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Determinants of Relationship Marketing: The Case of Ethiopian Airlines

By
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Determinants of Relationship Marketing: The Case of Ethiopian Airlines

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A thesis submitted to the School of Graduate Studies of Addis Ababa University in partial fulfillment of the requirements for the Degree of Masters of Art in Marketing Management Education

April, 2011
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Declaration

I, undersigned declare that this thesis is my original work, and has not been presented for a degree in any university. Furthermore, all source of materials used for the thesis had been duly acknowledged.

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Acronyms

EAL	Ethiopian Airlines
ETB	Ethiopian Birr
ETC	Ethiopian Telecommunications Corporation

Abstract

Ethiopian Airlines is one of the most successful organizations in Ethiopia; however, there is virtually no formidable data on determinants of relationship marketing. The objective of the paper is to assess the determinants of relationship marketing on overall relationship quality of Ethiopian airlines. To achieve this objective the researcher employed both quantitative and qualitative research approaches. Study population for the survey was both domestic and international flight clients who fly Ethiopian during the study period. Besides, for the qualitative part, key informant interviews were conducted with employees of the organization. A questionnaire with five Likert scale for the survey, and semi structured interview guide for the key informants were used as data collection tools. The major findings of the regression results show that the hypothesized relationship quality antecedents were found to have a significant contribution on relationship quality of Ethiopian airlines. This is generally similar to previous researches in other companies with some differences. Specifically, the effects of commitment, satisfaction, and communication on relationship quality were quite different from the case in previous researches; however, the effects of conflict handling and trust show similarity with the previous findings. In this paper, conflict handling is the first strong contributor followed by satisfaction, commitment, communication, and trust. In addition, the descriptive and interview results show that the airline relationship quality is good; employees are welcoming, friendly, and sociable; and show good hospitality. While, the airline is generally successful in maintaining quality relationship with its clients, certain problems such as poor conflict handling, unequal customer treatment, informing customers at the event of flight delay and cancellations require attention.

Chapter One

1. Introduction

This chapter provides an overview of the term relationship marketing and its determinant together with the different researchers finding. It also describes the area and its research scope.

1.1. Background of the study

Building relationships is how you relate to and communicate with people. Relationships with others have been used from time immemorial to cope with the complexity of everyday life. Relationship marketing is one of the oldest and yet the least understood approaches to marketing. It is a broad topic and many scholars and researchers have approached it from different perspectives. It is becoming one of those fashionable concepts that every marketer and manager uses but defines in different ways (Morgan and Hunt 2007). Relationship marketing is all activities directed towards establishing, maintaining successful relationship (Morgan and Hunt 1994)

Relationship marketing practice is different from transactional marketing practice as transactional as exchanges transactions with a distinct beginning, short duration, and sharp ending by performance, whereas relational exchanges as exchanges with commencement traces to previous agreements, longer duration, and reflecting an ongoing process, relationship marketing the solution is the relationship itself but in transactional the solution is the product in the form of physical goods and service(Ganesan 1994).

Therefore, a considerable number of academic scholars have devoted a considerable amount of time and effort to criticize and attack the traditional marketing mix theory because success does not come solely from the manipulation of marketing mix elements but by building a long-term

relationship between buyer and seller (Ford et al.1986).In this regard David Ballantyn et al. (2003) point out that some of the reasons for practicing relationship marketing are: firstly, in global and deregulated open markets, there are no certain prescriptions for marketing success that can be based on our past experience in relatively stable market systems. Open market conditions create higher levels of change and complexity within and between organizational boundaries. Establishing more open relationships with key customers, suppliers and other stakeholders can be seen as strategies for recreating stability, thus opening up value-creating opportunities in new ways. Secondly, new information technologies have enabled better and faster exchange links between firms and data collection about customer behavior on an unprecedented scale. Generally, they believe that a transactional marketing mindset is not adequate to work with these changes and challenges.

Relationship marketing is more applicable especially for service provider organization like Ethiopian airlines. In the case of service marketing, it is process consumption than outcome consumption. So, the consumer perceives the service production process as part of the service consumption and not only the outcome a process as a traditional consumer. The airline industry can appropriately be characterized as highly volatile and competitive, with unpredictable demand, variable pricing, and demanding customers. As the airline business becomes more competitive, gaining a competitive advantage becomes a common question of every firm in airline industry to stay in the market. In addition to this, the homogeneous nature of the airline product pushes airlines into making costly efforts to try to differentiate their product from that of their competitors (Denekeew 2003).

Ethiopian airlines was established on December 29, 1945, by Emperor Haile Selassie. It commenced operations on April 8, 1946, with a weekly service between Addis Ababa and Cairo. Still 1960, the air line was a share company afterwards the air lines get its present name Ethiopian air lines. The airlines was featured by the economist as an example of excellence in late 1987, Currently, it provides basic pilot and aviation maintenance training to trainees from African countries (www.ethiopianairlines.com).

Therefore, EAL is practicing it by introducing new aircraft types and increasing their frequency of service by spending more on in-flight catering and advertising. Much of the promotions are aimed at trying to convince passengers that the product, which airlines offer, can be differentiated from that of their competitors. Thus, the objective of customer oriented industries became increasing the share of wallet for each individual customer and save costs by focusing on more targeted promotions. Now EAL is trying to move towards the one-to-one ideal of understanding each customer individually so as to make it easier for the customer to deal with them and looking at the lifetime value of each customer so they know which ones are worth investing money and effort to hold on to and which ones to let drop by providing shebaMiles form for those frequent customers (Berry and Linoff 1997).

1.2. Statement of the problem

In this volatile environment, businesses are increasingly dependent on the relationship they have with their customers and are demanding high standard they adhere to. The effectiveness of this relationship has been recognized as being critical for service sectors. The interaction occurs between the service provider and customer. Therefore, relationship marketing is a strategy used by many service providers to maintain long-term relationship whereas relationship quality is the

manifest of successful relationship marketing activities. Good implementation of relationship marketing strategy can be seen from good relationship quality built between customer and service provider. So, relationship quality is bundle of intangible value, which augments products or services and results in an expected interchange between buyers and sellers (Levitt 1986).

The dimensions of relationship quality vary according to the study setting. Naudé and Buttle (2000) made an overview of the major constructs of relationship quality identified in the literature. Based on their constructs relationship quality is a combination of trust, commitment, communication, conflict handling, and satisfaction, goal, congress, investment and profit etc. However, according to different scholars finding, each determinant's magnitude on the relationship quality of the organizations is different.

In this regard, empirical research (Meta analysis) has been conducted by Palmatier et al. (2006) and found that relationship marketing determinants or antecedents have a wide range of effectiveness for generating strong relationships. Communication is the most effective relationship building strategies. It sets the ground and expectation of clients that will be the basis for their satisfaction. Poor communication or conflict that arises due to some other reason has a larger negative effect than the positive impact of any relationship marketing antecedents. So, all proactive relationship marketing effort may be wasted if customer conflict is left unresolved. Similar studies conducted by Ndubisi (2007) found that trust contributes more significantly than commitment, communication and conflict handling to overall relationship quality. Conflict handling is second. It contributes more significantly than commitment and communication. Hence, as the study shows, when building relationship quality is the goal, trust is an appropriate starting point, followed by good conflict resolution, commitment and communication.

Against to Ndubisi (2007), Jela and Alwieie (2010b) point out that commitment is the most important dimension of relationship quality. To develop a good relationship quality, service providers should be committed to relationship quality activities as well as to their customers. If only one party tries to develop it without cooperation from the other party, good relationship quality will not occur. However, commitment, which requires cooperation of both parties, is crucial to maintain good relationship quality where as trust, even though not in the highest position contributes to relationship quality.

Moreover, Negi (2010) has also conducted research on relationship marketing antecedents and customer loyalty on Ethiopian Telecommunication Corporation. He found that conflict handling is among the highest contributors for the quality of Ethiopian Telecommunication Corporation (ETC) customer relationship, followed by trust, commitment and communications. Therefore, this implies that the higher the ability of handling conflicts, degree of trust, commitment to deliver quality services in a timely manner, and maintaining effective communication with customers, respectively, the better the quality of ETC customer relationships.

Generally, different researchers have tried to show the benefits, similarity and differences of transactional marketing with the relationship marketing practice. In addition to this, several researchers have also examined the determinants of relationship quality in general and specific issues of relationship marketing on other countries context as well as in our country and they could result in dissimilar conclusions. Moreover, as to the studies in Ethiopian set-up, the work of Negi (2010) is worth mentioning. Negi (2010) has also tried to see the antecedents of relational marketing and customer loyalty in the case ETC. However, as per the knowledge of the researcher, Ethiopian airlines relationship marketing has never been properly investigated.

Therefore, the current study will fill this gap by adding literature for further studies in the local context using mixed research approach.

1.3. Objectives of the study

1.3.1. General objective of the study

The main objective of the study is to assess the impact of determinants of relationship marketing on overall relationship quality the case of Ethiopian airlines.

1.3.2. Specific objectives of the study

- To identify the role of trust for relationship quality.
- To explore the contribution of commitment for relationship quality.
- To determine the role of communication for the relationship quality.
- To explore the contribution of conflict handling for relationship quality.
- To examine the contribution of customer satisfaction for relationship quality.

Based on the above objectives, the researcher has designed the following five hypotheses:

H1: Commitment of employees maintains significant positive contribution to firm-customer relationship quality.

H2: Maintaining and developing trust has a significantly positive contribution to firm-customer relation quality.

H3: Keeping Conflict handling has a significantly positive contribution to firm-customer relationship quality.

H4: Upholding communication skills has a significant positive contribution to firm-customer relationship quality.

H5: Creating customer satisfaction has a significantly positive contribution to firm-customer relationship quality.

1.4. Significance of the study

This paper plays a significant role to the body of knowledge about relationship marketing and relationship quality especially for Ethiopian airlines employees. The relationship between firm-customers of relationship marketing has been recognized. This means that the more an organization invests on determinants of relationship, the more valuable will it be to the growth of the organization relationship quality. The study thus, is significant for the following reasons:

- The study may provide some highlights to existing literature along with guiding the management of the EAL in particular.
- It helps to raise researchers' curiosity and interest for future research scholars.
- It will have some implications on the department of customer relationship management in particular by identifying its strength and weak spots of the airlines.

1.5. Scope and limitation of the study

There are a number of factors that limit the researcher to assess all the determinants of relationship marketing of Ethiopian airlines all over the country as well as abroad. These are time and finance. These things limit the researcher to be confined only in Addis Ababa Ethiopian airlines firm-customer relationship with specific relationship marketing underpinnings namely conflict handling, commitment, satisfaction, trust and communications. Besides, only Amharic and English speakers were included in the study for the same reasons. Moreover, as novice researcher who lacks experience, the result of the study, conclusion and recommendations made may not be comprehensive, exhaustive and free from any of deficiency.

1.6. Ethical consideration

Permission was obtained from the Ethiopian airlines, and consent was sought from each study participant.

