Addis Ababa University

School of Commerce

Department of Marketing Management

THE CHANGING TRENDS OF AIRLINE DISTRIBUTION TOWARD ONLINE SALES AND CUSTOMER'S INTENTION TOWARDS ONLINE PURCHASES

(A case study on Ethiopian Airlines International Passengers)

By: Anteneh Fekadu

May, 2014.

Addis Ababa, Ethiopia

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(A case study on Ethiopian Airlines International Passengers)

In Partial Fulfillment of the Requirement for the Award of Master of Arts Degree in Marketing Management

By

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Approved by Board of Examiners

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Letter of Certification

This is to certify that Anteneh Fekadu carried out this research on the topic entitled “The Changing Trends of Airline Distribution toward Online sales and Customer’s Intention towards Online Purchases Focus on: Ethiopian airlines international passengers, Addis Ababa.” This work is original in nature and is suitable for submission for the award of the Master of Arts Degree in Marketing Management.

Mehret Berhanu (Asst. Prof.)

(Advisor)

Declaration

I, Anteneh Fekadu, hereby declare that the work in this research study entitled “The Changing Trends of Airline Distribution toward Online sales and Customer’s Intention towards Online Purchases Focus on: Ethiopian airlines international passengers.” is my own original work and that all the sources of materials used for this study have been identified and acknowledged as complete references. This research study has not been previously submitted in full or partial fulfillment for any degree in this university or any other recognized education institution. This research study is being submitted in partial fulfillment of the requirement for Master of Arts degree in Marketing Management.

By: Anteneh Fekadu (GSE/0779/04)

Signature: _____

Date: _____

Abstract

The objective of this research paper is to show the changing trends of airline distribution toward online sales and customer's intention towards online purchases through the different attributes and characters the airline's website shows on customer's attitude formation.

Relevant literatures were used in the area of airline marketing; distribution marketing; relationship marketing; customer loyalty and consumer behavior theories. The model adopted to develop the survey questions was the online airline tickets attitude model. The research methodology adopted for this study is descriptive research, through the use of frequency statistics, one way ANOVA and correlation as tools to describe the relationships between the different constructs. In the study, perceived risk, price perception, convenience, level of involvement, variety of choice, familiarity with the internet and security/privacy in online purchase were analyzed to see their impact on customer's attitude towards online purchase of airline tickets.

The research findings clearly indicated that the customer's attitude towards online purchase of tickets is affected by perceived financial risk from online purchase, price perception, and familiarity to the internet, and level of involvement, the privacy and security of purchases, the convenience of using the internet and the availability of different choices on the online site.

The significance of this research paper can be seen from the second largest operational cost the airline is facing, the cost of global distributions systems (GDS). Because of the capital intensive nature of the industry and increase in operational costs such as fuel airlines are adopting strategies towards cost reduction. Decreasing the cost with regards to GDS, having the means to reach customers first without the middle men through direct marketing plays pivotal importance for getting competitive advantage over others which enables airlines achieve their objective set and the overall success.

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CHAPTER ONE
INTRODUCTION

1.1 Background of the study

The world of Airline Distribution has undergone remarkable change over the past fifteen years, as a direct result of the introduction and maturation of the Airline Direct Channel (supplier.com). For decades prior to the existence of airline websites, approximately 80% of airline product was sold through Indirect Channels (mainly travel agencies) (Axis Group, 2010). The introduction of the Airline Direct Channel has accounted for a dramatic channel shift, with up to 50% of airline bookings now managed through this new channel (Axis Group, 2010).

The emergence of the Internet in the mid-1990s forced airlines to reshape their distribution strategy in order to boost their competitiveness (Buhalis, 2004). At the same time, a number of no-frills airlines emerged in both Europe and the US. Both incumbent and Low Cost Carriers (LCCs) identified the Internet as a major opportunity to reduce distribution costs and to reengineer the structure of the industry (Calder, 2003; Binggeli and Pompe, 2005). LCCs were the first to invest heavily in channeling direct sales through their online sales platforms. These airlines have developed simple distribution strategies and took full advantage of the Internet bypassing travel agents and Global distribution systems (GDSs) (Oorni and Klein, 2003). They offered incentives for consumers to book online, in a way forcing their clients' online (Chu, 2001).

Consumers rapidly identified the Internet and airline web sites as the platform to benefit from lower prices. In their effort to compete, scheduled carriers, traditionally reliant upon GDS platforms, were forced to follow suit and develop their online presence (Mason, 2001). The Internet also brought about the appearance of online travel agencies on the marketplace such as Travelocity and Expedia. Online travel agencies, consumer success and high ambitions made airlines react by setting up Orbitz, an online Web site with direct connect technology to airlines, bypassing GDSs and their booking fees. This entity became a powerful competitor to online travel agencies, and it enabled carriers to connect directly via its technology and avoid GDS booking fees. But according to many airline industry analysts, Orbitz also had some unintended

consequences: it helped accelerate the commoditization of online air distribution and put further downward pressure on prices. In short, the airlines successfully addressed one problem (cost of distribution) but fuelled another problem (lower prices), which in turn generated more pressure to lower the cost of distribution.

In today's highly competitive and cost-conscious environment, airlines must look for profitable growth and develop the responsiveness needed to manage both future opportunities and market disruptions. Today's airlines need agile, cost-effective distribution solutions to sharpen their competitive edge and help them respond quickly to fast-changing market conditions and passenger expectations. One answer is smart, cost-effective distribution solutions, which offer opportunities for rapid gains through the adoption of new technologies and business models.

In the 50 years since the airline industry began to teach the rest of the world how to conduct business electronically, much has changed within and across airline distribution. Although airlines don't fly the same planes in 2014 that they did in the 1950s, 1960s, or 1970s, parts of the industry's business processes, business models, and technology infrastructure date back to those eras -- and, in some cases, even earlier.

This study will focus on the current trends of Ethiopian airline's distribution systems and the website (ethiopianairlines.com) and the different approaches that the airline should adopt in order to survive and reap the benefits of the marketing investment in an environment where development in information technology is breaching the gap between passengers and service providers. Several studies have been conducted on airline and travel agencies relations and trends towards direct channels and disintermediation however; this paper concentrates on the determinants of customer convenience in using the online/direct sales of airline services or travel agents. Because of the increasing significance of keeping profitable customers to sustain in the market, knowing the determinants of customer loyalty plays pivotal role for airlines what services would be in the minds of customers preferring the online/direct plat forms provided by airlines than the costly traditional travel agents through global distribution systems (GDS).

1.2 Statement of the problem

In today's highly competitive, cost-conscious environment, airlines must look for profitable growth and develop the responsiveness needed to manage both future opportunities and market disruptions. One answer is smart, cost-effective distribution solutions, which offer opportunities for rapid gains through the adoption of new technologies and business models (SITA, 2009). The dramatic growth of online channels has already irrevocably changed the face of distribution. Airlines are using online sales to radically transform their business models and capitalizing on the strength of their direct distribution capabilities to slash overhead costs. The need to trim costs is also driving a hybrid approach whereby airlines leverage a variety of different distribution strategies ranging from direct-only to multi-channel that results shifting their business to the most efficient, lowest-cost channel for each different market environment. But while many airlines have already significantly reduced their distribution costs through direct marketing using majorly the online platform, there is still much need to use an indirect channel such as traditional travel agencies, online – travel agents, tour operators and consolidators.

Although the Internet undoubtedly has the potential to revolutionize the travel distribution chain to a much greater extent than it already has, however it should be noted that many hindrances to a mass-market adoption of online services in travel still exist. Consumers, surprisingly, have the potential to experience more disadvantages than advantages by using online travel services. Therefore the present study tries to fill the gap in knowledge about the factors that affect customer's attitude towards direct channels of airline distribution and adoption of electronic marketing.

1.3 Basic research questions

The research tries to address the following basic questions:

- What are the major factors that affect travelers not to use online service and still rely on traditional /offline travel agents?
- Are there variations in perceptions among the different customer groups in using online airline services against traditional travel agencies?

- What is the current awareness level of airline travelers on service provided online/direct channels?
- What is the level of customer's attitude in relation to price towards online purchases?
- What is the level of customer's attitude towards perceived risk from online purchase?
- Does the availability of choice affect customer's attitude towards online purchase?
- What is the level of customer's attitude towards being involved in online purchase of airline tickets?

1.4 Objectives of the study

1.4.1 General objective

The general objective of this study is to investigate the changing trends of airline distribution toward online sales and customer's intention towards online purchases.

1.4.2 Specific objectives

- To assess the major factors that affect travelers not to use online service and still rely on traditional /offline travel agents.
- To understand the variations in perceptions among the different customer groups in using online airline services against traditional travel agencies.
- To examine the current awareness level of airline travelers on service provided online/direct channels.
- To identify the level of customer's attitude in relation to price towards online purchase
- To identify and recommend on the level of customer's attitude towards convenience & being involved in using online purchase
- To identify and recommend on the level of customer's attitude towards the availability of choices and familiarity on the net affect the online purchase of airline tickets

1.5 Significance of the study

Recognizing the enormous rise in the number of customers who are buying airline tickets online during recent years, a number of airline companies are seeking to shift even more people to online/ direct channel (supplier.com). The study will try to present us with the broad picture of level of preference of airline customers among available distribution channels and try to indicate how airline companies should allocate resources among the different channels. Airlines shouldn't forget the tasks performed by travel agents provide their customers with information and advice make reservations, provide tickets, and other ancillary services. The paper will try to indicate complete disintermediation of the sector would result many difficulties for airlines in reaching out their customers as there are many services and preferences by market segments for traditional travel agencies.

In addition, this thesis can be used as an input for those who want to conduct research on Airline service distribution dimensions such as marketing and sales, advisory service and itinerary planning, pricing and booking, subsequent amendments and refunds/changes.

1.6 Delimitation/scope of the study

The study focuses only on the current trends in airline distribution, determinants of customer behavior towards online distribution systems in international passenger airline .This paper was based on the survey conducted on those customers that use Addis Ababa international bole airport. Because of time and money constraint those passengers who are not flying to/from Ethiopia will not be included in the survey.

1.7 Ethiopian Airlines background information

1.7.1 History of Ethiopian Airlines

Ethiopian airlines (Ethiopian) is a flag carrier of Ethiopian. During the past sixty five years, Ethiopian has become one of the continent's leading carriers, unrivalled in Africa for efficiency and operational success, turning profits for almost all the years of its existence. Operating at the forefront of technology, it has also become one of Ethiopia's major industries and a veritable institution in Africa. It commands a lion's share of the pan African network

including the only daily east-west flight across the content. Ethiopian serves 73 international destinations. Furthermore, it is working diligently to make Ethiopian aviation Academy the leading academy in Africa. Ethiopian is one of the airlines, in the world, operating the newest and youngest fleets.

A new era in the development of transport and communication in Ethiopia was realized when the first plane arrived in Aug 18, 1929 in a place called Geferssa, 15 kms on the western outskirt of Addis Ababa.

The story of the Ethiopian national airline begins in1945, when the Ethiopian delegation which was sent to the United Nations founding conference requested the US states of Department for assistance in establishing a commercial air transport. Following the positive reactions of the state's department, after a number of constructive meetings, an agreement was signed between the Ethiopian government and TWA (Trans world Aviation) to set up a commercial air transport company, The Ethiopian airlines Inc. (EAL). Ethiopian airlines started with 6 DC-3 Douglas airplanes and seven Station 1 type aircrafts bough in April 1946. Then after, the airline has made serious efforts to progressively acquire modern aircrafts and expanded its service to more and more destinations.

Ethiopian Airlines become member of IATA (International Air transport Association) on 01 January, 1959. This coupled with the acquisition of modern jet planes opened the venue for air transport to be pioneer jet link of Africa to the world.

Until 1974 Ethiopian Airlines operated under the guidance of TWA, where the host company used to serve as an authorized agent for the purchase of aircrafts, associated spare parts and hiring of personnel. Besides these, TWA was entrusted with technical management and operations of the airline, while the business management was directed by a board of directors' constituted by representatives of Ethiopian government and TWA. This arrangement was fully changed and the management completely transferred to Ethiopian government following the 1974 political change.

Concerning destinations, Ethiopian airlines at present covers five continents: Africa, Middle East, Far East, Europe, and America. The airline's largest international number of routes

is found in Africa, linking 28 cities of the African content to the rest of the world. In total, the airline serves currently 73 international and 17 domestic stations.

EAL has a total of 55 current commercial fleets to conduct all services in the airline such as domestic passenger service, medium and long-range international passenger services, cargo and non-scheduled services. It has ordered ten new state of the art B787 Dream liner aircrafts. Four of them already arrived and the remaining aircrafts are expected to come in the year 2013.

Ethiopian Airlines is a fully government owned share company, which managed by the board of directors appointed by the government.

1.7.2 Vision, Mission and Values

Vision 2025

Ethiopian will be the most competitive and leading aviation group in Africa by providing safe, market driven and customer focused passenger and cargo transport, aviation training, flight catering, MRO and ground services by 2025.

Mission Statement

- To become the leading Aviation group in Africa by providing safe and reliable passenger and cargo transport, aviation training, flight catering, MRO and ground services whose quality and price "value proposition" is always better than its competitors
- To ensure being an airline of choice to its customers, employer of choice to its employees and an investment of choice to its owner
- To contribute positively to socio economic development of Ethiopia in particular and the countries it operates in general by undertaking its corporate social responsibilities and providing vital global air connectivity

Value Statement

- As an airline, safety is our first priority
- ET is a high performance and learning organization
- We are an equal opportunity employer
- We treat internal and external customers the way we would want to be treated

1.7.3 Business strategies of the airline

Ethiopian airlines uses integrated business model; cost leadership and differentiation strategies to be pursued when seen fit.

1.8 Ethiopian airlines and its website (www.ethiopianairlines.com)

Ethiopian airlines launched its first booking engine in October, 2002. The site only gave the reservations service and limited amount of information with regards to the destinations it serves. The online payment was incorporated on April 2007, after these customers started using the website to purchase tickets and other services like excess baggage online. Despite its launch long after other carriers like Delta airlines (launched their website in 1995) the growth of the web site users and its generated revenue are too small to compare with other international carriers. One impediment to the growth of the website revenue is associated with the continent the airline associated. The infrastructural development of Africa is less compatible to the internet age but recent changes and development appear to be promising.

According to a report from the distributions department of the airline Ethiopian web sales has showed growth, the total revenue generated from the web sales has grown from 2% of the total revenue gained in January , 2009 to 7% of the total revenue gained from passenger sales in 2013. For additional references please check appendix section of this paper.

1.9 Organization of the research report

The study is organized in two five chapters:

Chapter one: Introduction:-This chapter will contain background of the study, statement of the problem, basic research questions, objective of the study, definition of terms, significance of the study, and delimitation/scope of the study.

Chapter two: Literature Review: - This chapter will contain the literature review in relation to relationship marketing, brand management, service marketing and Airline marketing. Articles and books will be also used.

Chapter Three: Methods of the study: - Under this chapter, the researcher described the type and design of the research; conceptual frame work adopted from previous studies is stated; the subject and participants of the study are mentioned; data source that is used for the study is specified and the data collection tools employed are elaborated.

