rest of the 9% goes for the other sources.



3. Evaluation of alternatives

In this part after getting the information customers try to find out the alternatives which might be better than “Kingston Holidays”. In this modern age most the customers are educated and from urban area. So their evaluations for selecting alternatives are structured.

According to the survey findings, about 53% have thought another alternative which may provide better service than “Kingston Holidays”. And rests of the 47% respondents don’t thought about another alternative.

4. Purchase decision

In this stage customer decides to buy the packages or only air ticket from “Kingston Holidays”. As “Kingston Holidays” are giving opportunity to customers to make their own trip plan (customer driven), so customers view these as positively. They have also the money exchange service which also plays an important role to attract more customers. According to the research findings, about 57% agree that the service provided by the “Kingston Holidays” are satisfactory and well managed.

5. Post purchase behavior

In this stage customers express their feelings about the services they got from the “Kingston Holidays”. From the findings, around 67% respondents said that they are somewhat satisfied and they will refer their friends/colleagues.

Customer expectation from “Kingston Holidays”

Customer’s expectations are beliefs about service delivery that serve as standards or reference points against which performance is judged. Because customers compare their perception of performance with these reference points when evaluating service quality, through knowledge about customer expectations is critical to service marketers. Service marketers must know the factors that influence customer expectations. The factors that influence customer expectations are given below.

- Sources of desired service expectation
- Sources of adequate service expectation
- Service encounter expectation versus overall service expectation
- Sources of both desired and predicted service expectation

Sources of desired service expectation: there are two major factors that influence desired service level. One is personal needs and another is lasting service intensifiers.

Personal needs are those states or conditions essential to the physical or psychological well being of the customer and are pivotal factors that shape what customers desire in service. Personal needs can fall into many categories including physical, social, psychological and functional. According to the survey findings 51% respondents said that they wanted to be sure about the food during the tour.

Lasting service intensifiers heavily affect by derived service expectations, which occur when customer’s expectations are driven by another person or group of people. Every customer wants the best use of their money. Majority which is 67% respondents said that they want more customized packages as per their requirements.

Sources of adequate service expectation: a different set of determinants affect adequate service, the level of service the customer finds acceptable. There are there are five factors that affect adequate service.

Temporary service intensifiers: it consists of short term individual factors that make a customer more aware of the need for service. According to survey, in terms of service failure during the tour time, it takes several of time to recover it.

Perceived service alternatives: it means other providers from whom the customers can obtain service. It was asked to the respondents what specific criteria of other similar type of travel agent have inspired you most that are absent in “Kingston

Holidays”? Most of the respondents replied that, “Kingston Holidays” has less supportive mindset than other travel agent.

Customers self perceived role: it means customers perceptions of the degree to which customers exert an influence on the level of service they receive. And in this tourism sector customer has a great influence on the level of service they receive.

Situational factors: it means service performance conditions that customer view as beyond the control of the service provider. In the survey the respondents was asked whether they will prefer “Kingston Holidays” in future or not (based on their experience) and the answer of majority was neutral which 67% is.

Predicted services: it means the level of service that customers believe they are likely to get. To the answer of the question “The packages are offered by the Kingston Holidays are well designed and easy to understand.” And most of the respondents agree with the statements.

Service encounter expectation versus overall service expectation: service encounter means interactions with company. This interaction can be anything like physical or digital or electronic. Overall service means all the services that a customer gets from the company. In the survey there was questions about service encounters like respondents was asked “Kingston Holidays” provide you the services what they are committed to provide”. Majority which is 68% was agreeing with that.

About the overall service expectations it was asked “How would you rate your overall level of satisfaction with “Kingston Holidays”? 61% respondents said that they are somewhat satisfied about the service they got.

Sources of both desired and predicted service expectation: this session discuss one internal and three external factors that influence both desired service and predicted service expectations. These are described below.

Explicit service promises: these promises are personal and non personal statements about the service made by the organization to customers. The statements are personal when they are communicated by sales people or service or repair personnel. They are non personal when they are come from web pages, advertising, and other written publications. Kingston Holidays use both personal and non personal statements.

Implicit service promises: these promises are service related cues other than explicit promises that lead to inferences about what the service should and will be like. This quality cues are dominated by price and the tangibles associated with the service. And it is a service provider company there is no tangibles associated with the service. But there are price associated with the service because customers wants the best use of their money.

Word of mouth: the importance of word of mouth communication in shaping expectations of service is well documented. According to the findings most of the people which are 67% know about “Kingston Holidays” from family members, friends, colleagues. So for “Kingston Holidays” the word of mouth plays a very important role for expected and desired service.

Past experience: the customers previous exposure to service that is relevant to the focal service, is another force in shaping predictions and desires. The expectation and perceptions of the customers “Kingston Holidays” affected because of the previous experience and it leads to a change but positively.