1.7. Organization of the paper

The thesis is structured as follows. Chapter one contains introduction, statement of the problem, objectives of the study, significance the study, scope and limitation of the study and organization of the paper. Chapter 2 contains a review of the literature including relationship marketing, roles and offering of relationship marketing, antecedents of relationship marketing, relationship quality, employees and customer relationship, and the final is theoretical frame work and knowledge gap. The third chapter is research design and methodology which includes study population, study area, study period, sample size calculation, sampling techniques, sampling procedure for the survey and interview data, inclusion and exclusion criteria, data collection tools and quality issues for both survey and interview, instrument design for data collection, data management and analysis for both the survey and interview. Chapter four is discussed the data presentation and analysis that contains background of the respondent, determinants of relationship marketing under this descriptive pretention of the data, correlation analysis, and regression analyses. The last part this chapter is findings and discussions which contains, interview and responses on open ended questions. The final chapter includes conclusion and recommendations of the study.

1.8. Definitions of operational terms

- ❖ Commitment focus on the enduring desire of parties to maintain a relationship (Morgan and Hunt 1994).
- ❖ Trust is an important factor in the development of marketing relationships and exists "when one party has confidence in an exchange partner's reliability and integrity" (Morgan and Hunt 1994).

- ❖ Communication is a formal and informal sharing of meaningful and timely information between firm- customers (Anderson and Nuru 1990).
- ❖ Satisfaction can be defined as a meeting customer's expectation as to delight customers delivering a service or a product that goes far beyond customer's expectations (Jones and Suh 2000).
- ❖ Conflict handling as a supplier's ability to avoid potential conflicts, solve manifest conflicts before they create problems, and discuss solutions openly when problems arises (Dwyer et al. (1987).

Chapter Two

2. Literature review

The objective of adding this chapter is to theoretically position this research within the existing literature by describing the current stage of development in the understanding of determinants of relationship marketing and its contribution for relationship quality of Ethiopian airlines and how that relates to the study's research hypothesis and objectives because literatures review is the cornerstone for the entire thesis. Therefore, this chapter deals with relationship marketing, roles, offerings of relationship marketing, determinants of relationship marketing and their contribution for relationship quality.

2.1. Relationship marketing

The term relationship marketing is an integrated effort to identify, maintain, and build up a network with individual consumers and to continuously strengthen the network for the mutual benefit of both sides, through interactive, individualized and value-added contacts over a long period of time (Shani and Chalasani 1992). Moreover, building relationship with customers is helpful for business firms to gain quality sources of marketing intelligence that ultimately leads to plan the marketing strategy in a better way, and for mutual benefits (Payne and Frow 2004).

The idea of developing and fostering relationship with customers is not something revolutionarily new; this phenomenon is as old as the history of trade and commerce. So, it is a new-old concept strategy (Gummesson 1987). Even most people consider relationship marketing as customer relationship management; however, has its roots in relationship marketing.

Relationship marketing is a philosophy and orientation towards customer retention and customer relationship management is regarded as the practical implementation of relationship marketing (Christopher et al. 1991). In other words, customer relationship management is technological infrastructure, both hardware and software, to manage large quantity of customer data. But Relationship marketing is a way of doing business. So customer relationship management is just an enabler of relationship marketing.

When we looking back at the history of marketing indicate that the idea of marketing was different and it took many different shapes at different ages. This conceptual development of marketing was associated with mass productions and efficient delivery of products and now it is viewed as a customer oriented essential business activities (David et al. 2003).

When we compare relationship marketing with transactional marketing practice as of describe transactional exchanges as transactions with a distinct beginning, short duration, and sharp ending by performance, whereas relational exchanges as exchanges with commencement traces to previous agreements, longer duration, and reflecting an ongoing process. With transactional orientation, it is unlikely for future exchange between two parties to occur. In contrast, with relational orientation, a high likelihood of future interactions exists (Ganesan 1994). Moreover, in the case of relationship marketing the solution is the relationship itself and how it functions and leads to value creation need satisfaction for the customer. Customer perception of relationship are holistic and cumulative (Gronroos 2004) whereas, in transactional marketing, the solution is a product in the form of the physical goods or core service. Moreover, the relationship marketing point of view is based on the notion that on top of the value products and or service that are exchanged, the entrance of a relationship between two parties creates additional value for

the customer and also for the supplier or service provider (Gronnoos 2000b). An ongoing relationship may, for example, offer the customer security, a feeling of control and a sense of trust, minimized purchasing risks, and in the final analysis reduced costs of being a customer. Generally relationship marketing is more effective when:

- The service is complex, customized, and delivered over a continuous stream of transactions.
- Many buyers are relatively unsophisticated about the service and;
- The environment is dynamic and uncertain in ways that affect future needs and offering.

2.2. Importance and offering of relationship marketing

2.2.1. Importance of relationship marketing

In the recent globalized world, organization needs to be interactive and customer focused to manage and understand the customers' feeling, relationship marketing plays the following roles.

❖ Buying of customer attention

Relationship marketing is very important to note that it takes 'two' to form a relationship. As such, if a firm has ongoing relationship strategies with its stakeholders like, customers, suppliers, employees, government etc, and then it will be simple to implement competitive marketing strategies (be it a pricing policy or a positioning changes etc) becomes smoother. This is because in forming a relationship, the stakeholder has come to appreciate the objectives and the strategies of the firm by providing different fruitful suggestions.

❖ **Protect emotional well being**

Relationship marketing plays an important role in protecting emotional well being of customer, deep dissatisfactions are avoided, customers are made to feel important, private information of customers are handled fairly well, long run supply security is provided, customer care is maximized, sudden spikes in demand are managed; care should be taken to preserve the prestige. Finally, customer in turn transfers greater responsibility of the supply to the seller (Ravald Grönroos 1996).

❖ **Understand consumer psychologies**

According to Zeithamaml et al. (1996) relationship marketing helps the company to understand consumer psychologies and shifts in psychology, owing to long association and close bonding that the company enjoys with the buyer. The company becomes a sort of consumer specialist in selected areas that the company operates. Information gaps with the customer are considerably reduced and it is quite likely that the company acquires information advantages with respect to competition. This helps in acquiring new customers, launching new products and services, testing new concepts, improving products and services. This enables the company to be a brand specialist.

❖ **Build trust with customer**

Relationship marketing is built on the foundation of trust, as research demonstrates (Morgan and Hunt, 1994). Trust is a 'willingness to rely on an exchange partner in whom one has confidence (Zeithamaml1993). Trust ensures that the relational exchange is mutually beneficial, as the good intentions of partners are not in doubt. Customers buying black box services (automobile repair), are specially benefited by the existence and development of trust (Berry 1995). Much of relationship marketing progresses on the trust the customer places with the firm.

producing, is of course fundamental, but it may not be the ultimate reason for purchasing from a given supplier. The reason for purchasing may be simply because the customer has a relationship with this supplier and even though the offering is not exactly the one sought, the parties involved try to come to an agreement where the objectives of both parties can be met. Specifically, Ravald and Grönroos(1996) point out that:

The issue is not what kind of an offering the company provides – rather it is what kind of relationship the company is capable of maintaining. When examining the customer-perceived value of an event in a relationship, they should note that it probably cannot be derived just from the core product plus supporting services, rather it must also include the effects of maintaining a relationship. To strength the relationship between customers and service provider, the best strategy adding value to the core products. The expression “add value” gives the impression that something has to be added, an additional product feature, a supporting service, etc. In this case, it is also interesting to examine how a company can add value to the offering by reducing the customer-perceived sacrifice. This approach forces the company to look at things from the customer’s perspective, which is a central aspect in relationship marketing. In order to be able to reduce the customer-perceived sacrifice, the company needs a thorough understanding of the customer’s value. To do so, the company has to get close to the customer to be able to understand his needs, preferences and all the activities which constitute his value chain. Because the aim of ‘closeness’ or nearness in interpersonal level is about getting close to the customer and trying to understand their needs and wants very well. Such a commitment from a company is a prerequisite for survival at this dynamics and competitive world.

2.3. Relationship marketing in service perspectives

An integral part of service marketing is the fact that the consumption of service is the process consumption than outcome consumption. So, the consumer perceives the service production process as part of the service consumption and not only the outcome a process as a traditional

consumer. In addition to this, service by its nature, is less tangible, less consistent and more perishable, and customer and seller are more involved in the production as well as consumption of service. Thus, providing customized service and personal communications are highly needed. In this context, relationships may easily start developing and if the simultaneous consumption and production processes turn out well, an enduring relationship may follow (Gronroos 2004). By understanding such characteristics of service, nowadays service companies increasingly adopt these strategies aimed at building long-lasting relationships with customers. A great deal of attention, then, has been devoted to pursuing customer satisfaction, which is widely recognized as a fundamental prerequisite for enriching relational outcomes (Hunt 1977).

Leading service organizations like Ethiopian Airlines strive to maintain a superior quality of service in an effort to gain customer loyalty; thus, a service organization's long-term success in a market is essentially determined by its ability to expand and maintain a large and loyal customer base. Moreover, the yardstick by which an exceptional service organization may be measured is its returning customer ratio: the loyal customer base. While service organizations aim to gain customers' loyalty, customers, on the other hand, seek an organization's service loyalty (the assurance of a consistent and superior quality of service) as proof of the organization's commitment to offering superior service, for both the present and the long-term relationship (Zeithaml et al. 1996). Berry (1987) also proposes the idea of earning loyalty by being loyal and he suggests that: relations give participants a sense of inclusion, a sense of being members of a group and one of the privileges is the sense of alliance; that is the existence of a bond that can be trusted to be there when you need it.

2.4. Antecedents of relationship marketing

The Fig.1: below is consistent with previous conceptualizations of Ndubisi (2007) as cited in Wong and Sohal (2002). This fig.1 depicts an effort to identify structural characteristics (antecedents) of high quality firm-customer relationship. This means that when the organization properly implements these variables, it can secure good firm-customer relationship and final produce high quality relationship in its organizations. Each variable has been discussed together with the various previous research findings.

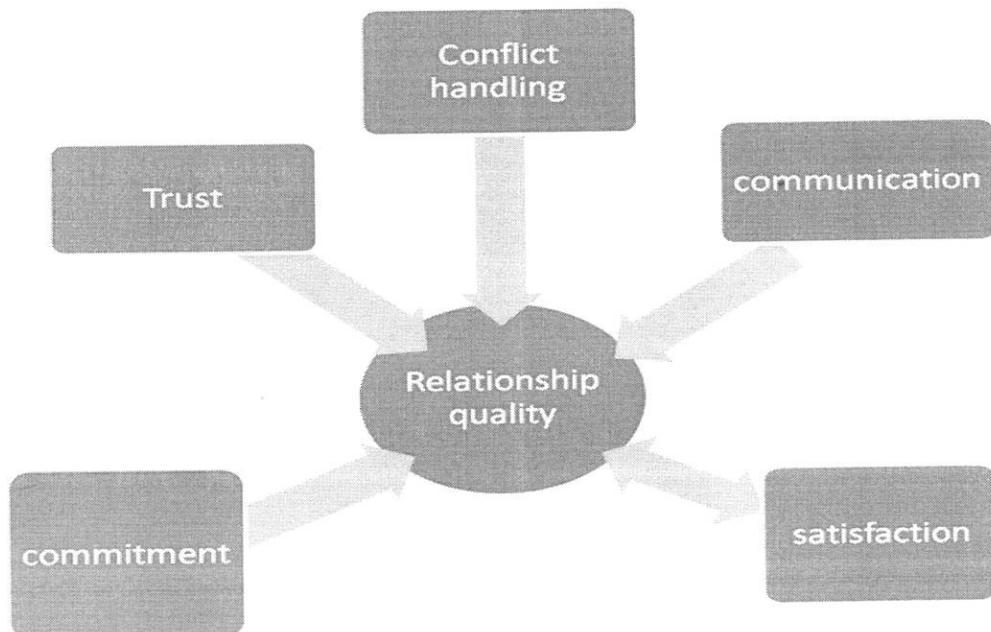


Fig.1: Relationship marketing antecedents

2.4.1. Commitment

Anderson and Weitz (1992) define commitment as: 'a desire to develop a stable relationship, a willingness to make short-term sacrifices to maintain the relationship, and a confidence in the stability of the relationship'.

