



Midocean University

College of Master Business Administration MBA

Department/Major: Service Management & Customer Experience

**The Role of Customer Service in Handling Complaints and Its Impact on
Customer Satisfaction in the Airline Industry in Saudi Arabia**

Prepared by:

Hanan Almahwiti

Academic No:

253002973

Supervised by:

Dr.AlFaisal Hasan

Dr.Fayez Jrad

Academic Year:

2026

Table of Contents

Section	Page
Introduction.....	3
Research Problem.....	4
Significance of the Study.....	5
Objectives of the Study.....	6
Research Questions.....	7
Research Hypotheses.....	8
Literature Review.....	8
Research Gap.....	10
Theoretical Framework.....	10
Methodology.....	11
Population and Sample.....	11
Research Instrument.....	11
Statistical Analysis.....	12
Study Limitations.....	12
References.....	13

Introduction

The airline industry is one of the fastest-growing sectors worldwide, characterized by intense competition and increasing customer expectations. In such a dynamic environment, delivering high-quality customer service has become a critical factor for achieving competitive advantage. One of the most important aspects of customer service is the ability to effectively handle customer complaints, as it directly influences customer satisfaction, loyalty, and overall brand perception.

Globally, many organizations have recognized the importance of complaint management as a strategic tool for improving service quality and maintaining long-term customer relationships. Effective complaint handling not only helps resolve customer issues but also provides valuable insights for service improvement and operational efficiency. In the context of the airline industry, where service failures such as delays, cancellations, and baggage issues are common, the role of customer service becomes even more crucial.

In Saudi Arabia, the aviation sector has witnessed significant development in recent years, driven by national initiatives such as Vision 2030, which aims to enhance the quality of services and customer experience across all sectors. As a result, airlines are under increasing pressure to improve their customer service performance, particularly in managing customer complaints. Despite this growth, there is still limited research focusing specifically on the relationship between complaint handling practices and customer satisfaction within the Saudi airline industry.

Therefore, this study aims to examine the role of customer service in handling customer complaints and its impact on customer satisfaction in the airline industry in Saudi Arabia. It focuses on key dimensions such as response speed, quality of complaint resolution, and communication style, and analyzes their influence on customer satisfaction. The findings of this study are expected to contribute both academically and practically by providing insights that can help airlines improve their service quality and enhance customer satisfaction

Research Problem

Despite the rapid growth of the airline industry and the increasing focus on customer experience, many airlines still face significant challenges in effectively handling customer complaints. In practice, service failures such as flight delays, cancellations, baggage issues, and poor communication remain common, leading to increased customer dissatisfaction.

Recent reports indicate a noticeable rise in airline complaints worldwide. For example, complaints against airlines reached record levels in recent years, with more than 66,000 complaints reported in 2024, reflecting a significant increase compared to previous years . Additionally, earlier data showed that airline complaints increased by over 300% compared to pre-pandemic levels, highlighting the growing dissatisfaction among passengers . Furthermore, studies analyzing customer reviews revealed that approximately 67% of passengers reported negative experiences with customer service, particularly related to slow responses and ineffective communication.

From a theoretical perspective, previous research has confirmed that service quality and complaint handling play a critical role in shaping customer satisfaction and loyalty.

Studies have demonstrated that effective service recovery processes significantly improve customer satisfaction and future behavioral intentions. However, despite this evidence, many organizations still fail to implement efficient complaint management systems.

In the context of Saudi Arabia, the aviation sector is expanding rapidly under Vision 2030, which emphasizes improving service quality and customer satisfaction.

Nevertheless, there remains a gap between the current level of complaint handling practices and the desired level of service excellence expected by customers. In addition, there is a lack of empirical studies that examine this issue specifically within the Saudi airline industry.

Therefore, the research problem can be formulated through the following main question:

To what extent does customer service effectiveness in handling complaints influence customer satisfaction in the airline industry in Saudi Arabia?

This main question can be further divided into the following sub-questions:

1. Does response speed to customer complaints affect customer satisfaction?
2. Does the quality of complaint resolution influence customer satisfaction?
3. How does communication style impact customer satisfaction?
4. What is the relationship between customer service performance and overall customer satisfaction?

Significance of the Study

This study is considered important from both theoretical and practical perspectives, as it addresses a critical issue in the airline industry related to customer service and complaint handling.

Theoretical Significance

This study contributes to enriching theoretical knowledge in the field of customer service, complaint handling, and customer satisfaction, particularly within the airline industry. It provides a deeper understanding of how customer service performance in managing complaints influences customer satisfaction levels.