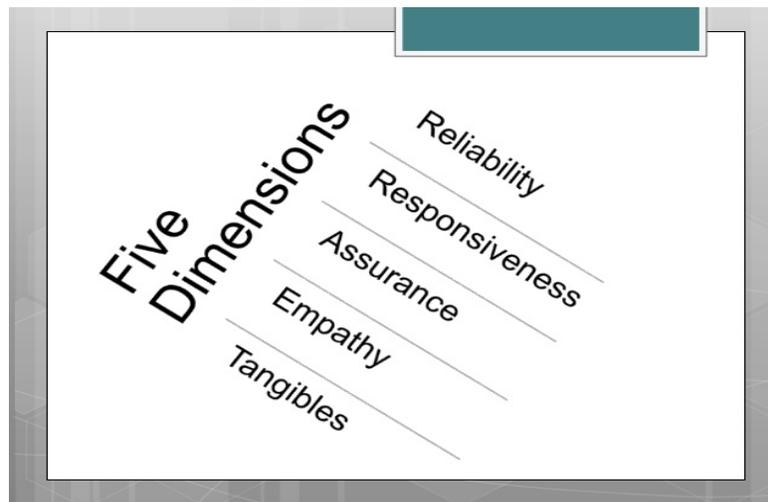
Customer perception of services

Customer perception refers to the process by which a customer selects, organizes and interprets information/stimuli inputs to create a meaningful picture of the brand or the product. It is a three stage process that translates raw stimuli into meaningful information. Each individual interprets the meaning of stimulus in a manner consistent with his /her own unique biases, needs and expectations. Three stages of perception are exposure, attention and interpretation. As perception may shift over time, so the companies must continuously assess customer perception.



What does affect customer perception: research suggests that customers don't perceive quality in a one-dimensional way but rather judge quality based on multifactor relevant to the context. So service quality dimension plays an important role in finding out customer perception. The dimension of service quality has been

identified through the pioneering research of Paru Parasuraman, Valarie Zeithmal, and Leonard Berry. The five dimension of service quality are explained below.



Reliability: it means ability to perform the promised service dependably and accurately. According to the survey findings the majority respondents which are 59% agree with that, the sales agent was well informed and provided the necessary information materials quickly. So the reliability of “Kingston Holidays” is higher.

Responsiveness: it means willingness to help customer and provide prompt service. 63% respondents, majority, agree that, the sales agent was professional and catered instinctively to their needs. So the responsiveness of “Kingston Holidays” is good.

Assurance: it means employees knowledge and courtesy and their ability to inspire trust and confidence. 40% respondents said that, the staffs or sales person are very helpful. So assurance is moderate.

Empathy: it means caring, individualize attention given to customers. 54% people, majority, disagree that “Kingston Holidays” take the immediate action in terms of service failure during the tour period. It indicates that empathy of low for this company.

Tangibles: it means appearance of physical facilities, equipment, personnel and written materials. 68% respondents agree that, Kingston holidays provide the services what they are committed to provide. So the tangible for this company is good.

Listening to customer through research

“Kingston Holidays” is a growing travel agency in Bangladesh. Their main focus is to provide the superior customer service and to meet the expectation of the customers. A survey was conducted on thirty customers to know about the service and their overall satisfaction about the Kingston Holidays.

Objectives of the report:

- To know about the expectations of customer
- To know the overall performance of Kingston Holidays
- To find out whether the customers are happy about the performance of the employees
- To find out the customers perception of the service
- To find out different service recovery strategies
- To find out customers expectations about new service
- To forecast future expectations of the customer

Survey findings and interpretation:

The sample size of the survey was 30 customers. Among the 30 customers 23 were male and 7 were female. The majority, 46% of the respondents age limit is between 25 and 34. Others age limit vary from one another. About 45% of the respondents said that, they choose Kingston holidays because of the personal or past experience. Another finding of the survey shows that, around 61% customers are somewhat satisfied about the service provided by the Kingston holidays.

Summary of the findings from the questionnaire

- Majority which 63% of the respondents know about the Kingston holidays from their friends, family members and colleagues.
- Majority of the respondents said that, they choose Kingston holidays because of the personal experience or past experience.
- Most of the customer which is 63% of the respondents would like to talk in person about the various services.
- Majority, 83% respondents said that sales person was friendly and helpful.
- 63% of the respondents are agree with that, the sales agent was professional and catered instinctively to their needs.
- 59% of the respondents are agree with that, the sales agent was well informed and provided the necessary information materials.
- 70% of the respondents said that, the facilities of the accommodation in general were good, while 73% of the respondents said that the quality of the room and food was average.
- 78% of the respondents said that, attitude and service from hotel staff was good.
- Majority, 67% of the respondents are somewhat dissatisfied about the transportation facilities during the tour.
- 46% of the respondents are not satisfied about the hotel entertainment

- Majority, 56% of the customers are agree with that, the packages are offered by the Kingston Holidays are well designed and easy to understand while 26% remain neutral.
- 65% of the respondents said that, supporting mindset is the criteria of other similar type of travel agent has inspired them most that is absent in “Kingston Holidays”
- Majority of the respondents which is 68% are agree with that, Kingston holidays provided them the service what they were committed to provide while 17% are highly disagree with that.
- 78% of the respondents said that, Kingston holidays should be more customer driven that is more customized services should be given to the customers while 17% said that accommodation should be improved.
- 46% respondents said that, the printed advertisements on newspaper and their email marketing are properly designed to draw their attention while 44% respondents neutral.
- Finally majority, 67% of the respondents they are somewhat satisfied about the service provided while 13% are somewhat dissatisfied and another 13% of the respondents are highly dissatisfied. Only 7% are highly satisfied.