Similarly, Gundlach et al. (1995) also defines commitment entailed with three different dimensions. These are: 'Affective commitment describes a positive attitude towards the future existence of the relationship'. Instrumental commitment is shown 'whenever some form of investment (time, other resources) in the relationship is made'. Finally, the temporal dimension of commitment indicates that 'the relationship exists over time'.

Thurau and Quelch (1983) generalize the definition of Gundlach et al. (1995) and states that 'commitment as a customer's long-term ongoing orientation toward a relationship grounded on both emotional bond to the relationship (affective aspect) and on the confidence that remaining in the relationship will yield net benefits than terminating it (cognitive aspect)'. A high level of commitment is achieved if both a net benefits and an affective bond exist in the relationship.

Importantly, commitment from both parties is crucial in business relationship, without which the relationship will not sustain, and finally relationship should contribute to the satisfaction of involved parties. Relationship commitment exists when the exchange partner believes that an ongoing relationship with another partner is so important as to warrant maximum effort to maintain it. The committed party believes that the relationships are worth working on to ensure that it endures indefinitely (Morgan and Hunt 1994). When commitment is higher among individuals who believe that they receive more value from a relationship, highly committed

customers should be willing to reciprocate effort on behalf of a firm due to past benefits received and highly committed firms will continue to enjoy the benefits of such reciprocity. Since relationship quality from the customer's perspective is achieved through the service provider's ability to reduce uncertainty (Zeithaml et al.1996), organizations that are highly committed to service and customer relationship would be more successful in reducing customer doubts and uncertainties and in turn enhanced relationship quality.

Moreover, Morgan and Hunt (1994) point out that commitment is based on the belief that a relationship is worth the effort of maintaining it. Committed relationship partners are unlikely to switch even if a competing service provider outperforms the value offered by the preferred service. Consequently, a high level of commitment is needed to establish stronger relationships. And Ndubisi (2006) also states that high quality relationships enabled customers to trust the service provider and rely on his/her commitment to service quality, an evolving relationship, efficient communication and conflict resolution. Thus, regular (ordinary) customers turned into the loyal ones. In short, to build a long-term relationship with customers, marketing practitioners in service provision should see relationship quality as an important indicator and objective.

Therefore, commitment is one of the important variables for understanding the strength of a marketing relationship, and it is a useful construct for measuring the likelihood of customer loyalty as well as for predicting future purchase frequency (Gundlach et al.1995; Morgan and Hunt 1994; Dwyer et al.1987).

2.4.2. Trust

According to Morgan and Hunt (1994) trust is an important factor in the development of marketing relationships and exists when one party has confidence in an exchange partner's reliability and integrity.

Trust constitutes the belief, attitude or expectation of a party that the relationship partner's behavior or its outcomes will be for the trusting party's own benefit (Andaleeb 1992) and it has three essential components: Firstly, there is the belief that the relationship partner will show benevolence (fairness) is the belief that the partner is interested in the firm's welfare and will not take unexpected actions that will negatively affect the firm. Secondly, trust also encompasses honesty, which means that the trusting party relies to the relationship partner being credibility means that partner stands by its word, fulfills promised .discharge their obligations, and is sincere, and trust in the partner's (Anderson & Weitz 1989). Beside these two motivational or intentional trust dimensions, there is a dimension which encompasses an ability-related component of trust: the belief that the relationship partner has the competence to act for the benefit of the relationship (Andaleeb 1992).

Trust is generally important in any relationship because it can be considered as a foundation of any relationship. It is the main component of long-term business as well as personal relationships, and widely studied in the social exchange and also in marketing literature. Customer-company relationships require trust, and effective service marketing depends on the management of trust because customers typically must buy a service before experiencing it (Morgan and Hunt 1994).

If the actors in the customer-firm have already experienced that the supplier is able and willing to fulfill their needs and demands and to be a reliable and predictable partner, i.e. they are satisfied, they will be likely to trust the supplier. In a long-term relationship with the supplier, the benefit concept takes on a deeper meaning. Safety, credibility, security and continuity are together increase the trust for the supplier and thereby support and encourage customer loyalty. After a few successful transactions the customer is satisfied and they start to feel safe with the supplier and then trust is developing. The customer knows that this company is able to fulfill his/her needs and wants and is assured that the company will take care of the commitments it has made. For many companies these fundamental aspects of having a relationship with a customer are not always considered, even though this is something every company should pursue in order to retain the customers. Safety, credibility and security contribute to a reduction of the sacrifice for the customer and this is something they believe that the customer finds essential and very valuable (Ravald and Grönroos 1996).

Generally, trust has many benefits for customers as well as organizations. According to Ganesan (1994) it has a direct positive impact on commitment, diminishes the perceived risk and vulnerability in a relationship and thus leads to a higher commitment to the relationship plus to this trust reduces transaction costs as there is less necessity to establish expensive control mechanisms. Lower costs in turn increase the probability to continue the relationship in future and therefore increase the commitment to the relationship.

2.4.3. Conflict handling

Conflict implies a level of tension, frustration, and disagreement in the relationship due to one party obstructing the other party in reaching its goal (Geyskens et al. 1999). Dwyer et al. (1987)

defined conflict handling as a 'supplier's ability to avoid potential conflicts, solve manifest conflicts before they create problems, and discuss solutions openly when problems arises'. To make this strategy tangible, organization will adopt conflict management approaches includes prevention, adjustment, concession and collaboration. The approaches indicate commitment through signaling and have low to high levels of exchanging information. The approaches vary in their levels of assertiveness and cooperation.

Therefore, organization leaders are responsible for creating a work environment that enables people to succeed. When disagreements and differences of opinions escalate into interpersonal conflict, leaders must intervene immediately To have common mission/purpose, shared values and goals, agreements and policies clear and in writing, fair, participatory decision-making process, creating community spirit, partner system, wisdom circles, staying in touch with each other emotionally, adopting communication agreements consist of: not speaking until another person is finished speaking, addressing each other respectfully, no hurtful physical contact, bring in an outside mediator, serving as kindly fair witnesses in meetings between community members in conflict, active listening, peaceful communication, process work, voice dialogue and another cases are the ways for handling conflict (Browning and Kathy 2007).

Because effective conflict handling can have a dramatic impact on customer retention rates, redirect the spread of damaging word of mouth, and improve end result performance. Effective resolution of customer problems and relationship marketing are linked closely in terms of their mutual interest in customer satisfaction, trust, and commitment (Morgan and Hunt 1994). Challenges in managing quality, combined with the important role played by customers in the service production process and evidence that customer loyalty drives profitability, make conflict

handling a critical moment of truth in maintaining and developing these relationships. Concerning to this Ndubisi (2007) has conducted a research on the Banks of Malaysia on the determinants of relationship marketing forward the following result:

Conflict handling is an important relationship builder. Since it is difficult to achieve zero service failure all the time, it is important that banks put in place effective conflict resolution or problem solving machinery. What could drive a customer to the competitor may not be occurrence of a problem per se, but how the problem was handled. A major problem that is resolved satisfactorily may leave in its wake a happy and loyal customer, but a minor issue that is not handled carefully could result in defection. However, this is a reactive approach to conflict handling. A more excellent approach, which is proactive in planning and implementation includes, avoiding potential conflicts, solving conflicts before they manifest, and identifying potential sources of conflict and blocking them. These efforts would bring about better relationship and loyalty to the firm.

In the similar case but in different country Negi (2010) has conducted in the case of Ethiopian telecommunication and forwarded similar result with the above researcher and he stated that:

It is difficult to achieve in total the avoidance of conflicts, it is important that Ethiopian telecommunications corporation put in place effective conflict resolution or problem solving mechanism, as what could drive a customer to become dissatisfied thus separated from behaving loyally, will not be occurrence of a problem by itself, but how the problem was handled. However, the ultimate approach in this regard may be avoiding potential conflicts by blocking the sources of their occurrence, or solving conflicts before they manifest. These efforts if directed properly would bring about better firm-customer relationship that in turn, ensures customer loyalty.

2.4.4. Communication

According to Anderson and Narus (1990) defined communication as the 'formal as well as informal sharing of meaning and timely information between firms'. Communication in

relationship marketing means providing information that is trustworthy, deals with quality and fulfils promises. It is the marketer's task to build awareness and customer preference by promoting quality, value, performance and other features, and to encourage interested buyers to make purchase decisions (Ndubisi and Chan 2005).

In relationships marketing, communication plays a central role in providing an understanding of the exchange partners' intentions and capabilities, thus forming the groundwork for relationship development. Besides, communication informs the exchange actors when they develop their conception of the prospective partner's exchange intentions). Hence, careful design of communication means and forms may play a decisive role in the relationship marketing process (Andersen and Sørensen 1999). Therefore, two-way communication helps customers to interact with the organization, for example, by receiving newsletters, brochures, information on upcoming events, email or accessing a web site, customers are then able to respond to the organization by seeking more information or advice.

Gronroos (2004) point out that the outcome of an ongoing communication may offer a feeling of control, security, a sense of trust, minimized purchasing risks and, importantly, reduced cost to the customer and emphasized that relationship marketing required strong personal relations, interaction and social exchange in order to succeed. They added that personal communication is a fundamental part of relationship marketing and that dialogue is a key feature that makes each customer feel special and unique. Effective communication helps shape realistic expectations between exchange partners and develops a sense of closeness and ease in the relationship.

The similar finding by Anderson and Narus (1990) indicates that communication is a prerequisite for building trust among exchange partners since it is a means of providing information on service; fulfilling their promises; and providing information if delivery problem occurs. Therefore, it is the communicator's task to build awareness, build consumer preference by promoting quality, value, performance and other features, convince interested buyers, and encourage them to make the purchase decision.

Moreover Ndubisi and Chan (2005) found that communication also keeps dissatisfied customer informed about what the organization is doing to rectify the source of dissatisfaction. Besides, when there is effective communication between the organization and its customers, customers are better informed about the organization initiatives or plan and activities, uncertainty will reduce and relationship quality will also improve. Communication is required in services as it enhances a long-term relationship between the customer and service provider via their employees. The ability of service employee to communicate contributes to good relationship quality. Communication should be arranged in a whole process, i.e., before, during and after service delivery (Gronroos 2004). For example, before a medical treatment, a phone call can be made to remind the customer about the appointment date, during service delivery constant communication on what is going on and explaining the process will be helpful to the customer and finally, after service, a follow-up call will delight the customers.