Chapter Four: Results and discussion: - On this chapter, the summarization of the results/findings of the study are made;

Chapter Five: Summary, conclusion, and Recommendations: - On the fifth chapter, summery of the findings are made from the previous chapter four and conclusion is made as well. Finally the recommendation on its application to airline managers is pointed out.

CHAPTER 2

LITERATURE REVIEW

2.1 Distribution channels

The term “distribution channels” can at the moment be replaced by the term “marketing channel”. “Marketing channel” as a more complex term has been used in the USA since the 1970s, because the intermediaries include not only those who participate in the physical flow of a product from the manufacturer to the end user, but also those that have a role in the transfer of product ownership, as well as other intermediary institutions that participate in the value distribution from production to consumption (Tipuri, 1993). Therefore, it is assumed that there are three types of marketing channels (Kotler et.al, 2008): communication channels, distribution channels and service channels.

Distribution or marketing channels are systems of mutually dependent organizations included in the process of making goods or services available for use or consumption. Moreover, a marketing channel is "the external contractual organization that management operates to achieve its distribution objectives (Rosenbloom, 2004).

There follow some more recent concepts of the distribution channel:

Channel of distribution - the route along which goods and services travel from producer/ manufacturer through marketing intermediaries (such as wholesalers, distributors, and retailers) to the final user. Channels of distribution provide downstream value by bringing finished products to end users. This flow may involve the physical movement of the product or simply the transfer of title to it. Also known as a distribution channel, a distribution chain, a distribution pipeline, a supply chain, a marketing channel, a market channel, and a trade channel.“ (Ostrow, 2009).

Similarly, distribution channel is defined by Hill: "Distribution channel - one or more companies or individuals who participate in the flow of goods and services from the manufacturer to the final user or consumer" (Hill, 2010). Nevertheless, other types of flows should not be neglected in distribution channels, so that the following definition is also possible: "Channel of distribution consist of one or more companies or individuals who participate in the

flow of goods, services, information, and finances from the producer to the final user or consumer." (Coyle et.al, 2003) These are various routes that products or services use after their production until they are purchased and used by end users. Therefore, marketing channels, i.e. distribution channels are all those organizations that a product has to go through between its production and consumption (Kotler et.al, 2006).

2.2 The airline industry

2.2.1Fundamentals of airline marketing

Airline marketing provides a particularly fascinating illustration of the application of marketing principles because it includes examples of both industrial and consumer marketing (Shawn, 2007). The "4P's" model tells us that the application of marketing principles will require decisions to be made about products which will be offered and the prices which will be charged for them. Firms must also decide on the methods of marketing communication they will employ in order to persuade people to buy, and the distribution channels which will be used to provide the link between the customer and the product (Shawn, 2007).

Airlines focusing on the business travel market have tended to adopt retailing philosophy. This has required them to keep in contrast with travel agents, and to maintain a high promotional profile through such activities as media advertising, Data base marketing, and the maintenance of an attractive Frequent Flyer Program (Shawn, 2007).

2.2.2 The market for Air transport services:

Market Segmentation

It is truism to say that all customers are different. If an airline was to carry out market research in to the requirements of its customers, the outcome would not be a uniform set of results (Shawn, 2007). A market segment is a group of customers who have sufficient in common that they form a viable basis for a product/price/ promotion combination (Shawn, 2007). In order to define the distinct target groups' customers' typically segmented along demographic, psychographic, and /or behavioral dimensions (peter and Olson, 2008, Solomon, 2006). Segmentation of the air passenger market has traditionally been based on the use of three variables (Shawn, 2007). The purpose of passengers' journey, the length of their journey, and their country or culture of origin (Oyewole et.al, 2006), on the other hand, contend that purchase

situation factors also represent useful segmentation dimensions. Accordingly, they differentiate between reason for travel, frequency of travel, class of travel and types of airline used. Journey purpose has always be the fundamental segmentation variables in the air passenger market, with the essential division being between business and leisure travel. While there may be some exception to these two dimensions (e.g. Pilgrimage, medical transport) most of the trips taken by airline passenger fit in to one of these two categories (Shawn, 2007).

Despite the clear existence if of exceptions, the distinctions business and leisure remain a valuable one in airline marketing there is no doubt that a usually high proportion of trips can placed in one of these two categories (Shawn, 2007). Business travelers have long been the most important customer segment for airlines due to their relative price inelasticity (Hanlon, 2007). While business travelers in the past gave emphasis to flexibility and service over price and, therefore, generally purchased first and business class tickets, a large portion of this customer segment seems to now be giving preference to price over service, and seems willing to sacrifice flexibility and frills in return for lower fares(Mason and Alamdri , 2007). Shawn (2007) classified business travelers into corporate travelers and independent travelers. While corporate travelers are those who travel for a company , and who are able to put the price of their ticket and other business travel costs on to an expense account, independent business travelers , on the other hand, are those who are self-employed or who work for small companies. These people feel to a much greater degree that the price of an airline ticket is coming out of their pocket.

In the leisure segment of demand, again, two sub divisions can be isolated. Those of holiday and visiting-friends and relatives travel. Airline travel demand in the leisure travel segment is primarily influenced by ticket price, travelers' disposable income, and is principally determined by economic wealth.

The other division is length of journey where there is fundamental difference between the requirements of short haul traveler compared with someone who if flying long-haul routes, the airports experience is an especially important one, whiles in flight aspects such as seating comfort or food assume rather less significance (Shawn, 2007). On long-haul routes, on the other hand, the in-flight experience is very important indeed in ensuring customer satisfaction (Shawn, 2007). Shawn (2007) put high priority issues for the different types of travelers (business, leisure) as follows:

1. Frequency and timing: - In short-haul markets, frequency and timing are all important for the business traveler. Most business people find that their lives are busy, and that their plans often change at short notice. If they do, an airline offering them a high frequency will have crucial advantage. Alongside the question of flight frequency, the timing of flights will also be vital consideration.
2. Punctuality: - Punctuality of flights is obvious, crucial importance to the business traveler, with flight delays meaning inconvenience, missed appointments and, perhaps, the loss of customers.
3. Airport location and Access: - On the short-haul routes, passengers will prefer service from local, easily accessible airports, rather than from a more distant hub.
4. Seat accessibility/Ticket flexibility/: -Seat availability is a piece of aviation jargon which refers to the probability of a passenger being able to book a seat on a flight shortly before it is due to depart. This is main issue for business traveler.
5. Frequent flyer Benefits: -FFP benefits are more interesting for long haul travelers, whereas, short-haul travelers more interested on departure timing and the availability of a seat.
6. Air port Service: - Business travelers will demand the opportunity to check in very late for a flight, by using a separate check-in desk to guard gains the possibility of being delayed by a long line of less time sensitive travelers. An on-line check-in facility may be even better.
7. In-flight Service: - In terms of the factors this will be taken in to account in evaluating the in-flight experience, seating comfort in terms of seat pitch and seat width will be significant.

2.3 Airlines and the Internet revolution

The emergence of the Internet in the mid-1990s as well as the development of Intranets and Extranets forced airlines to refocus their strategy on technological innovations in order to enhance their competitiveness. Airlines identified the Internet as a major opportunity to tackle distribution costs and to reengineer the structure of the industry. In a recent interview, British Airways CEO, Rod Eddington admitted that BA spent £1.1 billion on distribution in 2001 and

that was their third most significant expense after labor and fuel Noakes (2002). In the Internet era, GDSs as independent business from airlines developed their offerings to provide the backbone for the entire industry to establish the info-structure for the transactions undertaken by a number of Internet travel portals. In addition, they gradually reinvented themselves to main technology suppliers for a wide range of tourism organizations including airlines, travel agencies and Internet travel portals.

At the same time, a number of no-frills airlines emerged in both Europe and the US. These airlines concentrated on lower input cost in as many areas of their operations Barkin et.Al, (1995). They also developed simple distribution strategies and took full advantage of the Internet for communicating with their clientele Mintel (2001). Internet early adopters, including both well-established and newly-founded airlines identified a clear opportunity. They invested heavily in order to develop their on-line brand name and to capture a significant market share.

No frills airlines, empowered by the Internet and other ICT tools, made the industry reengineer itself as it introduced a number of ICT-enabled innovations including:

- Electronic/paperless tickets
- Transparent and clear pricing led by proactive and reactive yield management
- Single fare tickets with no restrictions on staying or Saturday nights rules
- Commission capping and publication of net fares
- Financial incentives for self-booking online
- Auctions and online promotions
- Customer Relationship Management Systems
- Online and context-relevant advertising

As consumers enjoyed interacting directly with airlines and benefited from lower rates, traffic for traditional scheduled airlines and flag carriers declined. They therefore had to follow the lead of no-frills carriers and to develop their online presence in order to maintain their competitiveness.

Technologies can improve the entire customer travelling experience. Frequent travellers demand speedier check-in processes and a higher degree of flexibility and control over their own travel arrangements. E-ticketing and paperless communications are expected to improve customer service by reducing the level of bureaucracy, by increasing flexibility, and by speeding up all processes. Self-service kiosk applications will increasingly support travellers make travel

reservations, check-in, receive boarding passes, select seats, check frequent flier miles, request upgrades, purchase a ticket, print e-ticket receipts, or check bags - all without waiting in-line for an agent. Providing self-services through kiosks and wireless technologies can provide benefits including: operational and productivity gains; reduction of check-in times; support of flights to depart and arrive on-time; minimization of check-in unit costs; improved customer satisfaction; and reduced costs (Buhalis,2003).

2.4 Airline Distribution channels

In all areas of marketing, links must be made between the customer and the product. These links are known as Distribution Channels. Airlines use a variety of these channels. All of them are giving rise to particularly intense debate at the present time, because the different channels result in different costs, and because they vary in the extent to which they allow airlines to exercise proper and necessary control of the market. It is also an area where radical and controversial change is occurring, as carriers become increasingly adept at exploiting the potential open to them from on-line distribution.

In any industry, firms can choose from different types of distribution channel. Some may opt for the direct route. This is where the producer makes direct contact with the final customers for its product, without any intermediaries being involved at all. This channel philosophy is normal in the industrial marketing of big-ticket capital goods. It certainly has been usual in the field of aircraft manufacturing, though the rise of the specialist operating lease companies has now in many cases provided an intermediary between the aerospace firms and their final customers, the airlines. In marketing activities involving less costly items a direct approach can still be adopted. For example, some firms choose to deal direct by selling their goods through mail order, backed by extensive advertising aimed at final customers, or increasingly, over the Internet. Direct channels bring the advantage that no mark-ups or commissions have to be paid to channel intermediaries. They also allow producers to keep complete control of their marketing activities, and to be in touch with the true sources of demand for their products. The problem is that they may make it difficult for the producer to achieve sufficient geographical coverage.

As has been pointed out by e.g. Holloway (1983) and Delaney-Smith (1987), the travel industry is one of the most obvious beneficiaries of technology, and indeed, the travel industry

has always been a forerunner in the field of information technology, with electronic markets starting to emerge already in the 1960s, when the major U.S. airlines developed proprietary computerized reservation systems (CRSs) to support the exploding volume of ticket traffic Koch (1995). A major limitation of these systems, which later were networked, evolving into immense multi-carrier and multi-product global distribution systems (GDSs), has been that the systems traditionally have been accessible only by travel agents, not by individual customers, resulting in a situation where the position of the intermediaries in the travel distribution chain has been remarkably strong. With the emergence of global electronic markets on the Internet, the future role of travel agencies has been widely discussed as potential travelers now have the opportunity to do business directly with producers, bypassing intermediaries in the distribution chain. Potential consumer benefits of the direct distribution opportunities include greater convenience, a greater choice of suppliers, and especially price reductions.

Airlines have long used internal Computer Reservation Systems. They are often interfaced with GDSs and with the airline Internet site in order to distribute inventory globally and to ensure that it is current. These systems are used to issue electronic tickets and to exchange e-tickets with multiple carriers worldwide. The need to promote their web site as their primary reservation path and as an alternative to the GDS/travel agency route is widely seen by most operators: airlines. Such systems link all partners in the handling process, automate procedures, and support smooth communication flow. Airlines endeavor to use technology to enhance their efficiency and therefore they attempt to integrate new technologies such as electronic scales, stacker systems, handheld terminals, and bar coding to increase their handling efficiency and to reduce operational costs. Therefore, these systems support the administration, accounting, and passenger or cargo handling processes by coordinating inventory management, sales and marketing, yield and revenue management, ticketing, and departure control systems.

An e-ticket is the electronic version of the conventional paper ticket. It is an electronic record kept in the airline's reservations system. According to Goh (2008), airline e-ticketing is an alternative marketing strategy implemented by airline companies to serve their customers via the Internet Infrastructure. With an e-ticket, details of the passengers' journey are stored in an airline database, and are retrieved using a unique lookup code (Sulaiman et.Al, 2008).

The main concept of e-ticketing is to enable the development of self-services technologies and electronic travel innovations (Hoosain et.Al, 2000). Online air ticket booking is considered a complex task that might take approximately ten minutes on complete a booking. The booking process included repetitive search in flights database and browsing long lists of flight schedule from different airlines to create an optimal outbound and inbound flights (Ivan, 2008).

According to Palmer and McCole (1999), the 'most important structural change that could be brought about by the Internet is disintermediation wherein principals bypass the intermediary and sell directly to end-users' (Palmer and McCole, 1999). This phenomenon is especially pronounced in the relationship between airlines and travel agents (principal and retailer). To minimize the risk of disintermediation, travel agents need to reduce their dependence on simple transaction processing and increase revenues from intelligent, knowledge based activities.

From the customer's point of view, all this may sound too good to be true and it is: Although GDSs are accessible for individual Web shoppers already today, they can still only be accessed through an intermediary travel site. Hence, opportunities for pure disintermediation are thus far only seen in bookings made through Web-based CRSs offered by individual service providers (airlines and hotels) or cooperative Internet ventures by these, such as the reservation site Orbitz.com, a high-stake effort by a large group of U.S. airlines to give carriers a more direct line to customers. Moreover, the Web interfaces of the GDSs lack some of the services and privileges available for ticket issuing travel agencies, who have access to special negotiated rates (Sheldon, 1997), have ways around airline reservation systems that are technically "sold out" (Keizer, 2000), who can make seat arrangements and enter special requests, and who use command-driven systems, which are faster than the user-friendly menu-driven systems on the Web. All this means, of course, that customers are still not competing on equal terms with travel agencies as far as bookings through the major GDSs are concerned. Furthermore, online reservation systems, where the consumer himself is responsible for planning the trip and making the arrangements, may prove to be impractical for all but the most sophisticated users due to regulatory obstacles and the complexity of international flights (Hart, 1995).

Travel is a complicated industry with a lot of rules (Cooper and Brown, 1997) meaning that consumers may experience significant barriers to making self-bookings for complex

journeys (for instance unpackaged multi-destination journeys), whereas simple travel arrangements, for instance an airline ticket (Liebmann, 1997), may be ideally suited to the Web. Given these circumstances, customers today are offered good opportunities for convenient and inexpensive travel bookings, but at the same time they face many problems and limitations in this regard.