Building customer relationship

Relationship marketing: There has been a shift from transactions to relationship focus in marketing. Customers become partners and the firms must make long term commitments to maintaining those relationships with quality, service and innovation. Relationship marketing is a philosophy of doing business, a strategic orientation, which focuses on keeping and improving relationships with current customers rather than on acquiring new customers.

As “Kingston Holidays” is a travel agent and they are totally service oriented company, so maintain long term relationship with their customers is very essential.

Relationship development strategies:

Relationship development strategies involve improving the relationship drivers to get positive outcome for both customers and firms. Relationship drivers include core service provision and relationship bonds and outcomes include customer benefits and firm’s benefits.

Core service provision: A firm needs to begin the relationship development process by providing a good core service delivery that, at a minimum, meets customer’s expectations. From the survey findings, majority, 67% of the respondents said that they are somewhat satisfied about the service provided by Kingston holidays which is a good sign for the company. But in the mean time, 13% are somewhat dissatisfied and another 13% are highly dissatisfied. Kingston holidays need to take those customers seriously and should identify the reasons behind of their dissatisfaction and should solve it.

Relationship bond: Firms can engage in activities that encourage customers to remain in the relationship because they “want to”- thus creating relationship bonds. Leonard Berry and A. Parasuraman have developed a framework for understanding the types of retention strategies that focus on developing bonds with customers. The framework suggests that relationship marketing can occur at different levels and each successive level of strategy results to bind the customer a little closer to the firm and thus increase the potential competitive advantage. There are four levels of relationship bonds. Level 1 is the financial bonds, Level 2 is the social bonds, Level 3 is the customization bonds and Level 4 is the structural bonds.

Level 1: Financial Bonds: At this level customer is tied to the firm primarily through financial incentives like lower prices for greater volume purchase or lower prices for customers who have been with the firm for long term. For example, 68% of the respondents said that, they are agree with that, Kingston holidays provide them the services which they were committed to provide. Thus they are creating value for the money what their customer are expecting. And this service sector is totally price sensitive so they should give more focus n that issue to create bonds with their customers by creating value for the money of their customers.

Level 2: Social Bonds: Level 2 strategies bind customers to the firm through more than financial incentives. Strategy of this level, seek to build long term relationship through social and interpersonal as well as financial bonds. Customers are viewed as “clients”, not nameless faces, and become individuals whose need and wants, firms seek to understand. According to the research, the selected respondents recognize their needs on the basis of air fare, accommodation, food arrangement and transportation. According to the survey findings majority 51% give their first priority on accommodation. That means they wanted to be sure about the beading system. While 34% respondents are concern about food whether the food will be hygienic or not. And 11% respondents are concern about the transportation. These are the areas or social issues where companies need to give more focus to bind the customer for long term relationship.

Level 3: Customization Bonds: Two commonly used terms fit within the customization bonds approach: mass customization and customer intimacy. Mass customization has been defined as the use of flexible process and organizational structures to produce varied and often individually customized products and services at the price of standardized, mass produce alternatives. Customer intimacy is an approach that suggests customer loyalty can be encouraged through intimate knowledge of individual customers and through the development of one to one solutions that fit the individual’s customers need. According to the research only 20% of the respondents said they will prefer Kingston holidays in near future as their travel agent while majority which is 67% remain neutral. That means they need be more customized and get the every single customers as a part of the organization.

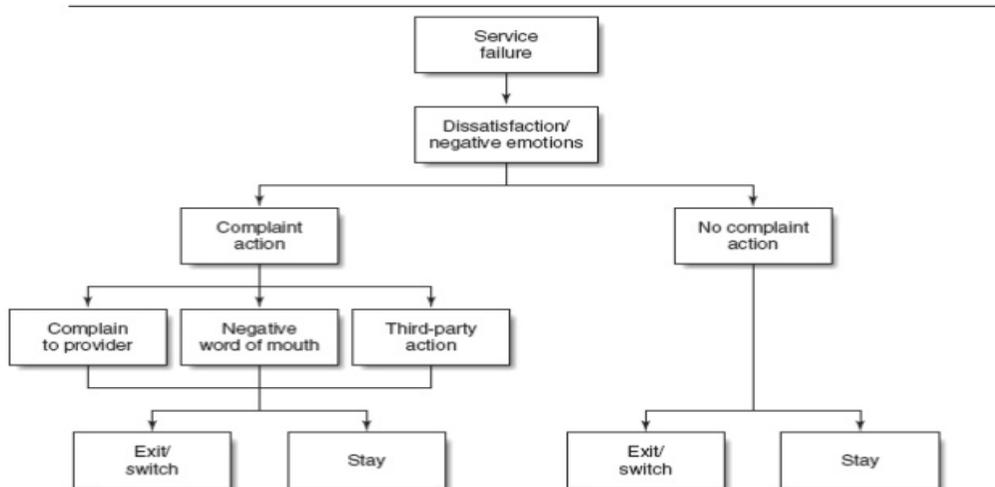
Level 4: Structural Bonds: This strategies are the most difficult to imitate. They involve structural as well as financial, social and customization bonds between customer and the firm. Structural bonds are created by providing services to the client