2.4.5. Customer satisfaction

According to Jones and Suh (2000), 'satisfaction can be defined as a meeting customer's expectation as to delight customers delivering a service or a product that goes far beyond customer's expectations'. Businesses identified two factors that might influence relationship

satisfaction; namely: instrumental factors and interpersonal factors (Abdul-Muhmin 2005). From these two factors, interpersonal factors are the most influential factor compared to instrumental factors in influencing relationship satisfaction. The author argues that instrumental factors work as a basis for developing or starting the relationship. Instrumental factors develop the foundation of relationship whereas interpersonal factors help to cement (strengthen) the relationship. Good interpersonal relationship helps to strengthen the relationship between the customer and service employee, and develop trust between them (Auh 2005). However; interpersonal relationships are not being developed in one day; it needs time and effort to do that. Interpersonal interactions lead to identification of variables like trust, shared values, relational social norms and communication as determinant of relationship in service sectors.

Therefore, customer satisfaction is regarded as a primary determining factor of repeat shopping (loyalty) and purchasing behavior. The greater the degree to which a consumer experiences satisfaction with a retailer, for instance, the greater the probability the consumer will revisit the retailer. So, the genuine and ongoing satisfaction is one of the greatest assets a firm can acquire. This is necessary mean that if businesses experience high level of customer satisfaction, they have a base of loyal customers. Concerning to this, Bojeia and Alwie (2007b) states that satisfaction is customer's evaluation of their relationship experience with the service provider. It determines whether customer will stay or not with the service provider that they usually consumed. Moreover, most service firms hope that satisfied customers will remain loyal to their firm and give positive feedback about services they experience.

Generally, as it is depicted from fig.1: satisfaction and relationship quality, there are two way directional relations. This implies that when customer satisfaction is secured, relationship quality also handled by the organizations in this regard (Chi 2005) supports and explains that in long-term relationships perceived quality and satisfaction are likely to merge in to an overall

evaluation of relationship satisfaction. If consumers are satisfied with the product or service, they are more likely to carry on purchasing. Meyer and Smith (200) has also conducted research on hotel guests and found that satisfaction is a necessary but not sufficient for having relationship quality, meaning that even if hotel gust are satisfied with the service they will not continue, if they believed that they can get value, convenience or quality and price discount elsewhere. That is why the researcher put the two way directional relation between relationship quality and satisfaction.

2.5. Relationship quality

Relationship quality is defined by different scholars in different perspectives. Levitt (1986) defined as: ‘relationship quality as a bundle of intangible value, which augments products or services and results in an expected interchange between buyers and sellers’. This is also defined by other scholar based on the customer perspectives so, Crosby et al (1990) define relationship quality from the customer’s perspective as being achieved through the salesperson’s ability to reduce perceived uncertainty leading to an environment where the customer is able to rely on the salesperson’s integrity and has confidence in the salesperson’s future performance because the level of past performance has been consistently satisfactory.

The dimensions of relationship quality vary according to the study setting. Naudé and Buttle(2000) made an overview of the major constructs of relationship quality identified in the literature. Based on their constructs relationship quality is a combination of trust, commitment, communication, conflict handling, and satisfaction, goal, congress, investment and profit. Therefore, relationship marketing is a strategy used by many service providers to maintain long-term relationship where as relationship quality is the manifest of successful relationship

marketing activities. Good implementation of relationship marketing strategy can be seen from good relationship quality built between customer and service provider.

Long term and high quality relationship are characterized by frequent interaction between different service providers and clients. These interactions give benefit for both parties. For the customer, a long-term relationship reduces stress and risks, solves initial problems, and leads to the accommodation of special needs. For the organization, it helps to increase the number of loyal clients and to increase profitability. Because loyalty is a consequence of consistent repeat purchase frequency of a single brand as well as favorable attitude. Loyalty behaviors, including relationship continuance, increased scale or scope of relationship, and recommendation (word of mouth advertising) result from customers' beliefs that the quantity of value received from one supplier is greater than that available from other suppliers. Loyalty, in one or more of the behaviors noted above, creates increased profit through enhanced revenues, reduced costs to acquire customers, lower customer-price sensitivity, and decreased costs to serve customers familiar with a firm's service delivery system (Reicheld and Sasser 1990).

2.5.1. Customer-employee relationship

In today's volatile environment, businesses are increasingly dependent on the relationship they have with their suppliers and are demanding that they adhere to high standard. The effectiveness of this relationship has been recognized as being critical for service sectors. The interaction occurs between the service provider and customer. At this time, the service providers are represented by their employees who directly interact with the customers.

➤ Customer Involvement: customers examine their relationship with an organization on the basis of their extent of involvement and then evaluate their satisfaction. They confirmed the importance of customer involvement in relationship marketing noting that sound service provider - customer dyads largely depends on customer's willingness to involve in a relationship and it is especially a fundamental issue in case of Ethiopian airlines. Besides relational expectations for customer involvement not like to be involved with an organization in the same manner and Gwinner et al. (1998) identified three key relational benefits influencing customers for involvement namely: confidence benefits, social benefits and special treatment benefits.

- ✓ Confidence benefits: refer to expectations from a service encounter that reduces anxiety and comfort the consumer psychologically.
- ✓ Social benefits: refer to being familiar to employees and building friendships between customers and employees. Finally,
- ✓ Special treatment benefits: include receiving discounts and quicker or customized services.

Varki and Wong (2003) examined the role as well as the expected benefits of voluntary involvement of consumers with various service providers; found that consumers might be more interested in service providers whose services they perceived to be more involving. Most of the previous researchers believed that one of the important factors influencing the success of relationship quality is the relationship between customers and first-line employees or service employees. They argue that:

Interpersonal or social interactions are important in developing good relationship with the customers. Service employees form close relationship with customers because employees and customers often work together in the creation of many

services. This is because service is produced by employees and consumed by customer simultaneously. In addition, the intangibility of services make it difficult for customers to evaluate the service they receive, and since such as an evaluation often seem desirable, customers would tend to evaluate what they can sense.

Hsieh and Hiang (2004) found that the relationship quality between customer and service employee has a positive impact on relationship quality. Employees' social skills and their motivation to fulfill customer needs exert a strong influence on satisfaction and commitment, and develop stable relationship with customers. The ability of service employee in delivering a reliable and quality service has strong influence on customer's trust as well as their loyalty (Auh 2005).

Recently, Jela and Alwieie (2010b) have conducted on the influence of relationship quality on loyalty in service sector and forwarded the follow conclusion:

Each dimension of relationship quality has different degree of intensity in influencing relationship quality. Commitment is the most important dimension of relationship quality. To develop a good relationship quality, service providers should commit to relationship quality activities as well as to their customers. If only one party tries to develop it without cooperation from the other party, good relationship quality will not occur. However, commitment, which requires cooperation of both parties, is crucial to maintain good relationship quality. Commitment can be in the form of care about relationship and firm commitment to maintain it. Trust, even though not in the highest position but contributes to relationship quality.

More over they also point out that service employee needs to show that they care about their customers especially their loyal customers and provide high quality services. These friendly and special treatments of loyal customer contribute to good relationship quality plus to this

relationship quality has strong influence on customer loyalty. It is by and large believed that satisfaction leads to repeat purchase and positive word of- mouth recommendation, which are the main indicators of loyalty.

Ndubisi (2007) trust contributes more significantly than commitment, communication and conflict handling to overall relationship quality. Conflict handling is second. It contributes more significantly than commitment and communication. Hence, as the study shows, when building relationship quality is the goal, trust is an appropriate starting point, followed by good conflict resolution, commitment and communication.

2.6. Theoretical framework and knowledge gap

Findings of the various scholars concerning relationship marketing and its determinants are summarized as follows:

Relationship marketing is not a new discovery rather it is a rediscovery of the existing phenomenon. Because currently, the working environment for any businesses are very challenging due to ever-growing competition, the continuous increase in customer expectation and customers' subsequent demands as service improves. Moreover, customers are becoming increasingly critical thinker of the quality of service they experience. These reasons forced organizations to practice relationship marketing by adopting proactive strategies which will assist them to take the lead in the marketplace by making the traditional marketing practice once aside.

Therefore, when companies want to practice relationship marketing, they should know its determinant impact or contributions like commitment, trust, conflict handling, communication,

customer satisfaction etc., and their relation among them. Because as the researcher has tried to state in the body of the literature, the interaction and influence of each determinant brings a great change on the final outcome of the organization relationship quality. Moreover, the sustainability of relation with customer is meaningless without properly implementing it.

Each dimension of relationship quality has different degree of intensity in influencing relationship quality of the organizations. According to Jela and Alwieie (2010b) commitment has a great influence on relationship quality where as trust has least contribution for the existence of relationship quality than conflict handling, communications, satisfaction and loyalty. In the contrary, Ndubisi(2007) has stated that trust contributes more significantly than these determinants and communication is the least than the rest.

Ndubisi(2007) and Negi(2010) have conducted research with similar variables in the case of Banks of Malaysia and Ethiopian telecommunications respectively and forward the same result by the determinants of conflict handling. It is difficult to achieve zero service failure all the time. To solve the customers' problem the organization should use both the proactive and reactive problem solving approach especially proactive once. Because, proactive approach is the best and help the organization to avoiding potential conflicts, solving conflicts before they manifest, and identifying potential sources of conflict and blocking them. When major problem that is resolved satisfactorily may leave in its wake a happy and loyal customer, but a minor issue that is not handled carefully could bring in defection. These efforts would bring about better relationship and loyalty to the firm.

There are also other researchers that forward similar findings on relationship between satisfaction, and relationship quality. As of their findings satisfaction and relationship quality are

highly correlated even difficult to separate assuming that other things are constant. Their findings support this research conceptual frame work.

By having the work of others as a benchmark and thus so far as the knowledge of the researcher, there is no study has been conducted on Ethiopian Airlines with specific area of relationship marketing. Therefore, the current study will fill this gap by adding literature for further studies in the local context using mixed research approach for the sake of triangulating the result.

Chapter Three

3. Research Design and Methodology

This chapter of the study describes the research design and methodology employed to collect and analysis the data.

3.1. Study design and study period

An institution based cross sectional descriptive and causal study with analytic components was conducted from October, 2010 to April, 2011. The study employed both qualitative and quantitative study approaches. The purpose of using such mixed methods approach is to gather data that could not could not be obtained by adopting a single method and for triangulation so that the findings with a single approach could be substantiated with others wherever possible (Wollela 2009). Furthermore; Aluinc et al. (1995) also stated that using survey methods is important for two things. First, it is simple for administration; second it is also more sensitive for subgroup differences.

3.2. Study population and study area

The study populations were both customers and employees of Ethiopian airlines in Addis Ababa. The study was conducted in Addis Ababa, the capital city of Ethiopia. Needless to mention that Addis Ababa is a city hosting dozens of international as well as continental head offices, including African Union, the presence of Ethiopian Airlines has presumably contributed a lot for Addis Ababa to properly assume its position in Africa, and the globe. The newly constructed international airport might also contribute for fulfilling the expectation of international guests, and the quality of service at the capital. The survey was therefore, conducted at the Addis Ababa city ticket offices.

3.3. Sample size calculation

When we determine the sample size: purpose of the study, population size, the level of precision (sampling error), the level of confidence interval, and the degree of variability in the attributes being measured should be considered (Miaoulis and Michener 1976; Malhotra 1996).