The travel agency has been pointed out as the one actor in the travel distribution chain under severe pressure for quite a long time. The disintermediation threat began already when advance booking started to become less necessary for many kinds of travel, and tour operators hotels, and airlines began to suspect that the travel agent was an unnecessary overhead in the sale of their products (Young, 1973), starting to possess physical retail outlets and to sell their products directly to travelers in order to cut out the profit margin of the travel agencies. Visions on different methods for consumer self-bookings through IT developments - and their possible disintermediation implications - have been presented in the travel and tourism long before the commercial prospects of the Internet became widely known (see Young, 1973; Burkart and Medlik, 1981; Holloway, 1983; Mayhew, 1987; Middleton, 1988; Bennett and Radburn, 1991; Bruce, 1991)

2.5 Online marketing and disintermediation of travel agencies

Disintermediation hypothesis :-The threatened intermediaries (or disintermediation) hypothesis, first presented by Malone et al. (1987) who used the term 'electronic brokerage effect' for the phenomenon, essentially describes middlemen functions between producers and consumers being eliminated through digital networks, as manufacturers internalize activities that have been traditionally performed by intermediaries (Sarkar et al. 1995). One common vision of the electronic marketplace is an ideal electronic market in which consumers interact directly with producers (Sarkar et al. 1998). With the bypass of intermediaries, which add significant costs to the value chain (Benjamin and Wigand 1995), a redistribution of profits along the value system will occur (Sarkar et al. 1995), which may benefit both manufacturers and consumers. Although entire channel layers may not be eliminated, there could be significant shifts in power from one channel layer to another (Vassos 1996). According to Porter (1999), the Internet is going to be the death of a lot of intermediaries.

Opposed views have, however, been presented on the disintermediation hypothesis, with Sarkar et al. (1995, 1998) arguing that the case for the elimination of intermediaries as a result of online sales is based on questionable assumptions, concluding that more, rather than fewer intermediaries (mainly new players named 'cybermediaries') will be involved in electronic markets (cf. Giaglis et al. 1999). Their assumptions are backed up by the results of an exploratory study by Bailey and Bakos (1997) suggesting that the need for intermediaries is not likely to be eliminated in the near future, although some of the traditional roles of middlemen may become less important as a result of advances in IT. Instead, electronic marketplaces will more than compensate for the disintermediation phenomenon by promoting the growth of new types of electronic intermediaries (Bakos 1998) and new versions of traditional middlemen and product distribution channels (Girishankar 1998). Palvia and Vemuri (1999) recognize the fact that there is considerable anecdotal evidence supporting the bypass vision, but narrate five case studies to counter the disintermediation hypothesis. Chircu and Kauffman (1999) propose an 'IDR cycle', a recurring pattern of intermediation, disintermediation and re-intermediation, 3 arguing that traditional non-technological middlemen will be able to re-intermediate in the long run as EC-able intermediaries.

Giaglis et al. (1999) envisage three major scenarios for electronic intermediaries; disintermediation, re-intermediation (the emergence of online subsidiaries of traditional intermediaries), and cyber-mediation (the emergence of new entrants with intermediary functions). The authors call attention to the fact that electronic markets are still far from reaching a state of maturity, and maintain that it is extremely difficult to predict the market structure of the future, and to generalize on the type of intermediation that will dominate in any given market, since different strategies for disintermediation and re-intermediation in different markets will be dependent on multiple factors, e.g. the present structure of the physical market.

Various studies have shown the direct fit of the Internet and travel and tourism products (Buhalis and Licata 2002; Christian 2001; Poon 2001). With the emergence of the internet, the process of fast information transmission can be addressed effectively at a low cost. In other words, tourists can now receive comprehensive, timely and relevant information in a virtual environment to assist their decision making process. This, in turn, necessitates the balancing of perishable tourism industry is diversified, with a plethora of different suppliers that operate

independently, even as tourists expect travelling to be a complete experience. To resolve this mismatch, the internet offers an effective means for developing a single and sustainable electronic infrastructure for information gathering and business transactions for both travelers and suppliers. A natural outcome of this is that the suppliers can carry out one-to-one marketing and mass customization. In other words travel suppliers can now understand each customer's needs, and therefore target each customer individually and deliver tailor-made products. More importantly, travel suppliers can understand how to deliver information and sell their products and services to customers directly through their websites.

As a consequence of the online travel developments, business competition for traditional travel agencies has increased. Poon (2001) argues that relying more heavily on the internet gives suppliers a new independence that will gradually decrease their dependence on, and their commission payable to, travel agencies. Similarly, travelers may buy more directly from suppliers, thus bypassing travel agencies. Inevitably, travel agencies traditional intermediary role as a distribution channel has changed (Buhalis, 1998), leading to the possible ultimate disintermediation of travel agencies.

In the past, whenever someone wanted to plan a trip or vacation, they would probably contact a traditional travel agent. As shown in the figure, the travel agent was the one who held the necessary knowledge and could provide a complete package service for the consuming public through personalized, one-to-one interaction with the customer. This process usually took place over the phone, or in person. Customer's wants tailored service and contact the necessary brokers to obtain the desired products.

Travel agents generally use global distribution system (GDS) to search for tickets. Although travel agents could also contact suppliers directly to procure tickets, typically agents are especially helpful with complex travel needs (Lewis et al. 1998; Patrick et al. 2001). However, with the advent of online sales and the rampant growth of online marketing, many traditional travel agents are forced to either change their methods of business or simply close down their businesses. With the recent trend towards internet related travel sites, many travel agencies are consolidating to adapt to the changing landscape of e-travel realities.

Figure 2.1 Traditional airline distribution channel model (Source: SITA (2009))

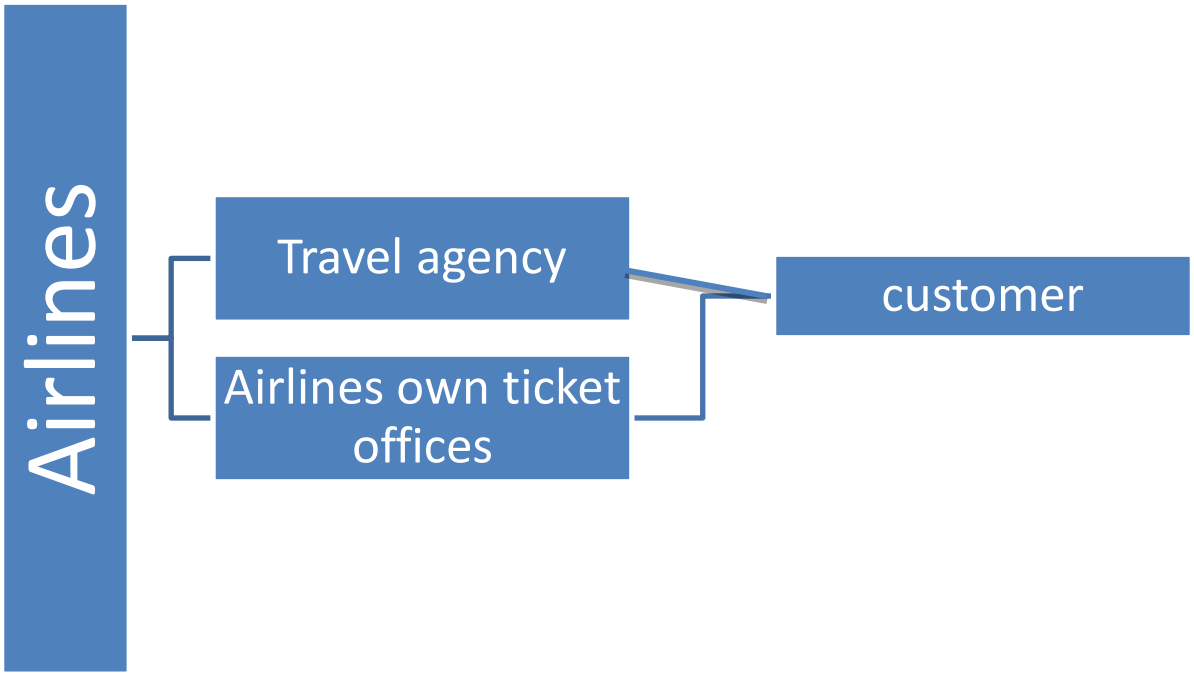
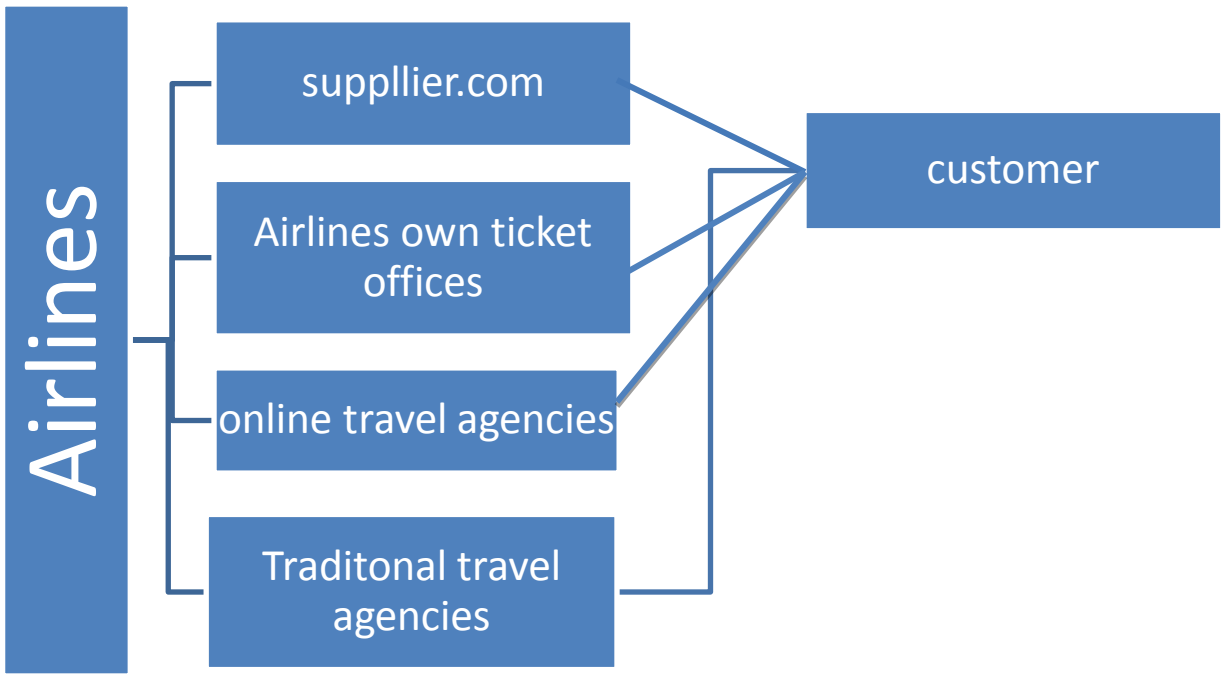


Figure 2.2 Current airline distribution channels (Source: SITA (2009))



2.6 Theories related to online consumer behavior

Consumer behavior understanding helps in online market to focus and make target to customer by segmentation and predict customer' purchasing behavior and generate more profit through online channels (Bidgoli, 2004).

Consumer behavior responds differently with offline and online elements. According to Subhasish Dasgupta, based on their personality online consumers have two characteristics a) manifestation of offline consumer behavior b) unique behavioral mode. Virtual communities also play an important role on online consumer behavioral. Virtual communities are also known as "Venuses for consumptions" (Dasgupta, 2006).

We have many theories on online consumer behavior such as Expectation confirmation theory, Innovative diffusion theory, Technology acceptance model, theory of planned behavior, theory of reasoned action and will try to discuss each one on the below section.

2.6.1 Diffusion of innovations theory

The process of adopting new innovations has been studied for over 30 years, and one of the most popular adoption models is described by Rogers in his book, Diffusion of Innovations (DIT) (Sherry and Gibson, 2002). Much research from a broad variety of disciplines has used the model as a framework. Rogers defines diffusion as the adoption of an innovation "over time by the given social system", as a consequence diffusion processes result in the acceptance or penetration of a new idea, behavior, or physical innovation. Rogers identified several attributes of an innovation that are key influences on adoption behavior. According to Rogers, these attributes are relative advantage, complexity, compatibility, trialbility, and observability. A number of previous studies have examined these factors in adoption and diffusion of Internet-based technologies and have consistently concluded these attributes, particularly those of relative advantage, ease of use, and compatibility, as the most frequently salient factors for adoption of Internet and mobile technologies Park et.al (2007).

Diffusion of Innovations seeks to explain how innovations are taken up in a population. An innovation is an idea, behavior, or object that is perceived as new by its audience. Diffusion of Innovations offers three valuable insights into the process of social change:

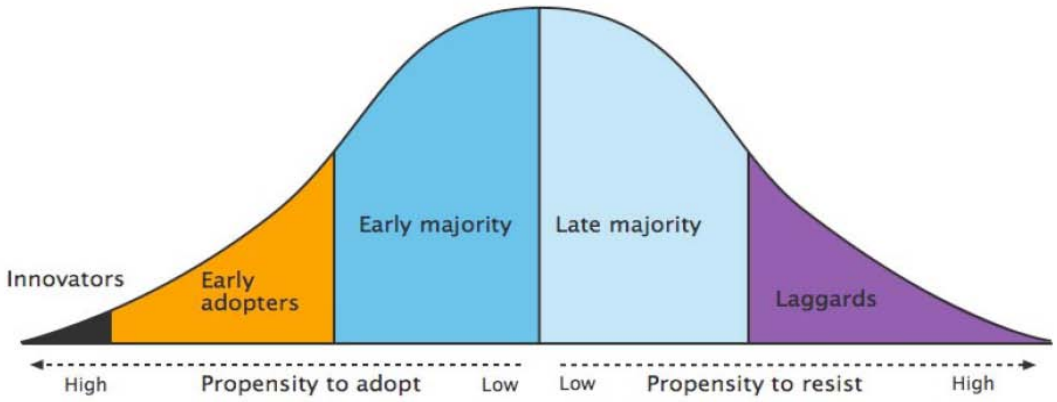
- What qualities make an innovation spread?
- The importance of peer-peer conversations and peer networks.

- Understanding the needs of different user segments.

We need to direct our focus on the last insight, Understanding the needs of different user segments Diffusion researchers believe that a population can be broken down into five different segments, based on their propensity to adopt a specific innovation: innovators, early adopters, early majorities, late majorities and laggards.

Each group has its own "personality", at least as far as its attitude to a particular innovation goes. When thinking about these groups, don't imagine it's your job to shift people from one segment to another. It doesn't work that way. It's best to think of the membership of each segment as static. Innovations spread when they evolve to meet the needs of successive segments.