that are frequently designed right into the service delivery system for the client. Often structural bonds are created by providing customized services to the client that are technology based and make the customer more productive. From the discussion of level 1, level 2 and level 3, it is clear that “Kingston Holidays” doesn’t use structural bond approach to build customer relationship.

Service recovery

Customers are vital to an organization. Customer service is important to an organization because it is often the only contact a customer has with a company. But problem arises when the business or service fail to meet its promises. At that time business needs the service recovery. Service recovery refers to the actions companies take when they have failed to provide the service customer expected, which makes it relevant for managers in any industry or organization that provide some sort of service to external or internal customers. Successful service recovery is needed for customer satisfaction and loyalty. Effective service recovery management requires a cross functional approach that takes a marketing perspective- customer recovery, a management perspective- employee recovery and an operations perspective- process recovery. But if once the service has failed to meet its promises customers may go through the following service failure model-

Customer Complaint Actions Following Service Failure



Service recovery strategies of “Kingston Holidays”:

Kingston Holidays is a relatively newly opened travel agent, operated by skilled and sophisticated resources with the mission to serve the best in the arena of travel and tourism. Its main service is to provide best tour packages in neighboring country. As it is totally service oriented company so it is acceptable that there is should have some sort of GAP. And according to our research findings 19% prospective respondents are dissatisfied about the service provided by the Kingston holidays while 13% are highly dissatisfied. Though they are very conscious about their customer satisfaction and if service failure took place they try to recover it as soon as possible. And to recover the service failure “Kingston Holidays” has taken various steps. Our prospective respondents have said that they have apologized if the service has failure. Some said they take immediate actions with their group alliances if the service has failure.

Service recovery strategy process of “Kingston Holidays”:

- ❖ **Make the service fail safe-do it right on the first time:** In the service recovery strategy “make the service fail safe” would be the best strategy if the service has been failure. The reasons behind that, first the recovery comes first as the customer is angry on that particular time. And the best possible way to get back an angry customer is to identify the problem and solve it. For that purpose a lot of well trained people are needed and “Kingston Holidays” has already had it. By the nature of their business it is surely possible to face the service failure. If it happens they immediately identify from which division the complain has come. After that they inform that particular group leader of that division to resolve that problem.

- ❖ **Encourage and track complaints:** Encourage and tracking is an important part of service recovery strategy mainly because of satisfying all the targeted customers is not always possible. That’s why “Kingston Holidays” also does the same things in several ways like they give occasional discounts to their loyal customers.

- ❖ **Act quickly:** In service industry if service failure took place customer wants quick response and immediate solution of the problem. That’s why it is important to act quickly if the service has been compromised. From our research we find that there is a GAP between the customer complaints and the staff/representative of the “Kingston Holidays”. To recover that, they maintain a regular contact with their customers during tour time. It helps them to track and monitor queries. This also helps them to response as soon as possible. With the help of this process, they also keep good relationship with their targeted customers by providing the information and or solution.