- Confidence level for this study was 95% (CL).
- Degree of variability(Proportion) 50% (p)
- Maximum tolerable error (sampling error) was 5% (w).

Based on the above assumptions, the sample size (SS) for infinite population of this paper was calculated by:

$$SS = \frac{Z^2 \times (p) \times (1 - p)}{W^2}$$

Where: 'Z' is 1.96. Since the value of 'Z' is depend on tolerable error.

$$SS = \frac{(1.96^2) \times .5 \times .5}{.05^2}$$

SS = 384 is the minimum sample size for this study. In addition to this, the researcher added 10% of the total sample size for non response rate (38) making the total sample size 422.

3.4. Sampling Techniques

3.4.1. Sampling procedure for the survey

An Ethiopian airline has ten ticket offices in Addis Ababa. From the ten ticket offices, three of them are mostly serving foreign customers. The rest seven ticket offices are for domestic

customers. To select three ticket offices out of ten ticket offices of Ethiopian airlines, stratification, random sampling and purposive samplings techniques were used.

Stratified sampling techniques helps the researcher to bring more precise information inside the subpopulations about the variables of interest and raises precision of the estimators (Teddlie and Fen Yu 2007; Patton 2002). In line with this, the researcher used this technique for dividing the ten ticket offices (population) in to two major groups based on the customer type being served. These are domestic and foreign ticket offices.

After making strata, the researcher has selected purposively the National ticket office from domestic since many customers are being served there. Piazza was selected by employing random sampling techniques among six ticket offices because they have similar characteristics.

Patton (2002) states that the power of purposive sampling lies in selecting information rich cases for in depth analysis related to the central issue being studied and choosing which respondent to contact, when and where so that the necessary respondents will obtain about different segment of the audience. Taking this into consideration, among the three foreign ticket offices, Helton hotel was selected purposively since the remaining two ticket offices are reserved for only higher officials that needs security.

Finally, regarding to respondents selection process, they were selected for a period of three weeks, seven days-a-week until required sample size was taken. Since, the selected ticket offices allowed the customers to be served in the office premises between 7.00 am up to 7.30 pm.

3.4.2. Sampling procedure for interview

Key informant interviews were conducted with three employees of Ethiopian airlines working as head of customer relationship management, and loyalty, service standards and international airport from Bole Brace ticket office and a marketing officer from international airport. The interviewees were selected using purposive sampling techniques. Since, purposive sampling is typically designed to pick a small number of cases that will yield the most important information about a particular phenomenon and leads to greater depth of information from a smaller number of carefully selected cases (Patton 2002).

3.5. Inclusion criteria

All domestic and international travelers using Ethiopian airlines during the study period were considered for the survey methods.

3.6. Exclusion criteria

- Travelers who are sick, and cannot afford filling the questionnaire.
- Customers under 19 years.

3.7. Data collection tools and quality issues

In order to gather first hand information pertaining to the subject of the study, survey questionnaire and semi structured interview questions were set and administered. The purpose of using survey questionnaire is to secure data from many people at a time and for its natural characteristics that allow informants express their idea and opinion freely.

Questionnaires were composed of both open and closed ended. Closed ended questionnaire with five-point Likert type scale, ranging from both extremes that is 1 as 'strongly disagree' to 5 'strongly agree' were prepared in English, and were translated to Amharic accordingly to

increase the quality of the tools. Besides, interview were made with two head of customer relationship management and service standards and international airport officials from Bole Brace Ticket office and one marketing officer employees who have direct concerns in the customer relationship management issues of Ethiopian airlines.

3.7.1. Instrument design for data collection

The internal consistency of the instrument was tested via reliability analysis by different researchers in Ethiopian as well as developed countries starting from 1994 by Morgan and Hunt up to now. Therefore, all the items (instruments) incorporated in this research has been tested continuously for many years and they yielded greater Cronbach's alpha coefficient from the lower limits of 0.60 (Hair et al. 1995). Since each determinant item has been adopted, the researcher did not go further to take pilot study for checking the internal consistency of the instruments.

Thus, questionnaire items were adopted from different sources. Three communication items were adopted from Ndubisi (2007) and Palmatier et al. (2006), four conflict handling items from Morgan and Hunt (1994), seven trust items from Negi(2010), three commitment items from Morgan and Hunt (1994), four satisfaction items from Brugge et al. (2001) and Morgan and Hunt (1994), and four relationship quality items from Ndubisi (2007) and Morgan and Hunt (1994).

3.8. Data management and analysis

3.8.1 Survey data management and analysis

Data was checked for consistency and completeness on daily basis then data was coded, checked, and entered to computer. Finally, it has been processed and analyzed by Statistical Package for Social Sciences (SPSS) version 15 for windows. To analysis the data, different kinds of

statistical methods including descriptive statistics (frequency, percentage and average) and inferential statistics (correlation and multiple regressions) were used.

According to Malhotra (1996) using descriptive survey methods helps the researcher in picturing the existing situation and allows relevant information using appropriate data collecting instrument. Moreover, correlation and multiple regression were employed to identify and predicting the relation and contribution of these determinants on relationship quality of Ethiopian airlines. Before going to perform multiple regressions, the researcher first has done correlation matrixes. Correlation matrix has been done to identify the relationship of each variable among them and with dependant variables. Finally, the researcher employed multiple regressions to identify which determinants is higher explanatory for relationship quality of Ethiopian airlines. Finally, the results of both descriptive as well as inferential results were presented by appropriate graphs and tables. Thus, the general form of the model for the multiple regressions can be specified as:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$$

The left-hand variable, Y , represents the dependent variable in the model, which is the firm's – customer relationship quality. X contains the set of explanatory variables in the estimation model, β_0 is the constant, β represents the coefficients and e is the error term.

Therefore, the model for the multiple regressions, built in line with the hypotheses of the study, is given as follows:

$$RQ = \beta_0 + \beta_1(CM) + \beta_2(TR) + \beta_3(CH) + \beta_4(CO) + \beta_5(SA) + e \text{ -----(1)}$$

Where: RQ= Relationship quality CH = Conflict handling SA = Satisfaction
CO =Communication CM = Commitment TR = Trust

Chapter Four

4. Data Presentation, Interpretation and Analysis

This chapter deals with the data presentation and analysis of the study. It contains background of the respondent, descriptive data presentations and inferential analysis on determinants of relationship marketing. The last part is general discussions and findings of the paper.

To achieve the objectives of this paper a total of 422 questionnaires were prepared and distributed to customers of Ethiopian airlines in the selected three ticket offices. Out of these questionnaires, 360 were filled and returned. The rest 62 questionnaires were unreturned. Besides from 360 questionnaires, 19 questionnaires were voided because of its incompleteness' for analysis. Therefore, the rest 341 questionnaires were valuable for further analysis.

To analyze the survey data, the researcher used descriptive along with inferential statistics (correlation and regression). The first part of the paper was analyzed by using descriptive statistics such as frequencies percentages and average. The second part of the paper was also analyzed by correlation and regression. The researcher used correlation to show their relationship among each key determinant of relationship marketing as well as the from relationship quality. Multiple regressions were conducted in order to know the contribution of the predictor variable for the criterion variable. The results of correlation and regression were presented by using appropriate tables and charts.

The pie charts results were evaluated by the following ranges (maintaining the degree of agreement with firm-customer relationship quality).

- ❖ A mean over 4.5 represents that the relationship quality is excellent
- ❖ A mean value between 4.0 and 4.49 represents the relationship quality is very good

- ❖ A mean value between 3.5--3.499 the relationship is good.
- ❖ A mean value between 3.0-3.499 the relationship is fair
- ❖ A mean value less than 3 the relationship is poor

4.1. Descriptive analysis

4.1.1 Background of the respondent

Description for the characteristics' of the target population gives some basic information about the sample population involved in the study. From the data collected and tabulated, the following significant characteristics of respondents have been obtained.

Table 1: Characteristics of the Respondents

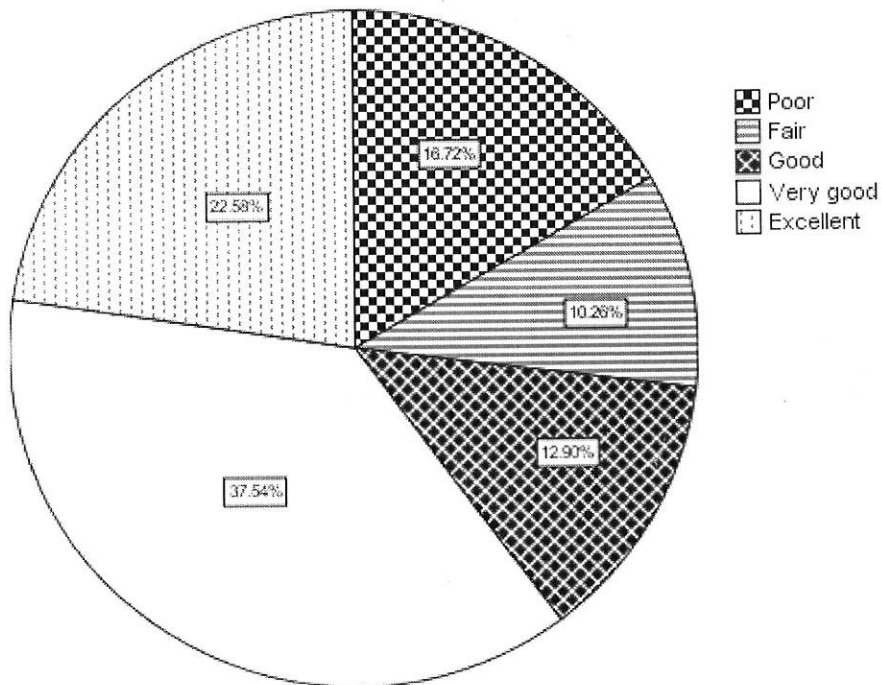
Variable	Variable categories	Frequency	Percentages
Sex	Male	248	72.7
	Female	93	27.3
Age	19-29	105	30.8
	30-40	141	41.3
	41-51	78	22.9
	52-62	15	4.4
	>0r =63	2	0.6
Educational background	Grade 12 complete	16	4.7
	Diploma holder	49	14.3
	Degree holder	167	49.0
	Masters holder	93	27.3
	PhD and above	16	4.7
Monthly income	1500-3000	114	33.43
	3001-5000	69	20.2
	>5000	158	46.37
Nationality	Ethiopian	202	59.24
	Foreigners	139	40.76

As displayed in Table 1, about 73% were male, about 41% were between 30 and 40 years of age, about 80% of them had first degree and above, about 46% had monthly income of more 5000 ETB, and about 41% of the study participants were foreigners. Moreover, 77.13% of the study participants had been customers of the airline for about 2 to 10 Years.