Figure 2.3: summarized model of the theory of innovative diffusion **Source:** Robinson *(2009)*



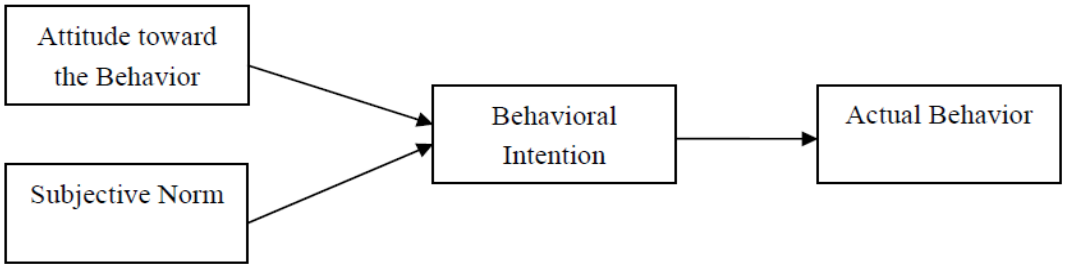
2.6.2 Theory of Reasoned Action (TRA)

The TRA describes the psychological process behind conscious human behavior, and aims to explore the determinants of that behavior (Ajzen and Fishbein, 1980). According to the TRA, an individual's behavioral intention impacts the performance of her behavior, and her attitudes toward a behavior and subjective norms with respect to the behavior compose two antecedent factors that determine her behavioral intention. Behavioral intention measures "how hard people are willing to try, [and] how much of an effort they are planning to exert, in order to perform the behavior" (Ajzen, 1991). Generally, individuals' behavioral intentions have a positive impact on the performance of the intended behavior. Attitudes toward a behavior constitute an individual's evaluation of the behavior. They are determined by her salient beliefs

about the benefits and costs of performing the behavior. An individual's subjective norms are determined by her normative beliefs about the feasibility of a behavior as evaluated by referent people, and her willingness to follow these beliefs. Further, the TRA assumes that external factors such as an individual's characteristics will affect her behavior only indirectly, through their influence on the attitudes and subjective norms.

Vijayasarathy (2002) identified four types of salient beliefs that collectively determine an individual's attitude toward e-shopping: product perception, shopping experience, customer service, and consumer risk. The individual's normative beliefs were constructed based on her evaluation of the opinions of spouse, parents, siblings, or friends about e-shopping. In this study, however, the author did not test the validity of the TRA, but examined the influences of product type on the three key constructs: salient beliefs, normative beliefs, and intention to purchase online. Cho (2004) and Verhoef and Langerak (2001) adapted the TRA to study e-shopping behavior. Specifically, Cho assumed that attitude toward e-shopping is determined by perceived consequences associated with e-shopping, past behavior, and attitudes toward other shopping channels, and that likelihood to abort an intended online transaction is jointly determined by these three dimensions as well as the attitude toward e-shopping.

Figure 2.4: summarized model of the theory of reasoned action



Source: Davis et al. (1989)

2.6.3 The theory of planned behavior (TPB)

TPB (Azjen, 1985, 1991) is an extension of the theory of reasoned action (TRA) (Azjen and Fishbein, 1980), made necessary by the latter model's inability to deal with behaviors over

which individuals have incomplete volitional control (explained in more detail below). At the heart of TPB is the individual's intention to perform a given behavior.

For TPB, attitude toward the target behavior and subjective norms about engaging in the behavior are thought to influence intention, and TPB includes perceived behavioral control over engaging in the behavior as a factor influencing intention. TPB has been used in many different studies in the information systems literature (cf. Mathieson, 1991; Taylor and Todd, 1995a, b; Harrison et al., 1997).

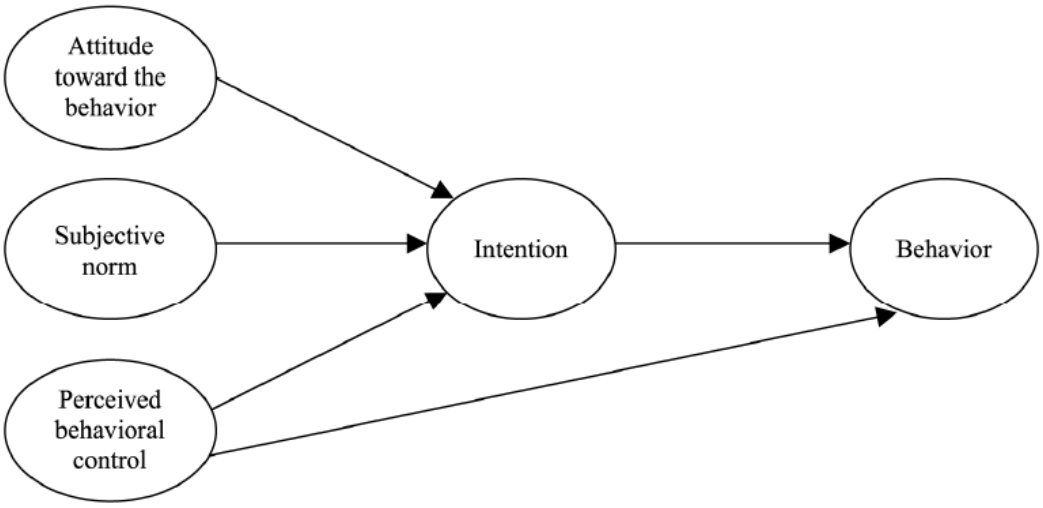
According to TPB, an individual's performance of a certain behavior is determined by his or her intent to perform that behavior. Intent is itself informed by attitudes toward the behavior, subjective norms about engaging in the behavior, and perceptions about whether the individual will be able to successfully engage in the target behavior. According to Azjen (1985), an attitude toward a behavior is a positive or negative evaluation of performing that behavior. Attitudes are informed by beliefs, norms are informed by normative beliefs and motivation to comply, and perceived behavioral control is informed by beliefs about the individual's possession of the opportunities and resources needed to engage in the behavior (Azjen, 1991). Azjen compares perceived behavioral control to Bandura's concept of perceived self-efficacy (Bandura, 1997). TPB also includes a direct link between perceived behavioral control and behavioral achievement.

Given two individuals with the same level of intention to engage in a behavior, the one with more confidence in his or her abilities is more likely to succeed than the one who has doubts (Azjen, 1991). As a general theory, TPB does not specify the particular beliefs that are associated with any particular behavior, so determining those beliefs is left up to the researcher.

An underlying premise of the current study is that beliefs about privacy and trustworthiness of the Internet inform attitudes toward purchasing of airline tickets online. TPB provides a robust theoretical basis for testing such a premise, along with a framework for testing whether attitudes are indeed related to intent to engage in a particular behavior, which itself should be related to the actual behavior. Based on the theory, beliefs about how important referent others feel about online purchase and planning of trips, and motivation to comply with the views of important others, should also influence intent to make Internet purchases of airline tickets. Finally, beliefs about having the necessary opportunities and resources to engage in

online customer purchasing should influence intent to purchase as well as directly influence purchasing behavior itself.

Figure 2.5: summarized model of the theory of planned behavior



Source: From Azjen (1991)

2.6.4 Expectation-Confirmation theory

Expectation-confirmation theory (ECT) is widely used in the consumer behavior literature to study consumer satisfaction, post-purchase behavior (e.g., repurchase, complaining), and service marketing in general (Anderson and Sullivan 1993; Dabholkar et al. 2000; Oliver 1980, 1993; Patterson et al. 1997; Tse and Wilton 1988).

The process by which consumers reach repurchase intentions in an ECT framework is as follows (Oliver 1980). First, consumers form an initial expectation of a specific product or service prior to purchase. Second, they accept and use that product or service. Following a period of initial consumption, they form perceptions about its performance. Third, they assess its perceived performance vis-a-vis their original expectation and determine the extent to which their expectation is confirmed (confirmation2). Fourth, they form a satisfaction, or affect, based on their confirmation level and expectation on which that confirmation was based. Finally, satisfied consumers form a repurchase intention, while dissatisfied users discontinue its subsequent use. ECT holds that consumers' intention to repurchase a product or continue service use is determined primarily by their satisfaction with prior use of that product or service

(Anderson and Sullivan 1993; Oliver 1980, 1993). Satisfaction is viewed as the key to building and retaining a loyal base of long-term consumers:" Investing in customer satisfaction is like taking out an insurance policy. If a temporary hardship befalls the firm, customers will more likely remain loyal" (Anderson and Sullivan 1993).

A positive disconfirmation means performance was better than expected, and a negative disconfirmation means performance was worse than expected. According to ECT, the better performance is, or the more positive the disconfirmation, the greater the satisfaction (Yi, 1990). Technology trusting expectations may be contextual (Lippert 2001; Rousseau et al. 1998) and may depend on the degree of personification of the technology (Wang and Benbasat 2005a). Because systems have few human-like characteristics, we believe trust in technology expectations (as well as performance and disconfirmation) are based more on operational functioning than on human-like behaviors (McKnight 2005).

2.7 Additional points on airline online customers

Customer benefits of self - bookings

According to several studies the following are befits that derive customer adoption to online marketing:-

Accessibility and convenience

The possibility to shop anytime, from anywhere is the most obvious and most commonly cited advantage of online marketing, and was found to be the most important perceived consumer benefit of internet shopping in empirical studies by Jarvenpaa and Todd (1996-1997) and Kangis and Rankin (1996).

I. Global choice

Since the boundaries of online marketing are not defined by geography or national borders, consumer will benefit from a wide selection of vendors and products – including a wider availability of hard-to-find products (Benjamin and Wigand 1995. Hoffman et al. 1995. Alba et al 1997).

II. Online delivery

For digital products, the whole commercial cycle, including distribution, can be conducted via a network, providing instant access to products immediately when a need arises.

III. Test and trial online

Digital products can be tested over the internet prior to making purchase decisions, reducing uncertainty.

IV. The real time nature of the medium

The internet can provide consumers with up-to-the minute information on prices availability, etc. (cf. Franz 2000)

V. Time savings

Consumers may benefit from the shopping process being faster in the market space than in the market place as a result of the rapidity of the search process and the transactions (Wigand and Benjamin 1995, Krause 1998).

VI. Possibilities for comparison shopping

By allowing consumers to shop in many places and conduct quick comparisons of offerings and prices (Hoffman et. Al. 1995, Hart et al. 2000), Internet market places have the ability to reduce search costs for price and product information (Bakos 1998, Strader and Shaw 1999, Rowley 2000, Bhatt and Emdad 2001).

VII. Access to extensive information

An important consumer benefit is the access to greater amounts of dynamic information to support queries for consumer decision-making (Hoffman et. Al. 1995 Alba et al 1997)

VIII. Privacy and anonymity

The internet has the potential to offer consumers benefits with respect to a partial, or even a total privacy and anonymity/pseudo-anonymity (Parsons, 2002) throughout the purchasing process.

IX. Competitive prices

By embracing online marketing consumers may benefit from price reductions as a result of increased competition as more suppliers are able to compete in an electronically open market place (Turban et al. 1999), as a result of reduced selling prices due to reduction in operational/transaction costs (Brynjolfsson and Smith, 2000), and manufacturers internalizing activities traditionally performed by intermediaries (Benjamin and Wigand, 1995).

X. Availability of personalized offers

Consumers can benefit from IT enabled opportunities for personalized interactions and one-to-one relationships with companies, which allow for products, services and web content to be, customized more easily (cf. Peppers and Rogers 1999, Brown, 2000).

The consumer benefits of online sales have been widely cited in the academic literature and the popular press. Potential advantages for travelers who plan and book their journeys on the Internet include: greater convenience; greater amounts of multimedia destination information and real-time information on price and availability (e.g. last-minute deals); increased opportunities for comparison shopping and price comparison ; and personalization benefits (where personalized relationships between suppliers and customers can be achieved through customer profiling) (Anckar et Al , 2001).

Additional suggested consumer benefits, which are particularly relevant for the e-travel industry and this study, are:-

I. ***Time savings*** resulting from the rapidity of the entire purchasing process;
II. ***Price reductions*** resulting from increased competition as more suppliers are able to compete in an electronically open marketplace (Turban et al., 1999), as a result of reduced selling prices due to a reduction in operational costs (Brynjolfsson and Smith, 2000), and manufacturers internalizing activities traditionally performed by intermediaries (Benjamin and Wigand, 1995);
III. ***Ease of transaction,*** e.g. ease of bookings as the travel reservation-making process can be automated by EC technology (Chircu and Kauffman, 2000); and
IV. ***A wider selection of products/vendors*** (e.g. travel service providers).

These four benefits certainly deserve some special attention due to their contradictory and partly interrelated nature.

Problem Areas in Self-Bookings

Quality evaluation

On the internet, it is more or less impossible to make sure, beyond doubt, that (tangible) products have the desired features (e.g. design, material, color, fit), giving rise to a quality evaluation barriers to online marketing. Empirical findings by Kangis and Rankin (1996) showed that the need to feel a touch was the dominating disadvantage for all home-shopping services.

Security risks

It has been suggested that transaction security (such as the credit Card number being picked up by the third party hackers) is mostly a perceptual problem in online marketing (Rose et al. 1999).

Nevertheless, the fact remains that it may be one of the more complex barriers to be overcome (Zwass 1996. Alridge et al. 1999, Reddy et al 2000). As studies show that adopters as well as non-adopters of internet shopping have security worries (Furnell and Karweni 1999. Udo 2001. Fenech and O'Cass 2001). The fear of fraud and risk of loss has commonly been cited as a significant barrier to B2C online sales, with empirical research findings supporting this assumption (Jarvenpaa and Todd (1996-1997), Furnell and Karweni 1999. Hoffman et. Al. 1999, Vijayasarathy and Jones 2000).

Delivery times

In tangible product categories, any home-shopping method involves a delivery time which means that the internet is a disadvantage to physical stores as it fails to meet the customers need for instant gratification (Vassos 1996). Consumers may thus be reluctant to wait for the delivery of ordered goods for days/weeks if the same product can be collected immediately in physical outlets.

Lack of personal service

While online marketing offers great opportunities for one-to-one marketing, it significantly reduces, or even puts an end to the personal service (human-to-human contact) characterizing traditional commerce. This may, as suggested by research by Kangis and Rankin (1996), be an impediment to online sales for many consumers.

Lack of enjoyment in shopping

Many consumers find the shopping experience-looking, feeling, comparing- in retail stores relaxing and enjoyable (Jones, 1999). As the feeling of amusement and relaxation is unlikely to be as marked in electronic settings, e-shopping can hardly be seen as a substitute for the leisure experience associated with conventional shopping (Phan and Poon, 2000).

From the literature reviewed above , although the Internet undoubtedly has the potential to revolutionize the travel distribution chain to a much greater extent than it already has, it should, however, be noted that many hindrances to a mass-market adoption of online services in travel still exist. Consumers, surprisingly, have the potential to experience more disadvantages than advantages by using online travel services. Potential consumer barriers to e-shopping may arise from several issues. The researchers aim is primarily to look into different industry- and product-specific problems and practical limitations associated with electronic travel bookings by individual customers.

In order to make his own travel arrangements on the Web, a consumer must have some degree of proficiency with the Internet. Consequently, a lack of knowledge or experience with the Internet can constitute a critical barrier to business-to-consumer online sales not only in the travel industry, but in any industry sector. Beside, or in addition to the limitations of the user, Internet self-bookings may be obstructed by technical problems, systems limitations, or poor Web services - including the site usability factor (the term usability comprising, as has been suggested by Rajani and Rosenberg (1999), aspects such as color, sound, navigation and placement).

Due to the enormous size of the Web, locating the Web sites of the right service providers requires knowledge - or time, perseverance and luck, especially as it is often not possible to book travel directly online or to buy the separate parts of a trip through the same supplier (Bloch et al., 1996). Moreover, airline seats or hotel rooms that match the traveler's schedule or preferences are not necessarily available.

Perhaps the most significant consumer benefit of online travel booking is the possibility for price reductions. However, a potential traveler with a limited knowledge of the travel industry (low-fare booking strategies, rules and restrictions, etc) may have problems getting an acceptable fare, a realistic and convenient itinerary, or a refund if the ticket is not used or even if the flight is cancelled. It should be noted that the traditional, intermediary approach of contacting a travel agent may still be cheaper than booking online for a number of reasons: special fares with restrictions are not always advertised on the online travel sites.