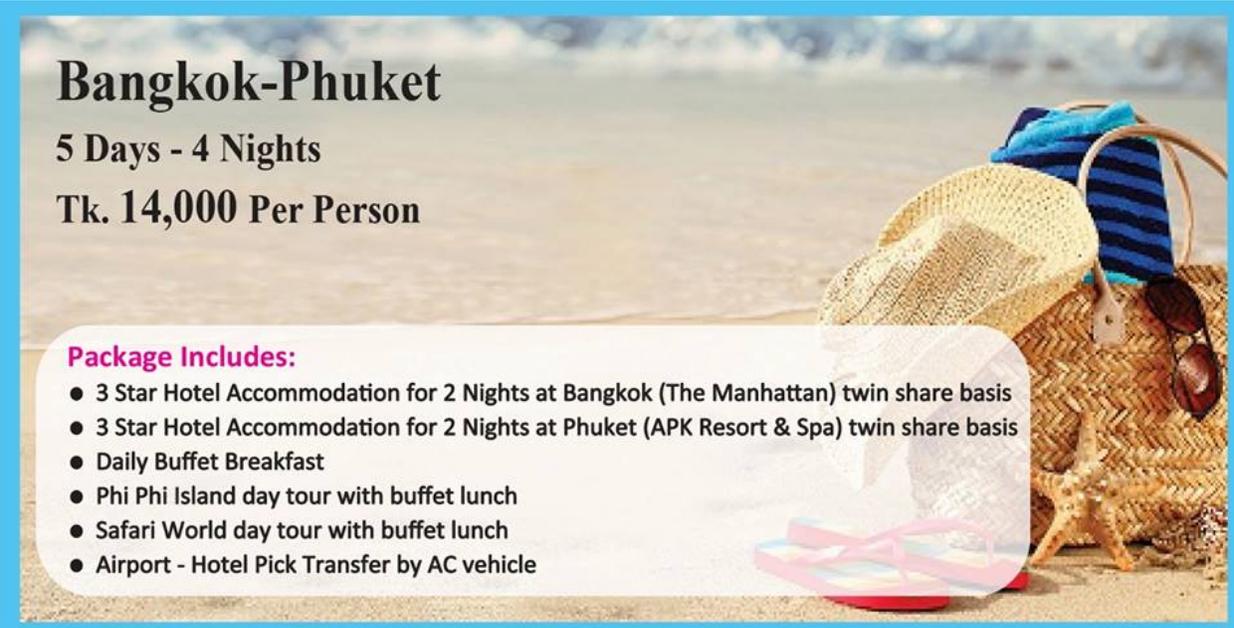
- ❖ **Provide adequate information:** If the service has been compromised undoubtedly customers wants to know that what the reasons is. Surely, proper explanation and providing adequate information on the preliminary stage will helps to reduce customer’s dissatisfaction. The staff/representative of the “Kingston Holidays” also tries to provide information to their customers if the service has been compromised.

- ❖ **Treat customers fairly:** To some extent service failure means unfair treatment of customer and justice should be restored from customer prospective. To ensure the fair treatment of customers “Kingston Holidays” alliances with the “ATAB” and as well as the “policy Advocacy”.
- ❖ **Cultivate relationship with customers:** To be successful cultivate relationship with customer is must. “Kingston Holidays” also cultivate relationship with their customers by maintain regular contact with their customers.
- ❖ **Learn from recovery experience:** As we mentioned before “Kingston Holidays” has the skilled sales tem who regularly take the information from their customers like how was the trip, was there anything wrong etc. Along with these they can also get the responses or opinion from their customers through their hotline and mail. By reviewing those regularly they can identify customer’s opinion, problems, and mistakes and try to improve service delivery system consistently.

Service development and design of “Kingston Holidays”

As we mentioned before Kingston holidays is totally service oriented travel agent and their main business is to offer complete tour solution for their targeted customer. This included ticketing, visa, hotel accommodation, transportation, food, sightseeing etc. Its main service is to provide best tour packages in neighboring country such as India, Nepal, Bhutan, Thailand, Singapore, Malaysia, Sri Lanka, China and Indonesia with the most affordable worth and professional guide support.

Their service packages include the following schedule (example):



Bangkok-Phuket
5 Days - 4 Nights
Tk. 14,000 Per Person

Package Includes:

- 3 Star Hotel Accommodation for 2 Nights at Bangkok (The Manhattan) twin share basis
- 3 Star Hotel Accommodation for 2 Nights at Phuket (APK Resort & Spa) twin share basis
- Daily Buffet Breakfast
- Phi Phi Island day tour with buffet lunch
- Safari World day tour with buffet lunch
- Airport - Hotel Pick Transfer by AC vehicle

Following is the comparison of package development process of Kingston holidays and the theory of stages in service innovation and development.

Front End Planning:

Business strategy development or review: to develop new package they review their customers so that they can easily make a new package which will accept by the majority of their targeted customers.

New service strategy development: once the review part is done, they develop new package strategy. The strategy contains the planning how they are going to organize the package. For example: selecting hotels, airlines, places for sightseeing etc.

Idea generation: the members of the organization sit together and share different plans about how to organize the package more attractively.

Concept development and evaluation: after generating perfect idea they develop a package concept and they evaluate it by putting themselves in consumer's shoes.

Business analysis: after evaluating the package concept by the employee of the organization, they do the cost analysis.

Implementation:

Service development and testing: in this step they introduce about their new package only to their familiar or loyal customers to justify that how customers react on it.