4.1.2. Determinants of firm-customer relationship marketing

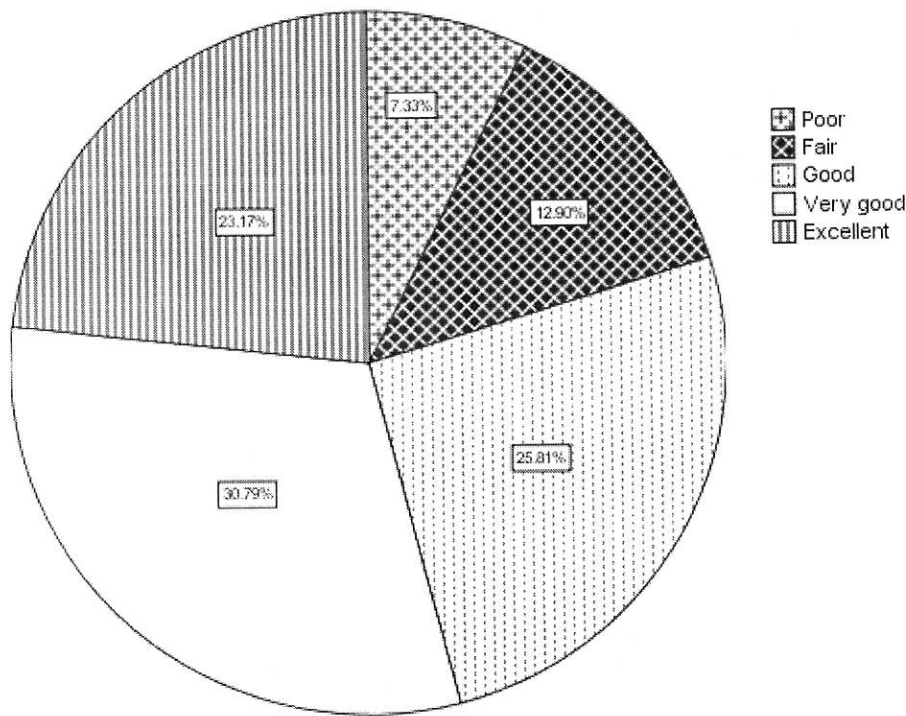
Relationship marketing is a process of maintaining and developing long term relationship with customers. Keeping and developing long term relationship with the customers, the proper applications of its determinants (commitment, trust, conflict handling, communications and satisfactions) are highly needed.

Fig.2: Degree of employees' commitment



As depicted in Fig. 2, 22.58 %, 37.58 %, 12.9 %, 10.26%, and 16.72 % of the respondents valued commitment of employees in making adjustment to suit customer needs, provide flexible and customized service to suit customer needs as excellent, very good, good, fair, and poor respectively. All in all, the respondents valued commitment of employees of the organization positively in such a way that more than 73% of the respondents valued commitment of the staff as good and above. However, nearly 17% of the respondents evaluated it as poor. This shows that the commitment of the staff is far from perfection. Therefore, the organization needs to work hard to satisfy the need of its customers pertaining to commitment of the staff.

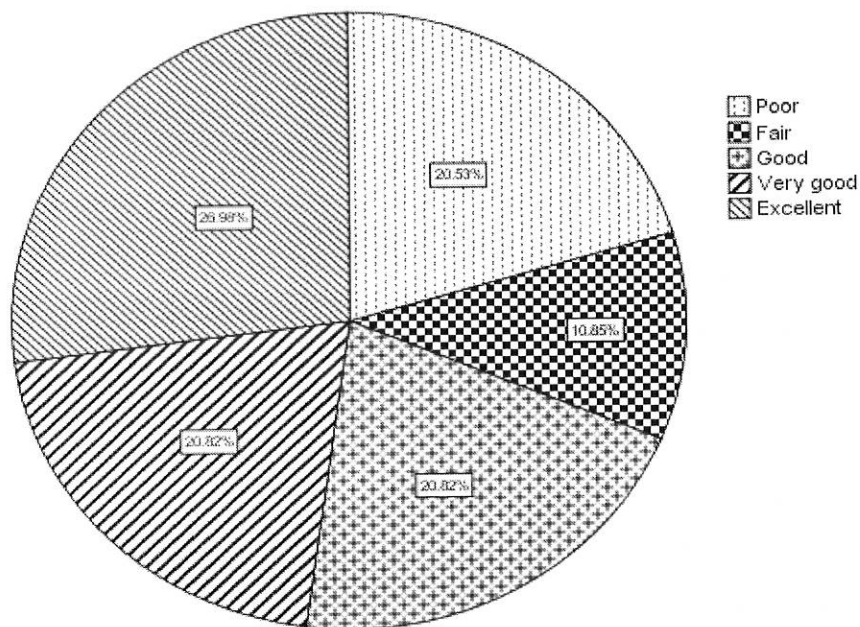
Fig.3: Degree of employees' trust



As shown in Fig. 3. . 23.17%, 30.79%, 25.81%, 12.9% and 7.33% of the respondents valued the trust of employees are: open mind, responsive for their work, fulfill their promise, and provided secure service; give respect for the customers and provided consistent service for the customers and discharge their obligation properly as excellent, very good, good , fair and poor

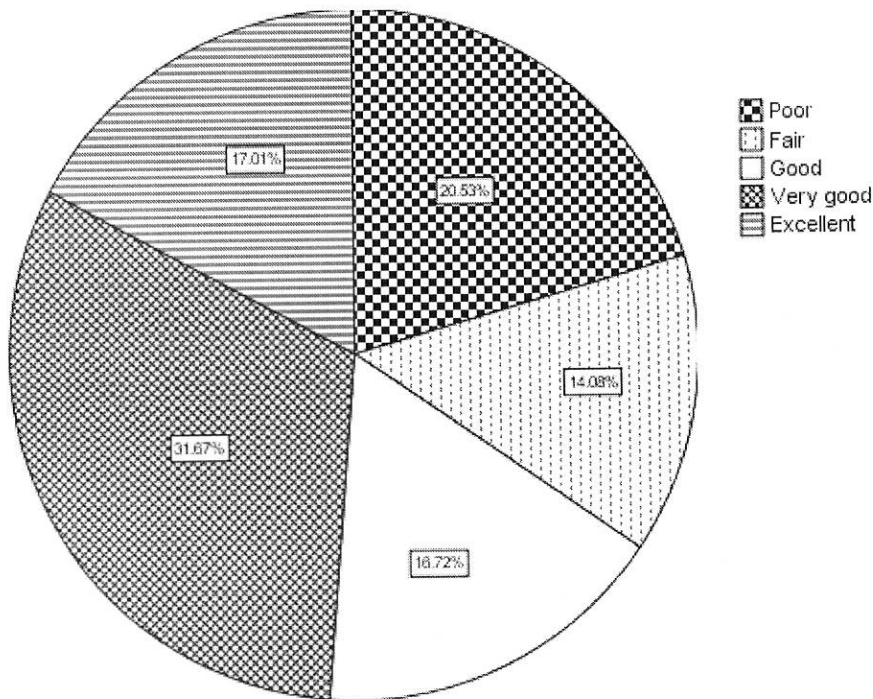
respectively. This means that on average 80% of the respondent valued trust as good and above. However, nearly 7% of the respondents evaluated it as poor. This shows that trust worthiness of the employees still needs little improvement.

Fig.4: Degree of employees' conflict handling



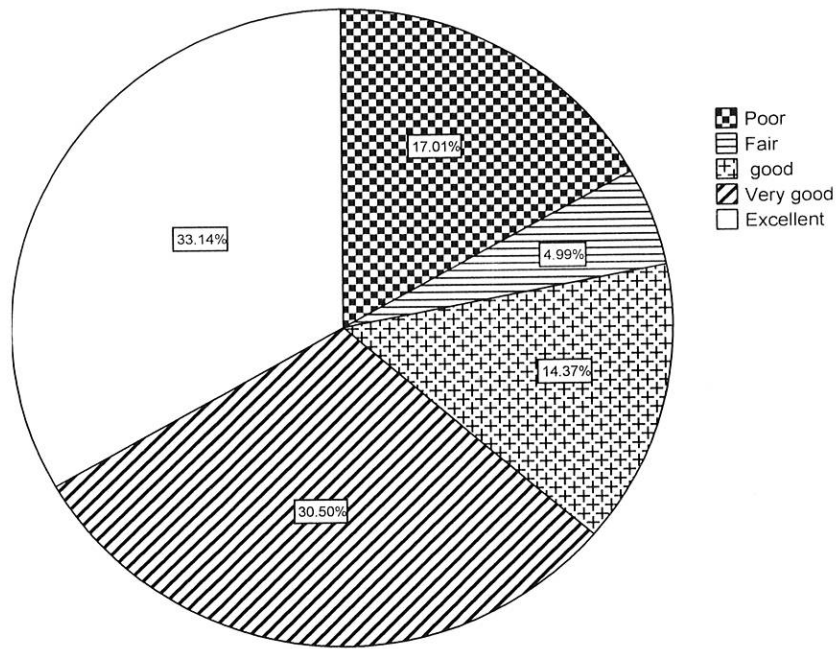
As it is displayed from fig 4, 26.98, 20.82 %, 20.53 %, 10.85%, and 20.5 % of the respondents valued the employees have the habit of discussing with customers when problem arises; are very active to respond for the manifestation of the customer when problems arises; they provide fast response for the customers, and they are advocating the proactive problem solving methods as excellent, very good, good, fair, and poor respectively. On average, 68% of conflict handling is as good and above. However, nearly 21 % of the respondents evaluated it as poor. This shows that the conflict handling of the employees are far from perfection Therefore, EAL employees' are highly needed to improve their means and habits of conflict handling.

Fig.5: Degree of employees' communications skills



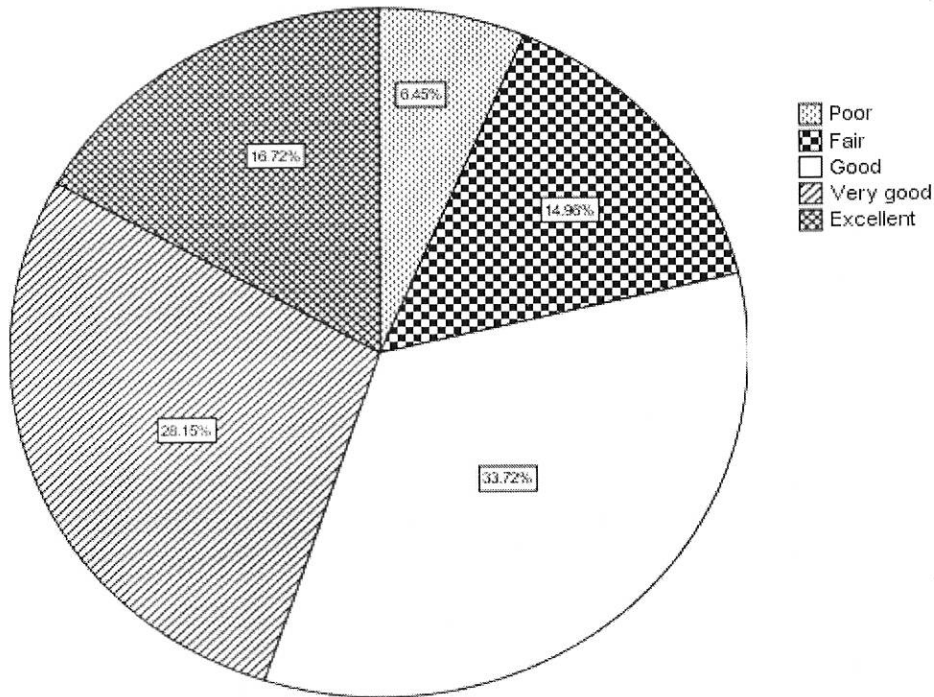
As depicted in fig. 5, 17.01 %, 31.67%, 16.72 %, 14.06%, and 20.53 % of the respondents valued the communication skills of employees in providing timely and trustworthy information; provides information when there is a new airlines service; employees can be relied upon to give accurate information in the event of flight delay or cancellation as excellent, very good, good, fair, and poor respectively. All in all, the respondents valued communication of the employees positive in such a way that more than 65% of the respondents valued communication skills of employees as good and above. However, 20.53% of the respondents evaluated it as poor. This shows that communications skills of the employees far from perfection. Therefore, employees' communication skill still needs some improvement to work hard and satisfy customers.