(ii) travel agencies have ways around airline reservation systems that are technically "sold out" the consumer will not have access to travel agent negotiated rates and Multi-legged journeys typically carry outrageously high prices on the Web, since online fare finders tend to assemble these trips by piecing together one-way tickets, which are always more expensive than round-trip fares .

Travel agencies may, on the other hand, be biased by halo effects (cf. Sheldon, 1997), promoting their parent organizations or a few operators who pay them override commissions. This may, in turn, negatively affect the prices offered by the intermediaries.

A journey consists of many problematic elements that an inexperienced traveler may not consider. For instance, what is the minimum time needed to pass in transit at different

international airports? Consequently, online reservations may, as has been pointed out by Hart (1995), prove to be impractical for all but the most sophisticated users (and experienced travelers) due to regulatory obstacles and the complexity of international flights and CRS systems.

The rich supply of service providers may trigger uncertainty barriers especially for inexperienced travelers: How is he to know if the service providers/fares/itineraries found are the most reliable/inexpensive/convenient? As price comparisons can only be made among located service providers, the feeling that "there may still be better options available, but I can't seem to find them" can be an impediment to shopping on the Web. Furthermore, making price comparisons is no doubt a time consuming task, especially considering all kinds of registration and customer profiling procedures, as well as multiple parameter inputs that are required at different sites. As a result, the online booking process may involve great direct or indirect search.

Based on the above literature review these research tries to combine most of the factors seen as hindrance to the online sales adoption by Ethiopian airlines customers such as, complexity of travel booking, theory of acceptance model, theory of reasoned action, theory of diffusion of innovations, and the points mentioned below the section problem areas on self-bookings.

CHAPTER THREE
RESEARCH DESIGN AND METHODOLOGY

3.1. Research design

The research design used in this research is descriptive research. The objective of the study is to describe the determinants online ticket purchase attitude in international passenger airline, the researcher reviewed different literatures on consumer behavior, relationship marketing, electronic marketing (ecommerce), service and airline marketing. The study design employed two sets of variables multiple criterion (Dependent) variable and multiple predictor (independent) variable and simple one way ANOVA and correlational analysis is used to show /describe the inter dependence of the dependent variable (i.e. customer's online ticket purchase attitude) from liner function of set of attributes i.e. perceived risk, price perception, level of involvement, availability of choice, convenience, familiarity and security/privacy.)

3.2. Population and sampling techniques

The target population of the study is those Ethiopian airline passengers that use Addis Ababa bole international airport as their origin/departure or transit. This gives us the total population of international passengers which is estimated to reach 5.5million by the end of 2014 fiscal year.

3.2.1 Sampling Plan

Sampling is the process of selecting a group of subjects for a study in such a way that the individuals represent the larger group from which they were selected. This portion of a population is called a sample. We undertake sampling because the study of the total population is not possible or impracticable. It very important that members of the sample provide a representative cross-section of population they represent.

In order to conduct questionnaire survey, Non-probability random convenience and judgmental sampling methods were used. The reason the researcher chose the non-probabilistic convenience sampling is due to less expensive nature and that it could be implemented more quickly. Ease of obtaining the sample relates to the cost of locating elements of the population

(Ethiopian airline's international route passengers), the geographic distribution of the sample (Addis Ababa airport), and obtaining the interview data from the passengers. A total of 400 questionnaires were planned to be distributed over two weeks' time.

3.2.2 Source and tools /instruments of data collection

A self-administered closed-ended questionnaire was developed because through questionnaire the collection of large and standardized data is possible. The questionnaire was partially adopted with minor customization from previous research done by Yucelt et.al (2010). Some of the items of the constructs were developed by the researcher and the rest were taken from the research aforementioned.

The questionnaire was developed in two languages (English and French) because a large number of travelers use either of these two as their national language. To understand the demographic characteristics of the respondents' ten background check questions and seven point Likert scale standardized 34 questions in six categories were prepared as follows: Questions related to determinant factors were prepared in six sections. (1) In the first section of the questionnaire, six questions were asked to describe the relations between perceived risk and online ticket purchase attitude. (2) In the second section of the questionnaire, five questions were asked to show the relations between perceived price and customer's online ticket purchase attitude. (3) In the third section of the questionnaire, three questions were used to show the relations of level of involvement with online ticket purchase attitude. (4) In the fourth section of the questionnaire, five questions were asked to describe the relationship between convenience and customer's online ticket purchase attitude. (5) On the fifth section of the questionnaire, three questions were asked to show the relationship between the availability of various choices and customer's attitude towards online ticket purchase. (6) On the sixth section of the questionnaire, four questions were used to indicate the relations between of security/privacy and customer's attitude towards online ticket purchase. On the last section of the questioner three questions were used to show the overall online ticket purchase attitude.

The respondents were asked to rate their intention towards future online purchases of airline tickets and other auxiliary services on a 7 point Likert type scale type measurement, i.e. 7

for Strongly agree ,6 for agree, 5 for somewhat agree, 4 as neither agree nor disagree, 3 for somewhat disagree, 2 for disagree and 1 for strongly disagree.

Content Validity: Each attribute was derived from relevant literature to ensure the validity of the questionnaire. The questionnaires are partially taken from previous research work done by Yucelt et.al (2010) which is approved by professors' and enable the researcher develop the airline online ticket purchase model as stated on the literature part of the research work. The collection of a large list of alternatives aimed at ensuring that the measurements contained enough items to adequately sample the entire range.

Reliability: - A pilot test was used on 50 international passengers to measure the reliability and consistency of the responses by customers. The coefficient alpha was used to measure the reliability and internal consistency of each of 34 attributes measured. The results showed that the alpha coefficients were all above 85% which is greater than the acceptable rate 70 % (D.L.R Vander Waldt, T. M. Rebello and W. J. Brown, 2009).

Table 3.1: Reliability Test

Reliability Statistics		
Measurement categories	**Cronbach's Alpha**	**N of Items**
Perceived risk from online purchase of airline tickets	**.851**	**6**
Price perception	**.831**	**5**
Level of involvement	**.896**	**3**
Convenience	**.817**	**5**
Variety of choices	**.861**	**3**
Familiarity	**.837**	**5**
Security /Privacy	**.842**	**4**
Online ticket purchase attitude	**.814**	**3**

Source: *Own Survey finding (2014)*

The study used cronbach alpha to assess the internal consistency of the research instrument. As Zikmund et.al (2010) noted, scales with coefficient alpha of 0.7 indicate fair reliability. Thus for this study a Cronbach alpha score of 0.7 or higher is considered adequate to determine reliability.

The Cronbach alpha for the measures was found to be .851, .831, .896, .817, .861, .837,.842 and .814 for perceived risk, price perception, level of involvement, convenience, variety of choice, familiarity, security and over all online ticket purchase attitude respectively.

3.3. Procedure of data collection

A structured and detailed questionnaire was distributed to international passengers who travel via Bole international airport using Ethiopian airlines.

Three steps were taken to conduct the survey:

Step1: The researcher selected respondents (passengers) based on judgmental sampling while they were waiting to get their boarding pass for departure.

Step2: The questionnaire was distributed and respondents were communicated the purpose of the questionnaire.

Step3: All questionnaires were coded and proceed for data analysis

3.4. Methods of data analysis

The survey questionnaire were coded and analyzed by using the statistical package for social science (SPSS version 20). Frequency counts and percentages were applied on all variables of the survey. Frequencies mean scores were applied. Two statistical techniques were applied: (1) descriptive statistics that consisted of frequency of distribution and means; and (2) Inferential statistics that included correlations and repeated measures of ANOVA (Analysis of Variance)

CHAPTER FOUR

RESULTS AND DISCUSSION

In this chapter, the data collected through the questionnaire is processed; analyzed and interpreted. First reliability test of the data collected is conducted. Second the demographic characteristics are discussed by depicting graphs and frequency percentages. Finally each attributes is presented and the six main objectives of the study are discussed using descriptive statistics such as frequency percentages, mean and correlation between variables. It is presented in a sequential manner as per the objective stated in the first chapter of this research paper.

Table 4.1: Overall response rate

Sample	Number	Percent
Number of questionnaire distributed	400	100%
Return questionnaires	370	93%
Incomplete questionnaires	36	9%
Total usable questionnaires	334	84%

Source: *Own Survey finding (2014)*

The survey was conducted during two weeks' time in the night shift at Addis Ababa international airport. From the total 400 questionnaires distributed only 370 were returned from which 16 were not correctly filled and eliminated from the analysis. Therefore, 334 were effectively used for analysis that shows response rate of 84 %.

4.1. Frequency statistics (Demographic information about the respondents):

A total of 400 questionnaires were distributed and 334 usable questionnaires were collected. The collected data were analyzed with the statistical package for social science (SPSS version 20). The following table presents frequency statistics of demographic variables.

Chart 4.1 Gender frequency chart

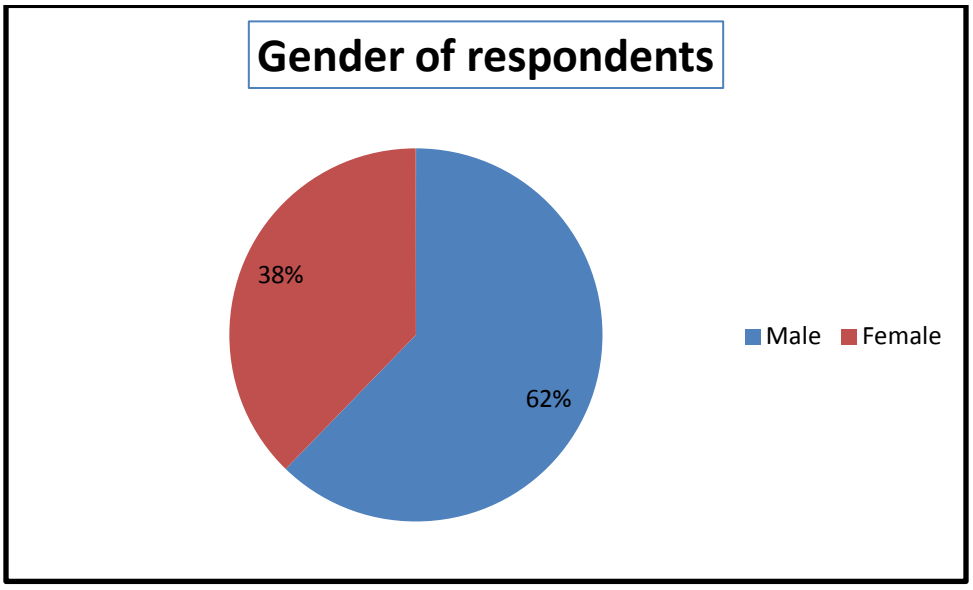
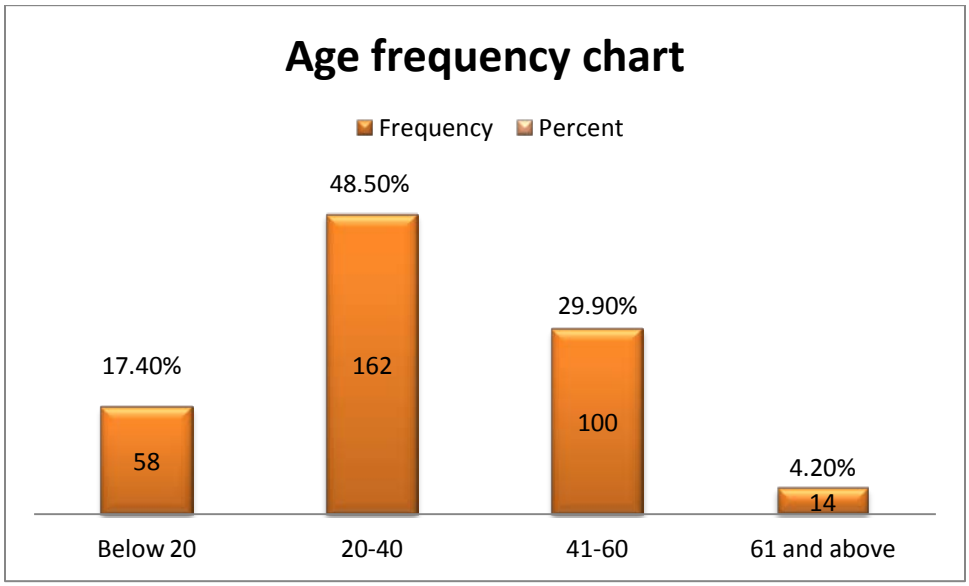


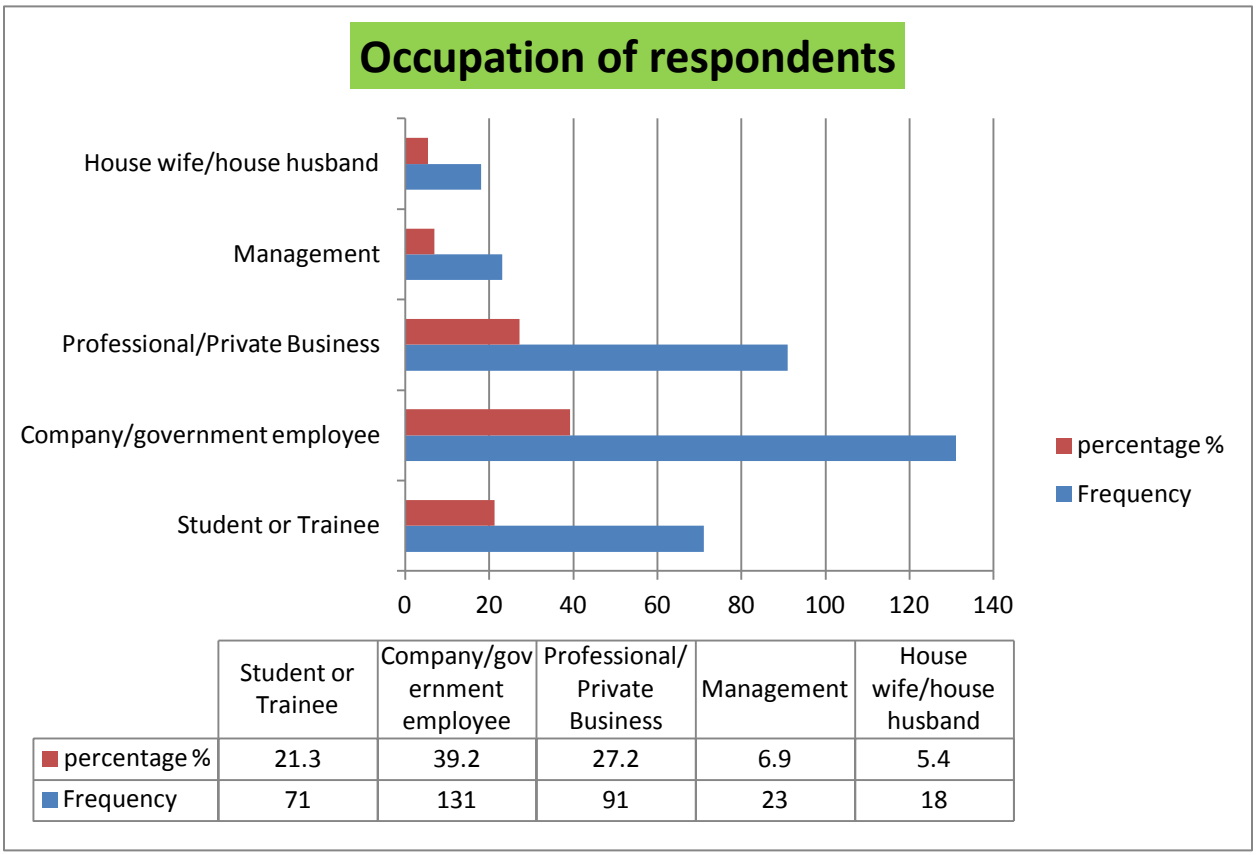
Chart 4.2 Age frequency chart



Source: Own Survey finding (2014)

From the charts shown above the 334 usable questionnaires returned, 208 were found to be male passengers which are 62% of the total respondents, the rest 38% were female respondents. Looking in to the age group of respondents, over 65% are below the age of 40 and only 4.2% of the total is above the age of 61. The majority of the passengers who participated in the survey (49 %) are those passengers between 20 to 40 years of age.