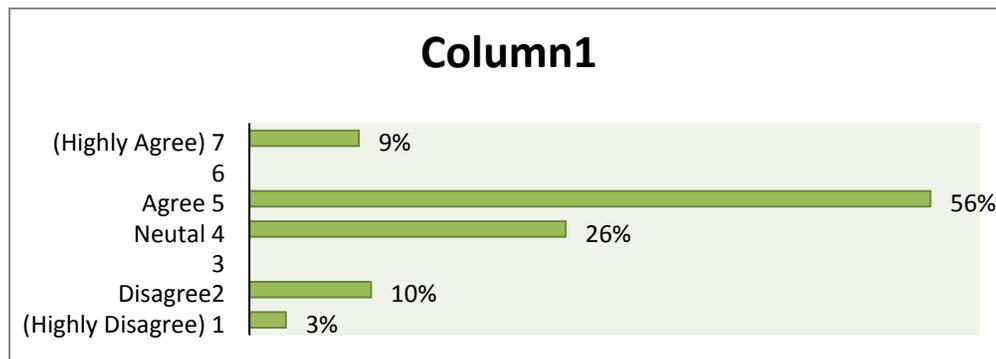
Market testing: not applicable in this sector

Commercialization: finally the new package has launched.

Post introduction evaluation: in this step they collect information by asking or reviewing their customers who takes that package and in future they use this information to develop new package.

Findings from the survey about the service of “Kingston Holidays”

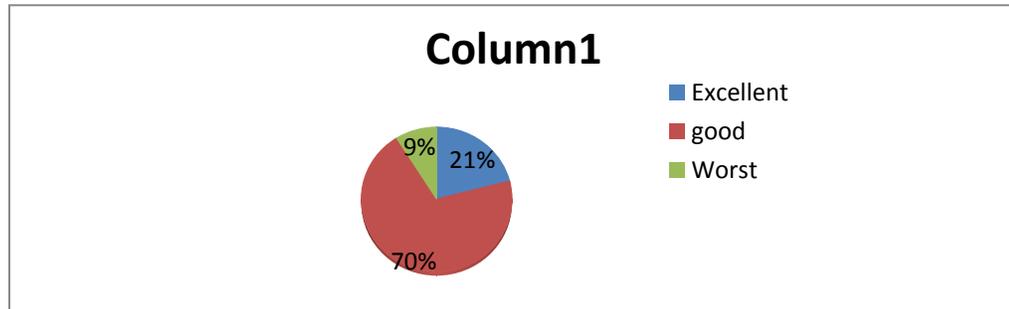
Question: The packages are offered by the Kingston Holidays are well designed and easy to understand.



Majority 56% of the respondents are agree with that, the packages offered by Kingston holidays are well designed and easy to understand while 26% are neutral and 10% are disagree with that.

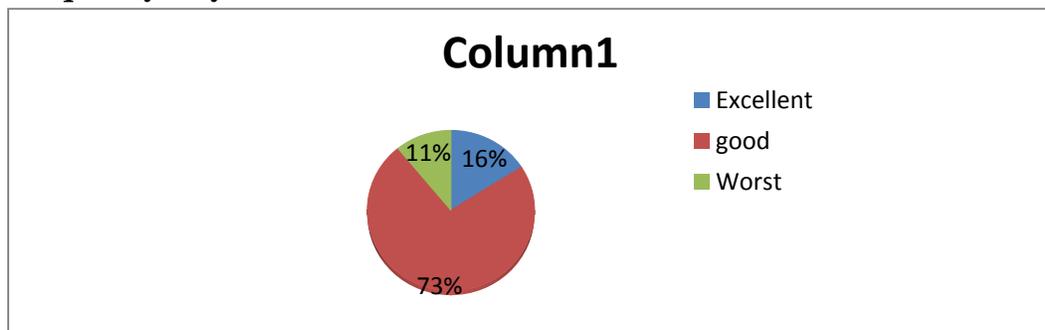
How would you rate the quality of your accommodation?

a) The facilities in general.



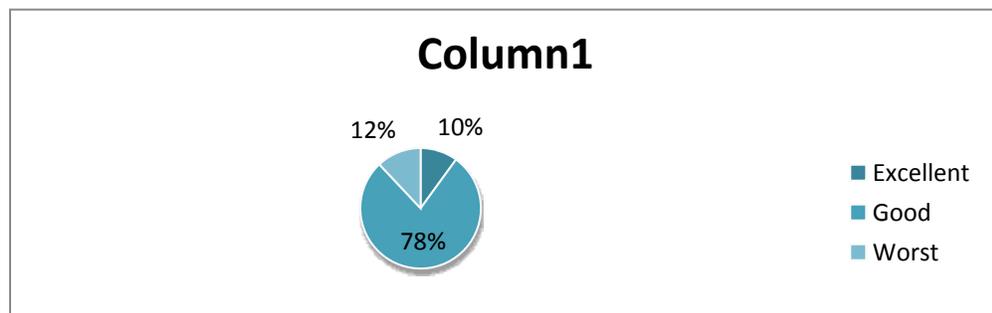
70% of the total respondents said the quality of the hotel/accommodation was good and 21% said it was excellent but 9% said it was worst. They need to focus more on that 9% to make them as an happy customer by knowing what their requirement is.

b) The quality of your room and the food on offer.