Fig. 6: Response rate on customer satisfaction



As depicted in fig. 6, 33.14 %, 30.5 %, 14.37 %, 4.99%, and 17.01 % of the respondents rate their degree of satisfaction; customers are satisfied with their past experience; they have been satisfied since they became the customer of EAL; generally, they have satisfied by this airlines as excellent, very good, good, fair and poor respectively. All in all the respondents rate their degree of satisfaction positively in such away more than 78 % of the respondents valued satisfaction as good and above. However, 17.0 1% of the respondents valued satisfaction as poor. This shows that in ways of or satisfying its customer needs some improvement. Therefore, the organization needs to work hard to satisfy the need of its customers.

Fig.7: Degree of firm-customer relationship quality



As depicted in fig. 7, 16 %, 28.15 %, 33.7 %, 14.96%, and 6.55 % of the respondents valued the relationship quality of EAL shows a high professionalism in its service, customer have fulfills customer expectation as excellent, very good, good, fair and poor respectively. On average respondents valued the relationship quality of the airline positively and more than 79% valued relationship quality as good and above. However, 6.4% of the respondents valued relationship quality of the airline as poor. This shows that the relationship quality of the EAL still far from perfection and needs some improvement in their relationship with the customer.

4.2. Correlation analysis

Table 2: Correlation Coefficients

Variables	<i>CM</i>	<i>TR</i>	<i>CH</i>	<i>CO</i>	<i>SA</i>	<i>RQ</i>
CM	1					
TR	0.558(**)	1				
CH	0.523(**)	0.693(**)	1			
CO	0.499(**)	0.532(**)	0.469(**)	1		
SA	0.587(**)	0.686(**)	0.592(**)	0.609(**)	1	
RQ	0.680(**)	0.764(**)	0.770(**)	0.652(**)	0.775(**)	1

** Correlation is significant at the 0.01 level (1-tailed).

To find the association of the variables or determinants, Pearson product moment correlation coefficient was used. The result of the correlation shows that there is positive relation among variables, and this correlation coefficient result helps to define the direction of the relationship of the variables between (-1 and 1) and it also helps us to detect the strength of their relationship. As it depicted from table 2 the independent variables are highly correlated with dependent variables (relationship quality) and greater in coefficient from the relation among the dependent variables. This is also highly needed.

4.3. Multiple regressions analysis

Table .3: Predictors of relationship quality

Variables	Standardize Beta Coefficient	t-value	p-value
Conflict handling	0.299	12.752	0.000
Satisfaction	0.262	11.045	0.000
Commitment	0.233	11.256	0.000
Communication	0.230	11.295	0.000
Trust	0.210	8.548	0.000

Note: $R^2 = 0.92$; $Adj R^2 = 0.90$; F- Statistics = 614.743; sig = 0.0000

As it shown from table 3, all the variables have positive and significant contributions for relationship quality of Ethiopian airlines. That is beta coefficient may be negative or positive but in this case, beta indicates that each variables has positive contribution for relationship quality of Ethiopian airlines. While t-test indicates that each variables is significant to support the alternative hypothesis because when the value of t-test is greater than 2 and less than -2 all the time the hypothesis is significant to support the alternative hypothesis.

4.4. Finding and discussions

4.4.1. Factors determining firm-customer relationship quality

Regression analysis was used in testing for the contribution of each determinant on relationship quality. The results of the regression analysis in table 3 shows that determinants of relationship marketing (trust, commitment, communication, conflict handling and satisfaction) contribute significantly ($F=614.743$, sig $F: 0:000$) and predict 90 percent of the variations in relationship quality of the Ethiopian airlines.

There is enough information in table 3, to support the five hypotheses H1, H2, H3, H4 and H5. The results in the table show that there is significant relationship (0.1 percent significance level) between determinants (trust, conflict handling, commitment, communication, satisfaction) and relationship quality. Besides, the positive sign of the estimates show that the higher the level of trust, the more committed the employees are, and the greater the ability of the employees to handle conflicts, the better the satisfaction of the customers of the airlines, and finally the higher quality relationship of the airlines. In this regard, different researchers found that each determinant has vital contribution for relationship quality of organizations.

In the present study, the regression result, as presented in the table 3, depicted that conflict handling is the most contributing factor for relationship quality so that the Ethiopian airlines should give higher value for conflict handling since it is working in stiff competition environment. Similarly, Ndubisi(2007) and Negi (2010) point out that: 'it is difficult to achieve zero service failure all the time, and they concluded that it is important that organizations put in place effective conflict resolution or problem solving machinery because a major problem that is resolved suitably may leave in its wake a happy and satisfactory one, but a minor issue that is not handled properly will result in poor relationship with organizations'.

Customers of Ethiopian are on average satisfied with their previous service experience and want to remain consumers of the service. Moreover, the finding from the descriptive statistics discovered that 78.01% of the study respondents valued the means of satisfying the customers as good and above. However, 17.01% respondents rated it as poor. Therefore, the problem seems to be serious because the relationship quality and satisfaction are almost similar with some exceptions. In this regard Mcilroy and Barnett (2000) have also conducted research on hotel guests and found that satisfaction is a necessary but not sufficient for having relationship quality, meaning that even if hotel guests are satisfied with the service they will not continue, if they believed that they can get value, convenience or quality and price discount elsewhere. That is why the researcher put the two way directional relation between relationship quality and satisfactions. Generally, this shows that EAL has to work hard to fill the gap.

The third higher contributor of relationship marketing of Ethiopian airlines is commitment. Because relationship quality from the customer's perspective is achieved through the service provider's ability to reduce uncertainty; reducing customer doubts and in turn enhanced relationship quality. The researcher evaluated Ethiopian airlines employees' commitment by: items that assessed their ability to make adjustments to suit customers needs; flexible in serving needs of customers related to services, and offers personalized service to meet customers' needs. The findings of the descriptive result revealed that all in all, the study participants valued commitment of employees of the organization positively in such a way that more than 73% of the respondents valued commitment of the staff as good and above. Commitment from both parties is crucial in business relationship. Without commitment relationship will not sustain. Mowday et al. (1982) point out that when commitment is high among individuals who believe

that they receive more value from a relationship, highly committed customers should be willing to reciprocate effort on behalf of a firm due to past benefits received and highly committed firms will continue to enjoy the benefits of such reciprocity. However, 16, 72 %, of the respondents valued it as poor. To get the reciprocity benefit, the airline should be committed towards serving its customers to its level best.

In addition to the above determinants, communications is also another key antecedent that can offer a number of benefits for the organization when it is managed well. Gronroos (2004) pointed out that the outcome of an ongoing communication may offer a feeling of control, security, a sense of trust, minimized purchasing risks and, importantly, reduce cost to the customer. So, devising effective personal communication is a fundamental part of relationship marketing and that dialogue is a key feature that makes each customer feel special and unique. In addition to this, effective communication helps to shape realistic expectations between partners and develops a sense of closeness and ease in the relationship. When there is effective communication between the organization and its customers, customers are better informed about the organization initiatives or plan and activities, uncertainty will reduce and relationship quality will also improve, because the ability of employees to communicate well contributes to good relationship quality of the Ethiopian airlines.

In the present study, communication was the fourth highest contributor of quality relationship of Ethiopian airlines. It was measured by items related to providing timely and trustworthy information; providing information when there is new airlines service; give accurate information in the event of flight delays or cancellations. The finding of the present survey revealed that only 65% of the study participants evaluated the communication skill of the employees as good and

above. However, 20.53% of the respondents valued communication as poor. The problem seems to be very much prominent especially in domestic flights; it shows that Ethiopian has to work hard to fill the gap of communication skill of employees.

Trust is an important underpinning of relationship marketing is particularly important in building quality relationship as individuals seek predictable and consistent behavior on the part of their partner such that a relatively high degree of certainty is attached to future rewards. Besides, it reduces transaction costs as there is less necessity to establish expensive control mechanisms; lower costs in turn increases the probability continuing the relationship in the future and, therefore, increases commitment to the relationship quality because, both parties are relied upon each other (Ganesan 1994).

In the this study trust was measured using items measuring whether employees were open and honest with customers, whether employees were responsive to help customers, whether employees fulfilled its promises for the customers, whether employees could discharge their obligations, whether they could provide a consistent service to the customers, whether employees were very concerned with providing secure service to customers and whether employees paid respect to customers. The descriptive result of study showed that about 73% of the study participants evaluated the degree of trustworthiness of employees of the organization as good and above. However, still there is formidable proportion of customers who were not happy with the degree of trustworthiness of employees showing that the Ethiopian has to address this gap of employees 'behavior as well.

Generally, the investigation made on the determinants of relationship marketing by various researchers at different periods did not show consistency in their degree of contribution. For

instance, Jela and Alwieie (2010b) indicated that commitment has a great influence on relationship quality where as trust has the least contribution for the existence of relationship quality than conflict handling and communications. In the contrary, Ndubisi (2007) conducted research in the case of Malaysian retail banking and found that trust contributes more significantly and communication was the least. Moreover, in the Ethiopian context Negi (2010) also conducted and forwarded conflict handling has great influence and communication was the least on relationship quality of Ethiopian telecommunication.

To sum up, the findings of regressions, conflict handling and trust for this study are inline with the findings of Negi(2010) and Jela and Alwieie (2010b) respectively. However, the contribution of other determinants is quite different. These differences may be partly explained by the following factors:

- Characteristics of study participants
- Methodology of data analysis
- The difference in the sectors in which the studies were conducted
- The different social and cultural contexts beyond the industry that differs across countries

For example, in this study 80% of the respondents were degree holders and above, more than 46% of them earned more than 5000 ETB, and more than 40% of the study participants were foreigners. These background characteristics of study participants may impact on their perception as well as their expectations while they evaluated the employees of Ethiopian Airlines relationships. This in turn will cause differences in findings of studies. Concerning methodology, besides multiple regressions (this study exclusively used), different senior researchers applied factor analysis to identify the relationship determinants contribution on quality relationship of

different organizations. Thus, based on the discussion above, the following table shows the summary of hypotheses testing in this study.