Chart 4.3 Occupation of respondents chart

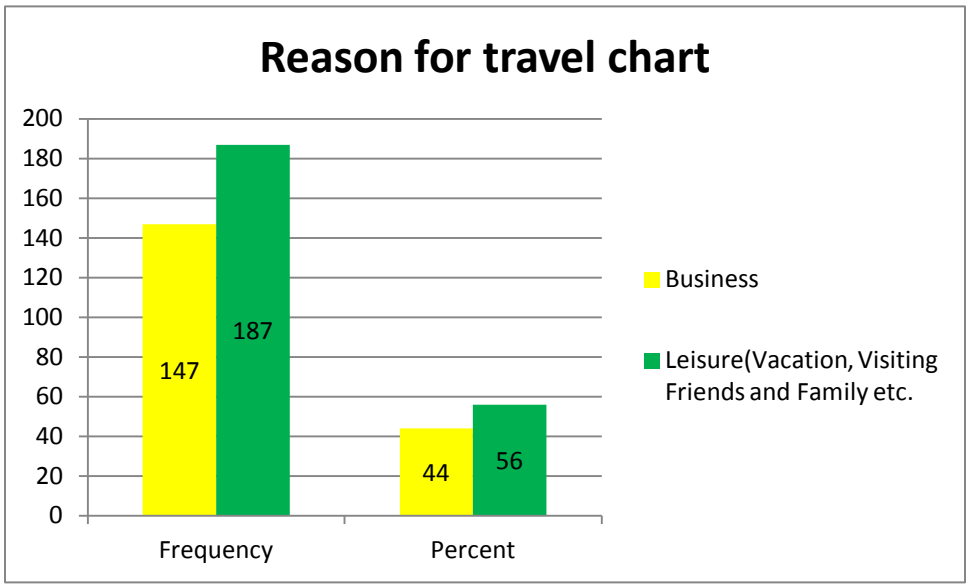


	Student or Trainee	Company/government employee	Professional/ Private Business	Management	House wife/house husband
percentage %	21.3	39.2	27.2	6.9	5.4
Frequency	71	131	91	23	18

Source: Own Survey finding (2014)

Passengers who participated on the research survey have different professional and non-professional job and others are retiree, housewife, househusband and the like. Majority of the respondents were company/government employee (131 or 39% of the respondents). There were also university students, trainees that show 21% of all the respondents. Professional and private business owners, and management groups constitute 27%, 6.9% of the respondents respectively.

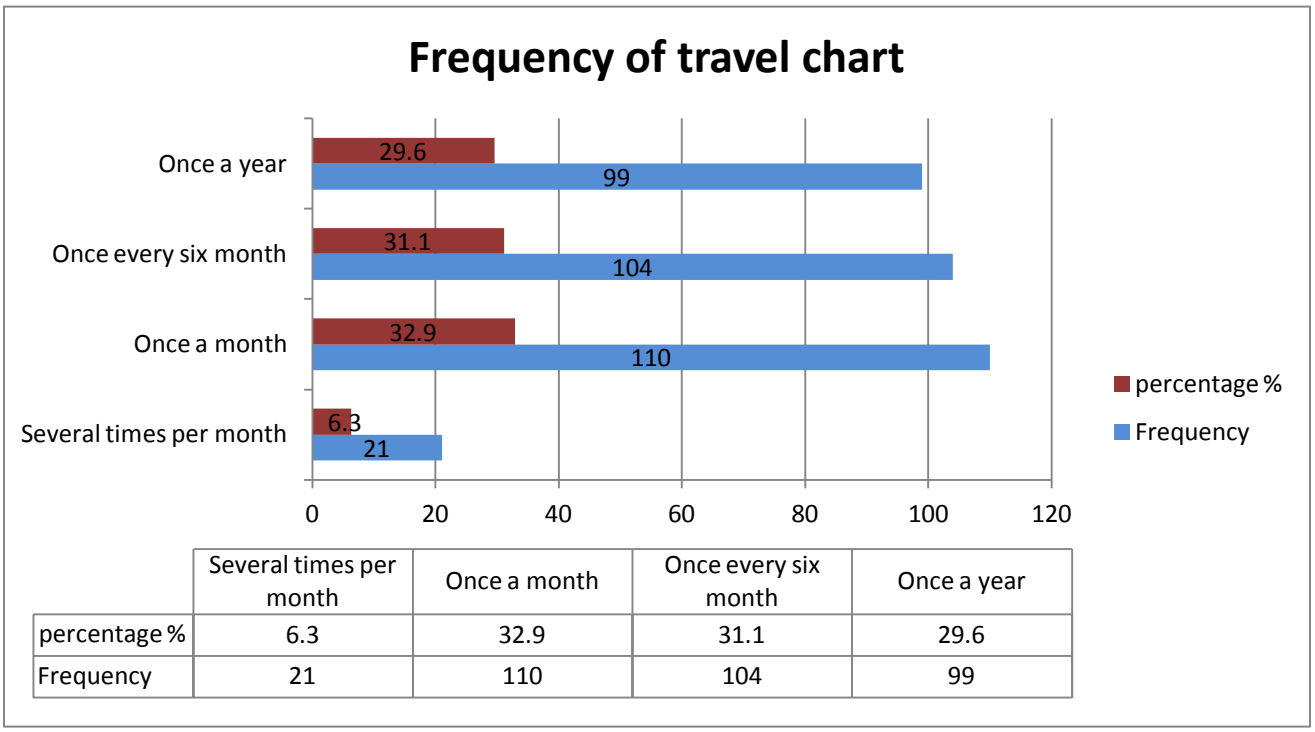
Chart 4.4 Respondent's reason for travel chart



Source: Own Survey finding (2014)

Generally passengers travel for either business or leisure reasons. Business travelers travel for work related purpose and the other is leisure travelers who are travelling for non-business activities like vacation, visiting friends, families, visiting tourist sites and the like. Of the total passengers who participated in the research 147 (44%) of them were travelling for business purpose and the remaining (187) 56 % were leisure travelers.

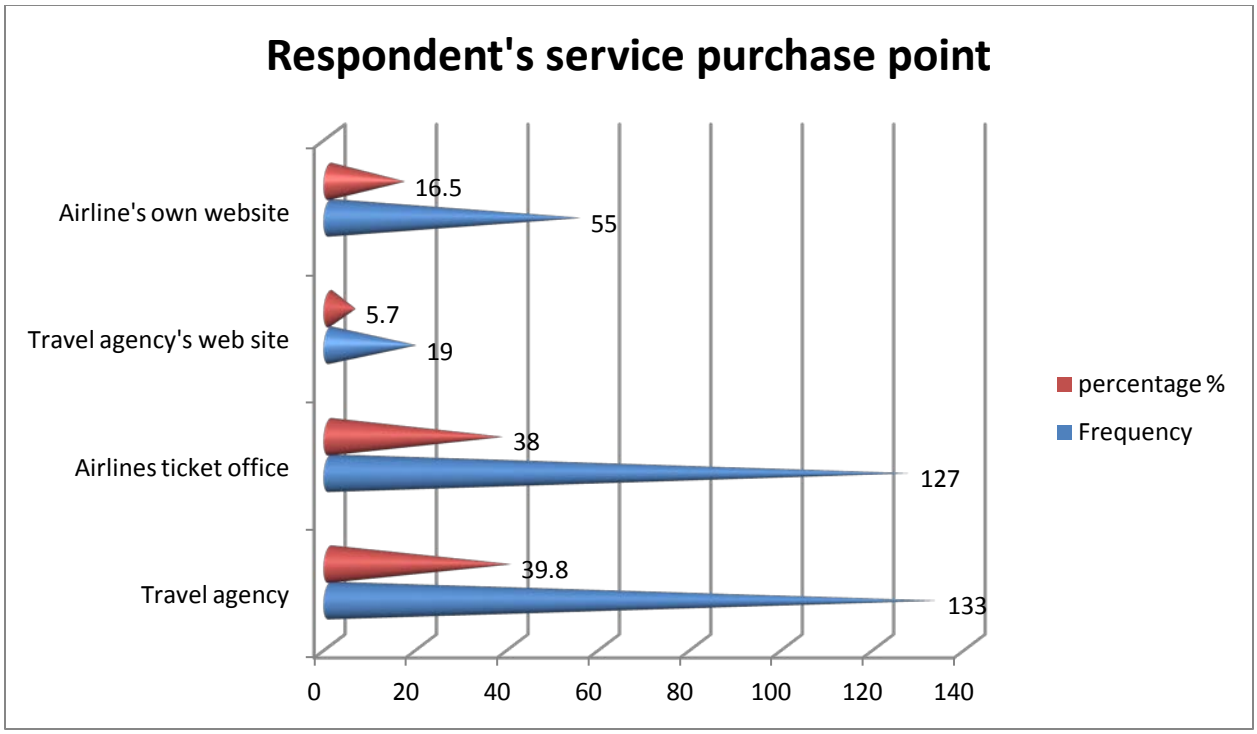
Chart 4.5 Respondent's frequency of air travel chart



	Several times per month	Once a month	Once every six month	Once a year
percentage %	6.3	32.9	31.1	29.6
Frequency	21	110	104	99

Source: Own Survey finding (2014)

Only few respondents frequently travel in a month's time (6.3%). Most respondents travel at least once a month (32.9%) and 31% of the respondents travel once every six months. 29.6% of the respondents travels once a year and others travel rarely.



Source: Own Survey finding (2014)

With regards to the use of service outlets to contact airline and purchase tickets, largest number of respondents use the traditional travel agents (39.8%) followed by the airline's own ticket offices (38%), with regards to the online website users of the airline's website outnumber the travel agent's website users, 16.5% and 5.7% respectively.

Table 4.2: Nationality frequency:

Country	Frequency	Percent	Cumulative Percent
CHINA	53	15.9	15.87
SWEDEN	29	8.7	24.55
USA	29	8.7	33.23
CANADA	26	7.8	41.02
FRANCE	26	7.8	48.80
ETHIOPIA	24	7.2	55.99
TANZANIA	22	6.6	62.57

ITALY	16	4.8	67.37
INDIA	15	4.5	71.86
PHILIPINS	13	3.9	75.75
ENGLAND	11	3.3	79.04
MALAWI	8	2.4	81.44
BELGIUM	6	1.8	83.23
SOUTH SUDAN	6	1.8	85.03
ANGOLA	5	1.5	86.53
CONGO	4	1.2	87.72
UGANDA	4	1.2	88.92
Others	37	11.1	100

Source: Own Survey finding (2014)

As shown in the above table 4.2 among the several nationals, majority of the respondents (15.9%) were from China followed by Sweden (8.7%), USA (8.7%), Canada (7.8%), France (7.8%), Ethiopia (7.2%) and Tanzania (6.6%). Other small numbered nationals who have responded to the question whose numbers are less than 5 % add up to form the remaining 37%.

4.2. Descriptive statistics:

Descriptive statistical analysis is concerned with numerical description of a particular group observed and any similarity to those outside the group cannot be taken for granted. The data describe one group and that one group only.

The descriptive statistics of mean scores and standard deviation of 31 attributes discussed in the consequent tables for each category

4.2.1 Passengers' evaluation of Perceived risk from online purchase of airline tickets

Table 4.3: Mean and Standard deviation of perceived risk from online purchase of airline tickets

Perceived risk from online purchase of airline tickets attributes	N	Mean	Std. Deviation
Monetary loss is high if purchased online	317	4.39	1.509
It isn't safe to buy the service from the airline online	322	4.09	1.530
Online purchases are risky and lead to financial loss	322	3.84	1.249
Expect service performance failure is high	318	4.57	1.329
My friends' influence is high not to buy online	334	5.21	1.653
Trust the travel agent than online web site	324	5.85	1.213

Level of perceived risk measured by the 7 point Likert scale: Scale 1= Strongly Disagree; 2= Disagree; 3= Somewhat Disagree; 4= Neither agree not disagree; 5= somewhat Agree; 6= Agree; 7= Strongly Agree; Over all Mean = 3 *Source: Own Survey finding (2014)*

The mean rating and the standard deviation of respondents' evaluation of perceived risk from online purchase of airline tickets is presented on table 4.3. The mean rating of the overall agreement on the listed risks was 5 and the standard deviation ranges from 1.2 to 1.65. Respondents indicated that, they trusted the travel agent more than the online sites in purchase of tickets with mean of (5.85) and friends influence is high not to buy online with mean of (5.21) .They indicated that, they disagree with the failure in service performance being high if bought online. They also have indicated that they somewhat disagree with the monetary loss is high if purchased tickets online, that it isn't safe to buy the service from the airline online and online purchases are risky and lead to financial loss. Whereas the responses passengers aren't afraid of the risks in monetary losses from online purchases.

4.2.2 Passengers' evaluation of Price perception towards online ticket purchase

Table 4.4: Mean and Standard deviation of Price perception of online tickets

Price perception of online tickets attributes	N	Mean	Std. Deviation
Perception on price influences my buying decision	297	5.49	1.724
large difference in price of tickets between online and offline	294	4.12	1.732
Travel agencies charge higher service fees	293	3.40	1.756
Airline website make special deals in charging travelers	295	4.65	1.837
Always compare the current offer price with my previous price	326	5.38	1.620

Level of price perception measured by the 7 point Likert scale: Scale 1= Strongly Disagree; 2= Disagree; 3= Somewhat Disagree; 4= Neither agree not disagree; 5= somewhat Agree; 6= Agree; 7= Strongly Agree; Over all Mean = 4.5 *Source: Own Survey finding (2014)*

The mean rating and the standard deviation of respondents' evaluation of perceived risk from online purchase of airline tickets is presented on table 4.4. The mean rating of the overall agreement on the listed perceptions with regards to price was 4.5 and the standard deviation ranges from 1.6 to 1.8. Respondents indicated that, they agree to certain extent that their perception of price influences their buying decision and always compared the current offer price with their previous purchase price. The passengers somehow didn't agree that there is large difference in prices offered online and offline and travel agencies charge higher service fees than from the airline's own offices. With their view to Airline websites make special deals in charging travelers the passengers are indifferent or haven't noticed that much difference. From the responses passengers price perception is indifferent in offers from online or travel agents in terms of price. These indicates that in order to encourage future purchase intentions & attract more customers the airline should work on pricing air segments with more of price promotions and incentives for the website customers.