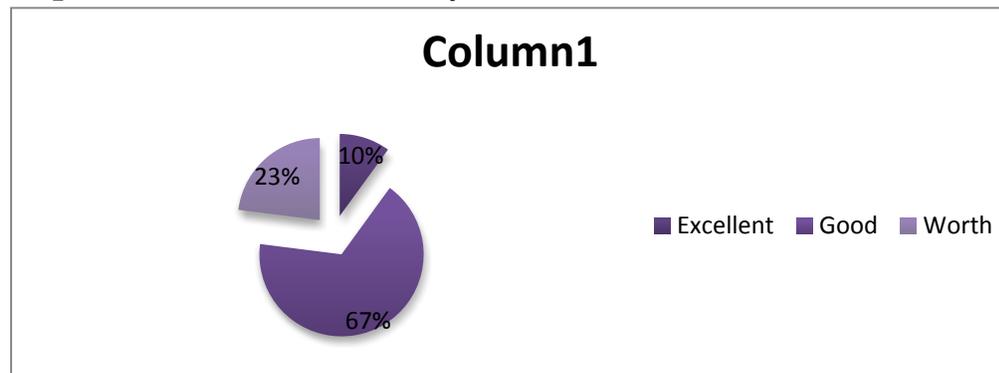
73% of the respondents are satisfied about the food provided on the hotel but 11% thought it was worst while 16% said that it was excellent.

c) The attitude and service from hotel staff and hotel services overall



78% of the total respondents said that the staff of the hotel and the overall service of the hotel were good while 12% remain dissatisfied.

d) **Transportation and accessibility to and from the hotel.**

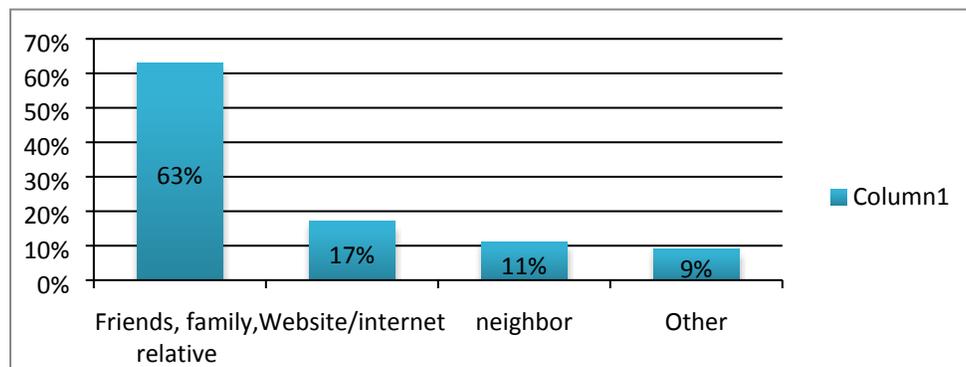


67% of the total respondents said the transportation system was good but 23% were remain dissatisfied. So they should give more focus on transportation.

Integrated service marketing communication

Tools of IMC creation:

Communication cannot be made in one day. It works as a process to gather a group of people. In the research survey there was a question about IMC.



63% of the total respondents said that they know about the Kingston holidays from their friends, family member's colleagues while only 17% know from website or from the other source of internet.

There are three tools of IMC creation. They are message, media and time. Message needs to be consistent over a period of time. IMC is always designed so that there will be no confusion among receivers. If there is a communication gap, IMC will not work as expected. While designing IMC we need to concentrate on this. The sample of IMC creation is given below.

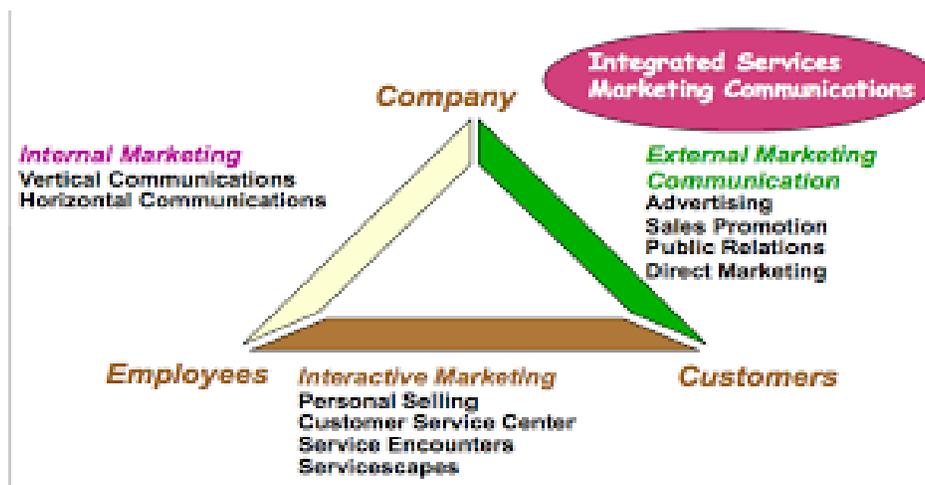
Media: Kingston holidays are not consistent on newspaper advertisement. But they do the regular contact with their targeted/loyal customers through email marketing, social media etc. They occasionally do the advertisement in newspaper (two Eid festivals). One advertisement in every two month in newspaper would be more effective. Along with this, they should get in touch with their customers by email marketing. Radio advertisement once in a month would be more effective.