Table. 4: Hypotheses testing

Hypothesis	Standardized beta coefficient	p-value	Hypothesis status
Commitment maintains significant positive contribution to firm-customer relationship quality.	0.233	0.001	Supported
Maintaining and developing trust has a significantly positive contribution to firm-customer relationship quality.	0.210	0.000	Supported
Keeping conflict handling has a significantly positive contribution to firm-customer relationship quality.	0.299	0.000	Supported
Upholding communication skills has a significant positive contribution to firm-customer relationship quality.	0.230	0.000	Supported
Creating customer satisfaction has a significantly positive contribution to firm-customer relationship quality.	0.262	0.000	Supported

4.5. Customers' response to open ended question

General suggestions from the customers were obtained about the general interactions of employees with customers of Ethiopian airlines. Then the researcher gathered two different suggestions that is in favor of and against of firm- customer relationship quality of Ethiopian airlines.

Majority of the customers were in favor of Ethiopian airlines and suggested that employees provide a welcoming response; EAL is center of excellence for service exchange, there is good hospitality, employees are very much friendly and sociable to handle customer relationship starting from getting ticket up to final destinations, especially for international service.

In contrary to this, some of the customers respond that domestic passenger's relationship has many problems such as: lack of respect, lack of cooperativeness, delays, lost of passenger's bag, lack of flexibility, belt problems, and update customers at the time of flight delays or cancellations. Moreover, discriminations between foreign customers and Ethiopian is a big problems in both international and domestic flight.

4.6. Interview results

The interviewees raised pertinent problems of the organization they are working for and suggested solutions as follows:

'Since EAL is an international organization, it faces a number of challenges from the competitors as well as from environments to keep its successful position in the sector, to improve its service than before, to be a first choice for the clients as well as for prospects. Now EAL designed 20/25 years of strategic planning and making the domestic service independent from the international service and leaving it for self decision. Besides, EAL has different means of checking whether employees are trusted, committed to their responsibility as well as for their customers by conducting audit, and monitoring each employee's daily activities by the delegated bodies of the airlines Moreover, Key performance indicators (KPI) is the other means of checking whether employees are behaving in line with the airlines value of „customer is a king“.

In addition to this, the airlines provide training program and giving continuous training for these lower performer as well as new employees to make the service more attractive than before. To motivate and satisfy the customer, the airline used different means of promotional practice such as Sheba Miles (getting extra baggage allowance, simple for reservation, free ticket, and bonus) and giving discount for upgrading and encouraging the firm-customer relationship quality. The airlines also conducted survey on from the international customers and analyzed it semi annually and quarterly'.

To sum up, with its unprecedented devotion to expand and grow as leading airline both in the continent and worldwide, the management of the airline is working towards increasing its competitiveness by upgrading its employees skills, promote their commitment and at the same time track the customers response periodically to head towards its vision successfully. To the extent that employees are the images of the airlines with whom customers interact, the research result shows that all in all employees are very much friendly and sociable and centre of excellence especially in African countries. However, there are two main problems that remain unresolved. This is problems of discriminations between foreigners and Ethiopians, and problems of domestic flight services. Based on the interview results the problems of domestic flight service were already recognized and the airline is ready to solve this by designing a 20/25 years strategic planning, but the problems of discrimination is still not recognized by the airline even if it conducts survey quarterly and semi- annually.

Chapter Five

5. Conclusion and Recommendations

This chapter includes two main parts: conclusion and recommendations. That means the main findings of the study, the major conclusion drawn based on the findings and recommendations of the study.

5.1. Conclusion

Relationship marketing is not a new discovered strategy for any business organization rather it is rediscovery that every organization used particularly service organizations because service by its very nature needs the interaction and physical presence of two parties. So to form good relationship with the customers, the organization needs to have knowledge of determinants of relationship marketing of which commitment, trust, satisfaction, communication and conflict handling are the most important ones. Therefore, by understanding these determinants EAL is also practicing it to increase firm-customer relationship all over the world where the service is available. This paper was done for the purpose of assessing the relationship between employee and customers of Ethiopian airlines. Concerning determinants on relationship quality, different researcher found positive contribution of each but with different magnitude on relationship quality. Negi (2010) for example conducted research on ETC and found similar results with the rest of researchers' result in the contexts of developed countries. My regression findings were also in line with the previous study except in their magnitude or degree of contribution of each variable on relationship quality of the airline.

- Regarding to the regressions result on the determinants magnitude on relationship quality, conflict handling is the highest contributor for the existence of relationship quality for EAL's followed by satisfaction, commitment, communication and trust. The findings of

conflict handling and trust for this study is in line with the findings of Negi(2010) and Jela and Alwieie (2010b) respectively. However, the contribution of other determinants is quite different from the previous research results.

- Based on the survey and interview results Ethiopian airlines relationship quality is good; employees provide a welcoming response; it is centre of excellence for service exchange, there is good hospitality, employees are very much friendly and sociable to handle customer relationship starting from getting ticket up to final destinations, especially for international service. Contrary to these strong sides some problems were present in firm-customer relationship of EAL. Means of conflict handling (20.5%), problems of communications skills (20.5%) and problems of trustworthiness are identified in this research.
- Problems of trustworthiness such as keeping promise, partial service for foreign and Ethiopian customers are frequently mentioned problems by the clients. In addition to this, communicating customers at the event of flight delay or cancelation especially at domestic airlines service is also another problem that customers are complaining on. Even if these problems are present in both domestic as well as international service, the domestic problems are already recognized by the airlines and solutions are getting in place. However, in the problem of double standard service for the Ethiopian and non Ethiopian customers in the international flight seems yet to be left by the management.

5.2. Recommendations

From the above conclusion the researcher forwarded the following recommendations:

- Unequal customer treatment and unable to keep their promise: it is better to invite external researcher that can assess general interaction of employees with customers in both domestic and international firm-customer relationship.
- Problems of communications: since communication plays a significant role for maximizing the need of employees, organizations and customers as well, EAL should give due attention to the proper communication by employing information centers for both domestic and international customers that can provide current information whenever change required.
- Problems of conflict handling: EAL should give a due attention for simple disagreement. So, it is better to give a continuous training and exposing employees to acquire experience from other well performing countries.
- Generally, to the extent that the airline is envisaging being leading in the content and competent internationally, developing its employees' capability and motivation to share its vision and serve its clients is crucial for the Ethiopian. Word of mouth of satisfied customers is a more reliable and arguably less costly source of attracting new customers which can be gained only by maintained satisfied and committed customers.

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Appendices

Appendix A

Addis Ababa University

School of Graduate studies

Department of Marketing Management

This questionnaire was prepared by MA marketing Management student. The purpose of the study is to assess the determinants of relationship marketing the case of Ethiopian airline. To achieve this objective, the researcher needs your cooperation in order to assess the relationship quality offered by the Ethiopian airlines. Your response for the questions will be kept confidential.

Thank you in advance for your cooperation

The questionnaire has two parts: the first one is question related to determinants of relationship marketing and the second part is background of the respondents.

Part I

Questions related to determinants of relationship marketing

Instructions one

Please respond by putting the mark (√)

No	Tools /items	Strongly Agree	Agree	Neutral	disagree	Strongly Disagree
	❖ Commitment					
	Ethiopian Airlines:					
1	makes adjustments to suits my needs					
2	is flexible in serving my needs related to services.					
3	offers personalized services to meet customer's need					
	❖ Trust					
	I am confident that:					
4	Employees are open and honest with me					
5	Employees of Ethiopian airline are responsive to help customers.					
6	Ethiopian airline fulfill its promises for the customers.					
7	Employees of Ethiopian airline can discharge their obligations.					
8	Ethiopian airlines provide a consistent service to the customer.					
9	Employees of Ethiopian airline are very concerned with providing secure services to customers.					
10	Employees of Ethiopian airlines with whom I contacted in the past had paid respect to me.					
	❖ Conflict handling					
11	Employees are very active to respond for the manifestation of customer problem.					
12	.Employees of Ethiopian airlines provides fast response for the customer question.					

13	Employees have the habit of discussing with customer when problem arises.					
14	Employees are advocating the proactive of methods of problem solving.					
	❖ Communication					
15	The airline provides timely and trustworthy information.					
16	The airline provides information when there is new airline service					
17	Employees can be relied upon to give accurate information in the event of flight delays or cancellations.					
	❖ Satisfaction					
18	I have satisfied with my past experience.					
19	I have been satisfied since I became the customers of this airline.					
20	The airline offers value for the money I pay.					
21	Generally, I feel satisfied with this airline					
	❖ Relationship quality					
22	My relationship with Ethiopian airlines fulfils my expectation.					
23	I have good relationship with Ethiopian airlines					
24	An Ethiopian airlines shows high professionalism in its service.					
25	My relationship with the airlines meets my goals.					

Part II

Back ground of the respondents

Please respond by putting the mark (✓)

1. Sex: Female Male
2. Age: 19-29 30-40 41-51 52 -62 63 and above
3. Educational background: Grade 12 complete, Diploma holders Degree holder Masters holder PHD and above
4. Monthly income : 1500-3000 3001-5000 5001 and above

If other specify _____

5. For foreign customers in(USD) _____
6. Nationality (citizenship) _____

Appendix B

The following interview questions were prepared for the employees of Ethiopian airlines who are working in the customer relationship management department.

1. Do you believe that employees of EAL are open, trusted, and discharging their responsibility in the required manner? Yes/No
 - 1.1. Do you have a means of checking whether employees are open, trusted, and discharging their responsibility in the required manner?
2. As all we know customers are ‘king’ or ‘queen’ for any organization,
 - 2.1. Do you think that employees of EAL have the knowledge of this and respect customers accordingly? Yes/No
 - 2.2. What is your means of assuring whether the front line employees are implementing this knowledge or not?
3. In various Medias the EAL promises that ‘we are ready to serve the customer’ and thus, keeping the promise means keeping good relation with the customers. However, as I have checked from the survey result, there is unequal customer treatment between foreigners and Ethiopians customers.
 - 3.1. What do say about this?
4. Most domestic customers are complaining regarding informing customers at the event of flight delay or cancellation.
 - 4.1. What do say about this?

Appendix C

Descriptive statistics

	Mean	Std. Deviation	N
Relationship quality	3.34	1.117	341
Commitment	3.3900	1.37961	341
Trust	3.4956	1.18971	341
Conflict handling	3.2287	1.47345	341
Communication	3.1056	1.39769	341
Satisfaction	3.5777	1.42580	341

Model summary

Model	R	R square	Adjusted R ²	Standard error of estimate	Change statistics					DW test
					R square change	F change	df1	df2	Sig. F change	
1	0.950	0.902	0.900	0.353	0.902	614.743	5	335	0.000	1.995

Predictors: constant, satisfaction, commitment, communication, conflict handling and trust

Dependent: relationship quality

Coefficients

Variables	Unstandardize beta coefficient		Standardize coefficient	t-test	Sig.	95%confidence interval		Variance inflation factor (VIF)
	Beta	Std. error				Lower bound	Upper bound	
			Beta					
Constant	-0.29	0.066		-0.432	0.666	0.150	0.101	
Commitment	0.189	0.17	0.233	11.256	0.000	0.156	0.222	1.460
Trust	0.197	0.023	0.210	8.548	0.000	0.152	0.242	1.051
Conflict handling	0.226	0.018	0.299	12.752	0.000	0.191	0.261	1.869
Communication	0.184	0.016	0.262	11.045	0.000	0.152	0.216	1.41
Satisfaction	0.206	0.019	0.230	11.295	0.000	.0169	0.242	0.923

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