4.2.3 Passengers' evaluation of level of involvement in online ticket purchase

Table 4.5: Mean and Standard deviation of level of involvement in online ticket purchase

Level of involvement attributes	N	Mean	Std. Deviation
Expert when it comes to finding cheapest fares	334	2.48	1.24
Give people assistance on how to find best deals on the net	334	2.43	1.54
Think of me as good source in finding cheaper airline tickets	326	2.59	1.72

Level of involvement measured by the 7 point Likert scale: Scale 1= Strongly Disagree; 2= Disagree; 3= Somewhat Disagree; 4= Neither agree not disagree; 5= somewhat Agree; 6= Agree; 7= Strongly Agree; Over all Mean = 2.5

Source: Own Survey finding (2014)

The mean rating and the standard deviation of respondents' evaluation of level of involvement in online ticket purchase is presented on table 4.5. The mean rating of the overall agreement on the listed risks was 2.5 and the standard deviation ranges from 2.6 to 2.8. Respondents indicated that, somewhat disagree that they are somewhat of an expert when it comes to finding cheapest fares , they would like to give people tips/ assistance on how to find best deals on the net and that people thought of them as a good source in finding cheaper airline tickets. The respondents somehow see themselves not that much involved in application of internet tools towards airline ticket purchases and interaction with the service provider. From these the airline should develop advertisements like short to tutorials or quick tips that will help in developing passengers experience in using online tools which will later lead to involvement.

4.2.4 Passengers' evaluation of convenience in online ticket purchase

Table 4.6: Mean and Standard deviation of convenience in online ticket purchase

Convenience attributes	N	Mean	Std. Deviation
Prefer airline's website to buy tickets because of easiness to purchase	315	3.24	1.479
Airline's website are easy to access at all times	333	4.40	1.748
Online ticket purchase have more options than travel agencies	323	3.56	1.233
Online reservation and purchasing look easy to navigate through	333	5.30	1.380
Airline 's website facilitates decision-making processes	329	5.45	1.422

Level of convenience measured by the 7 point Likert scale: Scale 1= Strongly Disagree; 2= Disagree; 3= Somewhat Disagree; 4= Neither agree not disagree; 5= somewhat Agree; 6= Agree; 7= Strongly Agree; Over all Mean = 4.

Source: Own Survey finding (2014)

The mean rating and the standard deviation of respondents' evaluation of level of involvement in online ticket purchase is presented on table 4.6. The mean rating of the overall agreement on the listed convenience was 4 and the standard deviation ranges from 1.2 to 1.7. Respondents indicated that, somewhat disagree that they prefer airline's website to buy tickets because of easiness to purchase, find online ticket purchase have more options than travel agencies. The respondents somewhat agree that airlines websites are easy to access at all times and online reservation and purchasing look easy to navigate through i.e. user friendly. The respondents somewhat agree that The information on airline's website facilitates decision-making process. Over all with regards to convenience in online ticket purchase the respondents somewhat agree it's convenient to purchase tickets online. From the above points we can conclude that the airlines need to work on the final stage of the consumer decision making, purchase of airline ticket online. There should be easy access for credit card users, other paying mechanisms like PayPal & mobile banking should be included for those customers credit card accesses are not provided in countries like Ethiopia.

4.2.5Passengers' evaluation of Variety of choices

Table 4.7: Mean and Standard deviation of passenger's evaluation of variety of choices

Variety of choice attributes	N	Mean	Std. Deviation
More choice in airline's website than the travel agencies.	330	4.72	1.414
Wide selection of destination and price.	334	4.66	1.825
Different ways to get to my destination with online reservations.	333	4.51	1.561

Variety of choices measured by the 7 point Likert scale: Scale 1= Strongly Disagree; 2= Disagree; 3= Somewhat Disagree; 4= Neither agree not disagree; 5= somewhat Agree; 6= Agree; 7= Strongly Agree; Over all Mean = 3.5.

Source: Own Survey finding (2014)

The mean rating and the standard deviation of respondents' evaluation of availability of variety of choices in online ticket purchase is presented on table 4.7. The mean rating of the overall agreement on the listed convenience was 5.5 and the standard deviation ranges from 1.6 to 1.9. Respondents indicated that, they somewhat agree that there are more Choice in airline's website than the travel agencies and the internet provides different ways to get to their destination. The respondents agree that there is wide selection of destinations and available price.

Over all with regards to variety of choices in online ticket purchase the respondents somewhat agree that the internet and airline's website provide many choices. From these as ground basis the airline should accommodate additional destinations served by members of star alliance group, additional services like excess baggage fee collection and other smart online tools used by American & European carriers to increase availability of choice.

4.2.6 Passengers' evaluation of familiarity with the internet and online ticket websites

Table 4.8: Mean and Standard deviation of passenger's evaluation of familiarity with the internet and online ticket websites

Familiarity with the internet and online ticket websites attributes	N	Mean	Std. Deviation
Have a good computer and internet experience	317	5.34	1.209
Always check and respond to emails frequently	317	5.03	1.462
Aware and usually make reservations online	318	2.53	1.344
Very familiar with the various online tickets websites	311	3.58	1.788
Experiences with purchasing online is always accurate and good	334	2.09	1.646

Familiarity measured by the 7 point Likert scale: Scale 1= Strongly Disagree; 2= Disagree; 3= Somewhat Disagree; 4= Neither agree not disagree; 5= somewhat Agree; 6= Agree; 7= Strongly Agree; Over all Mean = 4.7.

The mean rating and the standard deviation of respondents' evaluation of familiarity with the internet and online ticket websites is presented on table 4.9. The mean rating of the overall agreement on the listed familiarity was 4.6 and the standard deviation ranges from 1.2 to 1.8. Respondents indicated that, they somewhat agree that they have a good computer and internet experience and respond to emails frequently but are indifferent with regards to the knowhow of the online reservation and ticketing services.

The airline should work on more promoting the website and its tools so that it would attract these passengers who are aware and familiar with the internet but are not used to online reservations and ticketing.

4.2.7Passengers' evaluation of security/ privacy on the internet and online ticket websites

Table 4.9: Mean and Standard deviation of passenger's evaluation of Security/privacy on using airlines and online ticket websites

Security/Privacy attributes	N	Mean	Std. Deviation
Feel secured in providing personal information online	324	3.64	1.253
Privacy is protected when purchasing tickets online	324	3.29	1.381
Websites of the airline have adequate security features	297	4.90	1.457
Trustworthiness with respect to credit card information	291	3.77	1.394

Security/privacy measured by the 7 point Likert scale: Scale 1= Strongly Disagree; 2= Disagree; 3= Somewhat Disagree; 4= Neither agree not disagree; 5= somewhat Agree; 6= Agree; 7= Strongly Agree; Over all Mean = 5.15.
Source: Own Survey finding (2014)

The mean rating and the standard deviation of respondents' evaluation of familiarity with the internet and online ticket websites is presented on table 4.9. The mean rating of the overall agreement on the listed security/ privacy attributes was 3.9 and the standard deviation ranges from 1.25 to 1.46. Respondents indicated that, they somewhat agree that they feel secured in providing personal information online and privacy is protected when purchasing tickets online .they are more indifferent or don't have that much with regards to the security features of airline website and find the trustworthiness with respect to credit card info. In order to increase the customer's confidence in feeling secured and privacy being kept, the airline should promote its safety guards and password protection mechanisms in using different online security providers.

4.2.8 Passengers' over all evaluation of the online ticket purchase attitude

Table 4.10: Mean and Standard deviation of passenger's evaluation of overall online ticket purchase attitude

Over all online ticket purchase attitude attributes	N	Mean	Std. Deviation
Always prefer to purchase tickets online	322	4.87	1.41
Recommend friends and family to purchase tickets online	320	4.13	1.53
Will continue purchasing tickets online	334	3.58	1.66

Security/privacy measured by the 7 point Likert scale: Scale 1= Strongly Disagree; 2= Disagree; 3= Somewhat Disagree; 4= Neither agree not disagree; 5= somewhat Agree; 6= Agree; 7= Strongly Agree; Over all Mean = 4.19.
Source: Own Survey finding (2014)

The mean rating and the standard deviation of respondents' evaluation of the overall online ticket purchase attitude is familiarity with the internet and online ticket websites is presented on table 4.10. The mean rating of the overall agreement on the listed online purchase attitude was 4.19 and the standard deviation ranges from 1.4 to 1.6. Respondents indicated that, they somewhat agree that they will prefer to purchase tickets online and would recommend friends and family to purchase online. However to continue purchasing tickets online passengers showed reluctance since most respondents use the traditional travel agent and airlines own ticket offices.

In order to increase the overall online ticket purchase attitude of customers the airline should reduce the perceived risk of online purchases, make customers feel and experience that they are getting best deals out of the online tools, make customers more experienced and involved with reservation and ticketing online through use of promotions, make the website more convenient for making purchases & accessible to different payment mechanisms other than credit card & have customers feel secured and their privacy protected by using and promoting online security providers.

4.3 Inferential statistics:

4.3.1 One-way Anova for customer profile factors

The one way analysis of variance (ANOVA) is used to determine whether there are any significant differences between the means of three or more independent (unrelated groups) Kumar et.al (2006). The one –way ANOVA compares the means between the groups we are interested in and determines whether any of those means are significantly different from each other. In the section below we used the one-way ANOVA to compare any significance of the demographic data gathered from the survey with relation to the seven attributes i.e. perceived risk, price perception, level of involvement, convenience, variety of choice, familiarity and security/Privacy.

Gender and variance of attributes

Table 4.11: Anova table between Gender and the seven attributes

ANOVA

Perceived risk from online purchase of airline tickets	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	10.145	1	10.145	3.468	.013
Within Groups	971.252	332	2.925		
Total	981.397	333			
Price perception	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.919	1	1.919	1.055	.015
Within Groups	593.367	326	1.820		
Total	595.287	327			
Level of involvement	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.404	1	1.404	.205	.651
Within Groups	2278.485	332	6.863		
Total	2279.889	333			
Convenience	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.612	1	.612	.538	.464
Within Groups	376.156	331	1.136		
Total	376.768	332			
Variety of choices	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.058	1	.058	.078	.780
Within Groups	248.554	332	.749		
Total	248.613	333			
Familiarity	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.767	1	1.767	1.561	.212
Within Groups	349.682	309	1.132		
Total	351.448	310			
Security /Privacy	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	13.973	1	13.973	6.525	.011
Within Groups	710.907	332	2.141		
Total	724.879	333			

Source: Own Survey finding (2014)

From the ANOVA table shown below gender has a significant relation with three of the seven attributes. Perceived risk from online purchase, price perception towards online purchase and security/privacy vary between male and female respondents. With regards to the other attributes used, gender difference doesn't have any significant variance.

Age and variance of attributes

Table 4.12: ANOVA table between different age groups and the seven attributes

ANOVA

Perceived risk from online purchase of airline tickets	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.349	3	.783	1.049	.371
Within Groups	246.263	330	.746		
Total	248.613	333			
Price perception	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	11.824	3	3.941	2.189	.039
Within Groups	583.463	324	1.801		
Total	595.287	327			
Level of involvement	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	24.949	3	8.316	1.217	.303
Within Groups	2254.940	330	6.833		
Total	2279.889	333			
Convenience	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	.401	3	.134	.117	.950
Within Groups	376.367	329	1.144		
Total	376.768	332			
Variety of choices	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	25.972	3	8.657	2.990	.031
Within Groups	955.425	330	2.895		
Total	981.397	333			
Familiarity	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	23.152	3	7.717	3.629	.013
Within Groups	701.727	330	2.126		
Total	724.879	333			
Security /Privacy	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	5.733	3	1.911	1.697	.168
Within Groups	345.715	307	1.126		
Total	351.448	310			

Source: Own Survey finding (2014)

From the ANOVA table above Age has a significant relation with three of the seven attributes. Price perception towards online purchase, variety of choice and familiarity with

regards to online purchase vary between the different age groups of respondents. With regards to the other remaining attributes used, age difference doesn't have any significant variance.

Occupation and variance of attributes

Table 4.13: ANOVA table between different occupation and the seven attributes

ANOVA

Perceived risk from online purchase of airline tickets	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.503	4	.376	.500	.736
Within Groups	247.109	329	.751		
Total	248.613	333			
Price perception	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	4.794	4	1.198	.656	.623
Within Groups	590.493	323	1.828		
Total	595.287	327			
Level of involvement	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	28.058	4	7.014	1.025	.394
Within Groups	2251.831	329	6.844		
Total	2279.889	333			
Convenience	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	11.212	4	2.803	2.515	.041
Within Groups	365.556	328	1.115		
Total	376.768	332			
Familiarity	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	8.012	4	2.003	.919	.453
Within Groups	716.868	329	2.179		
Total	724.879	333			
Security /Privacy	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	1.216	4	.304	.266	.900
Within Groups	350.232	306	1.145		
Total	351.448	310			

Source: Own Survey finding (2014)

From the ANOVA table above respondent's occupation has a significant relation with only one of the seven attributes, convenience of the website in online purchase. With the rest of remaining attributes used, occupation difference doesn't have any significant variance.

Travel frequency and variance of attributes

Table 4.14: ANOVA table between travel frequency and the seven attributes

ANOVA

Perceived risk from online purchase of airline tickets	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.803	3	1.268	2.709	.016
Within Groups	244.809	330	.742		
Total	248.613	333			
Price perception	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	19.487	3	6.496	3.655	.013
Within Groups	575.800	324	1.777		
Total	595.287	327			
Level of involvement	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	29.309	3	9.770	2.733	.017
Within Groups	2250.580	330	6.820		
Total	2279.889	333			
Convenience	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	5.597	3	1.866	2.654	.023
Within Groups	371.172	329	1.128		
Total	376.768	332			
Variety of choices	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	32.045	3	10.682	3.713	.012
Within Groups	949.352	330	2.877		
Total	981.397	333			
Familiarity	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	1.784	3	.595	2.271	.046
Within Groups	723.095	330	2.191		
Total	724.879	333			
Security /Privacy	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	8.671	3	2.890	2.589	.033
Within Groups	342.778	307	1.117		
Total	351.448	310			

Source: Own Survey finding (2014)

From the ANOVA table above respondent's travel frequency has a significant relation with all of the seven attributes, this signifies the fact that travel frequency changes as the independent change and there is degree of correlation between the seven attributes and travel frequency. This result shows that the more the frequent flyer the respondent, he/she has the tendency to purchase airline tickets online as frequency of usage increases awareness and familiarity.

4.3.2 Pearson correlation

Table 4.15 shows Pearson correlation coefficient of the seven variables (perceived risk, price perception level of involvement, convenience, Variety of choice, familiarity and security/privacy with online ticket purchase attitude. The result showed that Pearson correlation coefficient of the 7 variables perceived risk, price perception level of involvement, convenience, variety of choice, familiarity and security/privacy is -0.608, 0.503, 0.621, 0.536, 0.542, 0.547 and 0.562 respectively.

All the seven variables correlation is significant at 0.01 level of probability. Therefore, there is a negative relationship between perceived risk and online ticket purchase attitude; there is a positive relationship between price perception and online ticket purchase attitude; there is a positive relationship between level of involvement and online ticket purchase attitude; there is a positive relationship between convenience and the online ticket purchase attitude; there is a positive relationship between availability of variety of choices and the online ticket purchase attitude; there is a positive relationship between familiarity to the internet and service provider's website and the online ticket purchase attitude and there is a positive relationship between security/privacy to the internet and service provider's website and the online ticket purchase attitude are supported.