Message: The message Kingston holidays always try to deliver to their customer that is they are here to serve the best in the arena of travel and tourism. This message is short and easy to remember. In this sentence, it gives a comparatively clear picture about the entire organization.

Time: Kingston holidays should main a consistency about timing while maintaining advertisement or contacting with their customers. For example if they prefer social media for every day communication with their targeted customers they should set up a time frame.

Principles of IMC

This principle is used to make internal and external communication. It is the frame work of communication among company, internal, external and interactive marketing.



From this diagram we can see the overall activity of Kingston holidays. This communication is done in a company to create an effective IMC which will be helpful in their service providing.

For example Kingston holidays are going to launch a new package in Russia for the next world cup. IMC for this program is given below:

Time: newspaper, radio, social media etc (before starting of the world cup)

Message: world cup special package

Time: 6 months

January: Newspaper + radio+ social media

February: Radio+ social media

March: Newspaper+ social media

April: newspaper + radio

May: Newspaper+ radio+ social media

June: Newspaper + social media

It is the perfect example of integrated service marketing communication. If there is no consistency in given message of their timeline, it will be disintegrated service marketing communication. It is always better to provide consistent messaging to avoid confusion in mind.

Key reasons for service communications challenges

1. Inadequate management of service promises: It mainly happens during the tour period. For example customers are not picked up from the airport at the due time or foods are not as good as per the expectations of the customers.
2. Inadequate management of customer expectations: While selling a service or consulting with their targeted customers sometimes they unable to manage the expectations of customers. Resulting in increasing the expectations of customers.
3. Inadequate customer education: In this service sector most of the customers are well educated. Customers can easily get the information like they can take the information about the hotel from internet.
4. Inadequate internal marketing communication: Problem arises when a sales person sell a package to his customers by overpromising. Most of the time sales did not coordinate or consult with their superior while selling a customized package. Resulting in a mismatch between the customers' expectations and managements requirements.

Way forward for the company in delivering best quality of service

Customer loyalty is now driven by a company's interaction with its customers and how well it delivers on their wants and needs. A major cause of poorly perceived service is the difference between what a firm promises about a service and what it actually delivers. The followings are the ways in delivering best quality that have been specified for "Kingston Holidays".

- ❖ Every customer wants the best use of their money. Package can be organized as per the customer's requirements. Obviously company should take care of the profit margin but if there is the freedom for customers to make their own trip it will help them to become more loyal to the company.
- ❖ Not only is a professional a guide enough during the travel period. An agent can be recruited.
- ❖ For more customer satisfaction one representative should always be keep in touch with the customers during the travel time. They should keep the monitoring whether everything is going to their tour itinerary or not. If not they should take the immediate corrective actions.
- ❖ For more better and fast service they can introduce own ticketing service with the software of "Abacus". This will help them to be more competitive in the market and will increase some sort of competitive advantage.
- ❖ For a large group of traveler the sales representative can go with them in behalf of the company to ensure the better quality of service what they promise. This will help to reduce the mismatch between the customers' expectations and management's willingness to serve the best.
- ❖ Domestic packages can be introduced for the middle class people.

Conclusion

Almost everyone will tell that tourism is a big and growing industry, but almost none will be able to tell exactly how big it is and how fast it is growing for that matter. Outbound travel is on the rise in Bangladesh. An increasing number of Bangladeshis are now traveling abroad and spending generously.

The direct contribution of Bangladesh's travel and tourism industry to its GDP stands at BDT 296.6 billion which amounts to 1.9% of total GDP. The report published by World Travel and Tourism Council (WTTC) also says that based on the current data the amount is projected to grow as much as BDT 556.3 billion which will be almost 2% of total GDP. Bangladesh has ranked 68th among 184 countries in terms of the absolute size of the industry and 168th in terms of relative size. Recent statistics suggest that travel and tourism industry has been contributing a lot to reducing unemployment in Bangladesh. This industry facilitated a total of 1980,000 jobs (3.6% of total employment) in 2014 which is expected to rise by 3.5% (2,492,000 total jobs) within 2025.

Kingston holidays are also on the right track. They have invested on the world's largest and growing economic sector. Though they are successfully doing their business but they have some sort of lacking in some selected areas. For example they are not concern about their branding or advertising of their service. Secondly they have only packages on neighboring country while people now prefer more on Europe countries. Along with that they don't have any domestic packages while a large number of middle class people are now prefer to travel domestic places.

Kingston holidays should give more concentration on the above three main issue to improve their standard of services. Along with that, they can arrange a monthly training program where management will also take part to guide their sales team how to avoid overpromising which is the main issue or problem on that sector. Some sort of incentive like sales person of the month or commission can be given to the sales persons to motivate them and to become more dedicated for the company.

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