Moreover, the study helps to fill a gap in the existing literature by focusing on the Saudi airline industry, which has received limited attention in previous research. While earlier studies have examined service quality and customer satisfaction, few have investigated complaint handling as a multidimensional construct that includes response speed, quality of resolution, and communication style.

Furthermore, the study contributes to the development of an integrated theoretical framework by combining key theories such as Customer Satisfaction Theory, the SERVQUAL model, and Customer Relationship Management (CRM). This integration offers a comprehensive understanding of the factors influencing customer satisfaction in the context of complaint management

Practical Significance

From a practical perspective, this study provides valuable recommendations for airline companies and customer service departments to improve their complaint handling processes and enhance overall customer satisfaction. The findings can help organizations identify critical areas that require improvement, such as response time, solution effectiveness, and communication practices.

In addition, the study supports decision-makers and policy makers in developing effective strategies and policies aimed at improving service quality and customer experience within the aviation sector. It can contribute to enhancing service standards and aligning them with customer expectations.

Furthermore, the study contributes to the development of measurement and evaluation tools that organizations can use to assess the effectiveness of their customer service performance. These tools can support continuous monitoring, performance evaluation, and quality improvement initiatives.

Objectives of the Study

The objectives of this study are divided into a general objective and specific objectives, as follows.

General Objective

To analyze the role of customer service in handling complaints and its impact on customer satisfaction in the airline industry in Saudi Arabia.

Specific Objectives

1. To examine the effect of response speed in handling customer complaints on customer satisfaction.
2. To evaluate the impact of the quality of complaint resolution on customer satisfaction.
3. To analyze the role of communication style in shaping customer perceptions and satisfaction.
4. To investigate the relationship between customer service performance and overall customer satisfaction.
5. To provide practical recommendations for improving complaint handling processes and enhancing customer satisfaction in airlines.

Research Questions

Main Research Question

To what extent does customer service effectiveness in handling complaints impact customer satisfaction in the airline industry in Saudi Arabia?

Sub-Research Questions

1. What is the impact of response speed in handling customer complaints on customer satisfaction?
2. How does the quality of complaint resolution influence customer satisfaction?
3. What is the role of communication style in shaping customer satisfaction?
4. What is the relationship between customer service performance and overall customer satisfaction?
5. How can airlines improve their complaint handling processes to enhance customer satisfaction?

Research Hypotheses

Main Hypothesis

H0: No significant impact of customer service on customer satisfaction.

H1: Significant impact of customer service on customer satisfaction.

Sub-Hypotheses

- H01 / H11: Response speed has no / has a positive effect on customer satisfaction.
- H02 / H12: Complaint handling quality has no / has a positive effect on customer satisfaction.
- H03 / H13: Communication style has no / has a positive effect on customer satisfaction.
- H04 / H14: Customer service performance has no / has a positive effect on customer satisfaction.

Literature Review

This section reviews previous studies related to customer service, complaint handling, and customer satisfaction. The studies are presented using a thematic approach, focusing on key variables of the study, followed by a critical analysis to identify research gaps.

Service Quality and Customer Satisfaction

Farooq et al. (2018) examined the impact of service quality on customer satisfaction in the airline industry. The study aimed to identify key service quality dimensions influencing passenger satisfaction. A quantitative approach was used, with data collected from 300 airline passengers through structured questionnaires.

The findings revealed that service quality has a significant positive impact on customer satisfaction, particularly dimensions such as responsiveness and reliability. However, the study focused mainly on general service quality and did not specifically address complaint handling processes, which represents a limitation that the current study seeks to address.

Complaint Handling and Customer Satisfaction

Ahmed et al. (2020) investigated the role of complaint handling in enhancing customer satisfaction and loyalty. The study used a quantitative research design and collected data from customers in the airline sector using surveys.

The results indicated that effective complaint handling significantly improves customer satisfaction and strengthens customer loyalty. Despite its contribution, the study did not analyze specific dimensions such as communication style and response speed separately, which limits its explanatory power.

Communication and Customer Experience

Cheng et al. (2008) explored the effect of service recovery and communication on customer satisfaction. The study applied a quantitative approach using customer survey data.

The findings showed that communication plays a critical role in shaping customer perceptions, particularly during service recovery. However, the study was conducted in a different geographical context and may not fully reflect the cultural and operational environment of the Saudi airline industry.

CRM and Customer Satisfaction

Ali (2024) examined the impact of Customer Relationship Management (CRM) practices on customer satisfaction and loyalty. The study used a quantitative method and analyzed customer responses using statistical tools.

The results confirmed that CRM practices significantly enhance customer satisfaction by improving communication and service delivery. However, the study did not specifically focus on complaint handling as a core variable.

Critical Analysis of Previous Studies

A comparison of previous studies shows that most research agrees on the importance of service quality and complaint handling in improving customer satisfaction. The findings are generally consistent in confirming a positive relationship between these variables.

However, several differences can be observed:

- Most studies used quantitative methods only, without combining qualitative insights

- Many studies focused on general service quality, rather than complaint handling specifically
- Some studies were conducted in different cultural and geographical contexts, limiting their applicability to Saudi Arabia

In addition, the variation in results across studies may be due to differences in sample size, research design, and measurement tools.

Research Gap

Based on the review of previous studies, the following research gaps are identified:

- Limited studies focusing on complaint handling in the Saudi airline industry
- Lack of integration between key variables such as response speed, solution quality, and communication style in one model
- Over-reliance on quantitative methods without deeper contextual analysis
- Differences in findings due to variations in context, highlighting the need for localized research

Therefore, this study aims to fill these gaps by providing a comprehensive analysis of the relationship between customer service in complaint handling and customer satisfaction within the Saudi airline industry.

Theoretical Framework

This study is based on three main theories: Customer Satisfaction Theory, the SERVQUAL model, and Customer Relationship Management (CRM).

Customer Satisfaction Theory explains that satisfaction depends on the comparison between customer expectations and actual service performance. In this study, effective complaint handling is expected to improve satisfaction by meeting customer expectations.

The SERVQUAL model is used to assess service quality through key dimensions such as responsiveness, reliability, and empathy, which are reflected in response speed, quality of complaint resolution, and communication style.

CRM theory emphasizes building long-term relationships with customers through effective communication and service management. Complaint handling is considered a key component of maintaining customer relationships and loyalty.

These theories are integrated to explain how customer service dimensions influence customer satisfaction in the airline industry in Saudi Arabia.

Methodology

This study adopts a descriptive research design, as it aims to examine the relationship between customer service in complaint handling and customer satisfaction in the airline industry.

The study follows a quantitative approach, using a structured questionnaire to collect data from respondents. This approach is suitable for measuring relationships between variables and testing the proposed hypotheses statistically.

Population and Sample

Population: Airline customers in Saudi Arabia

Sample: 150–200 respondents

Sampling method: Random sampling

Research Instrument

This study uses a structured questionnaire as the main data collection tool, developed based on previous literature related to customer service, complaint handling, and customer satisfaction.

The questionnaire consists of two sections:

1. Demographic information (e.g., gender, age, travel frequency, complaint experience)
2. Study variables, measured using a five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree), covering:

- Response Speed
- Complaint Handling Quality
- Communication Style
- Customer Satisfaction

To ensure validity, the questionnaire will be reviewed by academic experts. To ensure reliability, Cronbach's Alpha will be used to test internal consistency.

Statistical Analysis

SPSS will be used for:

- Correlation analysis
- Regression analysis

Study Limitations

This study is limited to the following boundaries:

Human Scope

The study population consists of airline customers in Saudi Arabia, with a sample of approximately 150–200 respondents, selected using a random sampling method

Geographic Scope

The study is conducted within the Kingdom of Saudi Arabia, focusing on the airline industry

Time Scope

Data will be collected during 2026, and the study is conducted within the same period.

References

- Ali, N. (2024). The impact of E-CRM on customer loyalty. *Cogent Business & Management*.
- Bakır, M., et al. (2025). Service quality and customer satisfaction. *European Journal of Tourism Research*.
- Cheng, J., Chen, F., & Chang, Y. (2008). Service recovery in airlines. *Tourism Management*.
- del Río-Lanza, A. B., et al. (2009). Complaint handling and satisfaction. *Service Industries Journal*.
- Farooq, M. S., et al. (2018). Service quality and satisfaction. *Journal of Air Transport Management*.
- Khan, M. B., et al. (2024). SERVQUAL in airline services. *CARC Research Journal*.
- Kotler, P., & Keller, K. L. (2020). *Marketing Management*. Pearson.
- Mirthipati, T. (2024). Airline customer satisfaction. *arXiv*.
- Okan, S. (2024). CRM and customer satisfaction. *Journal of Aviation Studies*.
- Orellana, S., et al. (2024). Customer service in airline contact centers. *arXiv*.
- Parasuraman, A., et al. (1985). SERVQUAL model. *Journal of Retailing*.
- Payne, A., & Frow, P. (2017). Relationship marketing. *Journal of Services Marketing*.
- Salah, M., & Abou-Shouk, M. (2019). CRM and loyalty. *Journal of Tourism Marketing*.

- Walia, S., et al. (2021). Passenger satisfaction in airlines. *International Journal of Tourism*.
- Mumbower, S. (2022). Airline customer behavior. *Transport Research Perspectives*.