From the result shown below, there is strong relationship between the seven variables (perceived risk, price perception, convenience, variety of choice, level of involvement, familiarity and security/privacy) and the dependent variable (online purchase attitude).

To put the data in sequential order, the highest positive correlation is found to be between the price perception and online ticket purchase attitude ($r=.621$, $P<.01$) and the lowest level of relationship is with the level of involvement ($r=.503$, $P<.01$). The result also shows that, there are strong positive relationships between the six of the attributes and the dependent variable except that of perceived risk which is negatively correlated with the other attributes and the dependent variable. The relationship between perceived risk and security/privacy indicated the lowest negative relationship (opposing factors) ($r= -.659$). The relationship between level of involvement and online ticket purchase attitude indicated the highest relationship (.621), followed by the relationship between familiarity and level of involvement (.582), security/privacy and convenient (.573) and familiarity and security/privacy.

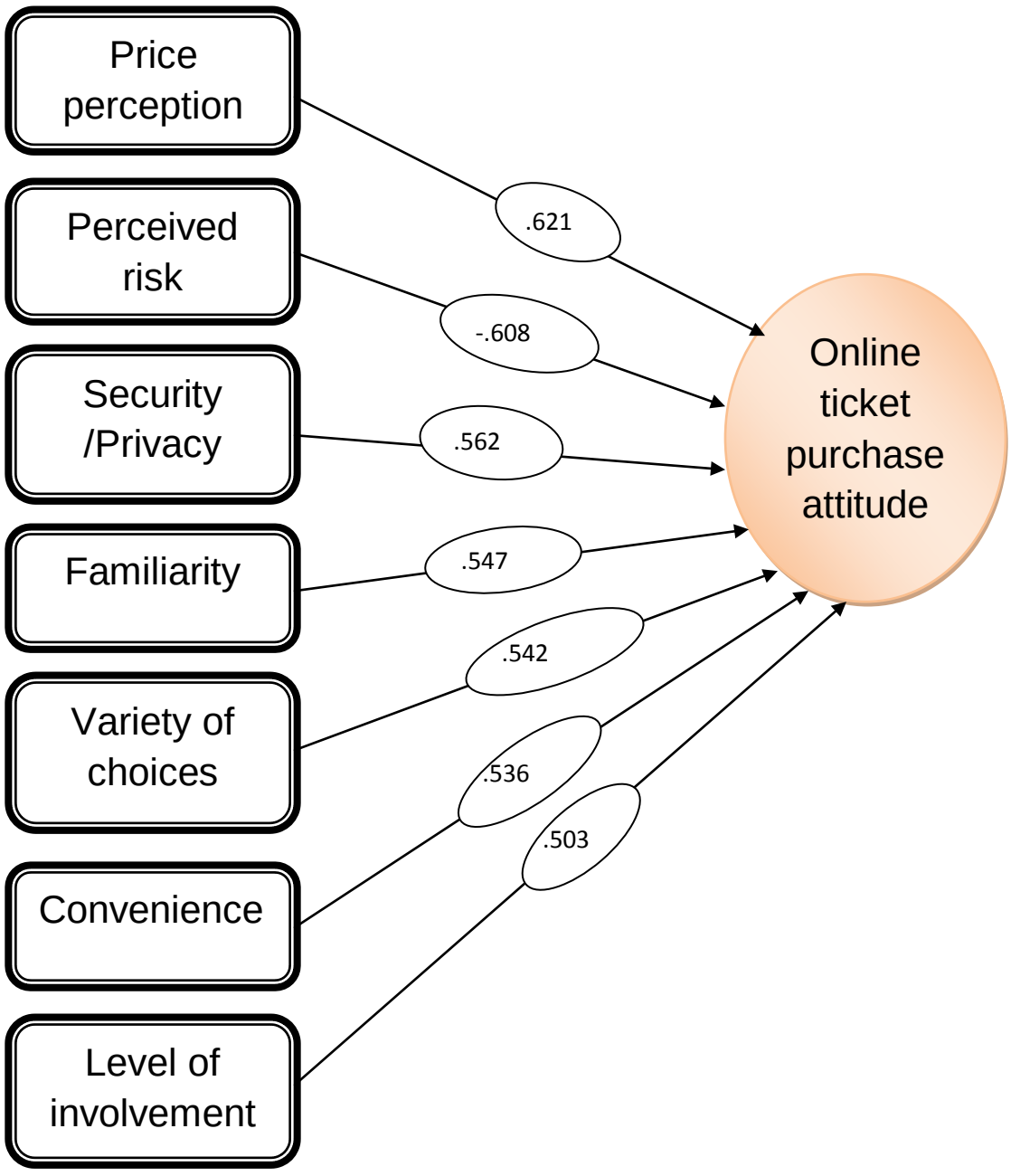
Table 4.15: Correlation coefficient between the seven attributes

		Perceived risk	Price perception	Level of involvement	Convenience	Variety of choices	Familiarity	Security /Privacy	Online ticket purchase attitude
Perceived risk	Pearson Correlation	1	-.321**	-.593**	-.465**	-.328**	-.521**	-.659**	**-.608****
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000	**.000**
	N	334	334	328	333	334	334	311	**334**
Price perception	Pearson Correlation	-.321**	1	.521**	.504**	.472**	.582**	.421**	**.621****
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000	**.000**
	N	334	334	328	333	334	334	311	**334**
Level of involvement	Pearson Correlation	-.593**	.521**	1	.549**	.542**	.497**	.437**	**.503****
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000	**.024**
	N	328	328	328	328	328	328	308	**328**
Convenience	Pearson Correlation	-.465**	.504**	.549**	1	.528**	.477**	.573**	**.536****
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000	**.000**
	N	333	333	328	333	333	333	311	**333**
Variety of choices	Pearson Correlation	-.328**	.472**	.542**	.528**	1	.526**	.409**	**.542****
	Sig. (2-tailed)	.000	.850	.000	.000		.000	.000	**.000**
	N	334	334	328	333	334	334	311	**334**
Familiarity	Pearson Correlation	-.521**	.582**	.497**	.477**	.526**	1	.556**	**.547****
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000	**.000**
	N	334	334	328	333	334	334	311	**334**
Security /Privacy	Pearson Correlation	-.659**	.421**	.437**	.573**	.409**	.556**	1	**0.562****
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000		**.000**
	N	311	311	308	311	311	311	311	**311**
Online ticket purchase attitude	**Pearson Correlation**	**-.608****	**.621****	**.503****	**.536****	**.542****	**.547****	**.562****	**1**
	Sig. (2-tailed)	**.000**	**.000**	**.000**	**.000**	**.000**	**.000**	**.000**	
	N	**334**	**334**	**328**	**333**	**334**	**334**	**311**	**334**

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Own Survey finding (2014)

Figure 4.1: Diagrammatic presentation of the online ticket purchase attitude model Correlation sig at the 0.01 level



Source: Own Survey finding (2014)

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1 Conclusion

Living in a world of technology change, online sales offers many benefits such as the diffusion of information, the development of new technologies, the promotion and sales of product and services, and the collaboration between businesses in a supply chain. Along this the objective of this research project was to investigate some of the effects of the online sales adoption within airline industry specifically the usage of internet as a tool for ticket purchase and interaction with the airline by the customers.

The primary objective of the study was to empirically identify the awareness level of customers in using airline direct channel (www.ethiopianairlines.com) in accessing airline services than the traditional agency access, which will enable airlines to reduce overhead costs and of all the second highest operating cost in airline operation global distribution system (GDS) charges.

The traditional means of procuring airline tickets and associate travel arrangements are rapidly changing. The advent and proliferation of computers, coupled with the increasingly acceptable leveraging of the Internet has caused some major changes in the travel industry. These changes are primarily being facilitated by Internet travel marketplaces that claim to provide an easier, less expensive alternative.

The online sale provides a new channel for conducting business. It creates an electronic marketplace where buyers and sellers meet, gather information, submit bids, agree on orders, keep track of the orders being processed, and complete the transaction electronically. This virtual marketplace provides opportunities for airline online sales to generate more profits if they develop and implement the right pricing strategies.

Most of these benefits listed do, however, depend on which Web site the potential customer is visiting and the type of customer. The successful customer is defined by both their technological experience and their motives for visiting the Web site.

The frequency statistics shows that majority of the respondents were male (62.3%) and most of the respondents were in the age group between 20 and 40 (48.5%). The majority of respondents were travelling for leisure reason (56%) which can be vacation, visiting their families and friends, as tourist and the like. With regards to the nationality of the respondents Chinese nationals take the lion share (16%) followed by Sweden and USA nationals having equal numbers (8.7%) and other nationals also participated in the survey. Majority of the respondents travel frequency were once a month (32.9%) followed by those who travel once every six month (31.1%).

Furthermore respondents were asked what service outlet they used to purchase their air ticket and majority of the respondents used the travel agency to purchase their tickets (39.8%) followed by the airline's own ticket office (38%), with the papers main area of focus the airlines website 16% of the customers purchased using it. 5.7% of the respondents used travel agents website to purchase ticket and access information about the airline.

From the results obtained descriptive statistics, the respondents were found to trust more the agent (human) than the internet/computer, influenced by their friends, family and relatives not to buy the tickets online. They somewhat agree having an average response of 5 that their expectation in service performance failure is higher if bought online and monetary loss is also high in online purchases. With the safety of purchases online the passengers were found to be indifferent. Most respondents were indifferent with the security features and protection of privacy offered by the airline for users of the websites. since most of the customers didn't use the website to purchase their tickets , their response was neither agree nor disagree with the security features to credit cards.

As far as the familiarity of the customers were seen, most of the respondents are found to be familiar with the computer, internet and access their mail on regular bases. However with regards to the use of the internet as a purchasing tool for service and goods, most customers don't use it in that aspect.

Passenger's buying decision was found to be more affected by their price perception and comparison of the current price with the past /previous price i.e. respondents were price sensitive. Most passengers think that travel agents charge optimum service charge for their

services. Passengers didn't think that much special offers are available online and the price of tickets between online and offline sales channels were not that much different.

The level of involvement of customers in using the online tools to contact the airline and obtain service was found to be much lower with most customers, most respondents don't think of themselves as early adopters, leading others to follow in using the online sales channel to use the service and interact with the airline.

With regards to the convenience attributes, most passengers thought that the airline's website providing information that will facilitate the decision making process and being available/ accessible at all times makes it more convenient than other business. The passengers were indifferent on the wide selection of destination and price. Despite these reasons, customers were in doubt and unable to commit in purchase of tickets online.

To sum up the descriptive statistics results, the overall online purchase attitude of the customers were found to be not as such satisfactory at the final out put stage i.e. purchase of tickets and additional services online.

The analysis of variance for demographic characteristics of respondents with the seven factors listed to affect online purchase attitude showed the variances. Findings suggested that there is relationship between gender of the respondents and their perception of risk from online ticket purchases, security/ privacy concerns in using the online site and price perception towards published fares online.

The one-way analysis of variance showed that there are relationships between the ages of respondents and their price perception of online ticket purchases, availability of variety of choice and their familiarity in using the internet to interact and purchase of products and services. The relationship between the occupation of respondents and the attributes showed that the perception towards convenience varies with the type of job the respondent has.

The analysis of variance for travel frequency with the seven attributes showed that there is significant variance in the variables as there is difference in frequency of travel, hence suggesting additional studies to be conducted with this variance.

Pearson correlation coefficient of the variables indicated that, there is strong relationship between the seven attributes (price perception, perceived risk, and the level of involvement,

convenience, variety of choices, familiarity and security/privacy) and the attitude towards online ticket purchase. Not only between the demographic characteristics and the attributes relationship exists but also exists but also with in each attribute there is relationship. This means that, one will have either positive or negative impact on the other. Price perception proves to be the highest correlation with the attitude towards online ticket purchase followed by perceived risk which negatively affects the customer's attitude towards online ticket purchase. Security/privacy comes third, familiarity, variety of choice and convenience take the consecutive places. Level of involvement was found to be less correlated to the dependent in relative terms with other variables however with Pearson correlation coefficient greater than 5, it shows strong relations.

5.2 Recommendations

Airlines have the opportunity to tailor their websites to suit the 'the customer of tomorrow', they have increased expectations, seek convenience in purchase, require after sales service, uniqueness and reliability. Future potential customers are more knowledgeable, increasingly accustomed to automation and a self-service mentality. E-ticketing and paperless communications improve customer service by increasing flexibility and improving process efficiency. Customers are able to check-in online, select their seats, print e-boarding passes instantly. The 'customer of tomorrow' wants to see things from a global perspective, expects a high service quality and expects market transparency.

Below are recommendations for the airlines to harness the usefulness of the internet and the currently underutilized website.

- Airlines should identify the internet's ability to tailor to passengers different needs, this can be utilized by airline websites, to segment the consumer groups, and providing useful information allowing the ability to personalize advertising, such content based advertising can remove unnecessary adverts, thus becoming more efficient and cost effective.
- The airline website should be providing allowing more detailed information; this includes stopovers, aircraft, terminals, while showing more choice of flights over a range of dates with subsequent prices.
- The airline should develop relationships using the website for one to one communications, online help, privileged access, business information, upgrade requests,

city guides, language information, hotel booking, entertainment programming, favored seating, meal selection, text message check-in and updates.

- Online booking can be quite stressful, confusing and may cause the customer to cancel the booking process so the website must be free of errors to a certain extent by going a series of modifications and pilot testing on different market segments.
- Creating trust online is important, including the ability to handle secure international online payments, ensuring a smooth booking process.
- The fears of those skeptical inexperienced customers with the internet should be dealt that they should be encouraged and reassured, while emphasizing the benefits of purchasing online and providing more incentives to book online.
- The airline must consider the cultural differences when dealing with consumers, Website localization should be taken ,the process of modifying an existing website to make it accessible, usable and culturally suitable to a target audience though a greater understanding of cultural knowledge.
- The demographic profile of long haul fliers corresponds with those most likely to have internet access. The airline must consider computer and communications infrastructure implications and government policy while considering methods to integrate technology effectively, such as promotion with internet cafes to areas with low internet penetration, while accepting and publicizing electronic payment sites such as PayPal or Entropay.
- Airlines must work together with its Star alliance partners to develop the flight search engine, with the goal of getting every airline to take part and expand worldwide availability and route coverage.

5.3. LIMITATION OF THE STUDY:

The research has several limitations shown as follows:

- The data analysis should be done using standard modeling (Amos software). Because of time and data limitation, the research is done using only descriptive statistics. Analysis to all the multiple variables should be done using multinomial logit model since the data was discrete.
- The factors that are taken as determinants can be further divided and studied as dependent to other constructs.
- The result may not be generalized to industry level as this is particular case of Ethiopian airline international passengers only and the questionnaire were distributed to passengers using Addis Ababa airport only.
- Further study should be done to see the determinants of customer's attitude towards online purchase. And sample should be taken from majority of the airlines operating in the market like Lufthansa airways, Emirates, Qatar airway, Kenya airways and others.

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Appendices:

Addis Ababa University School of Commerce

Department of Marketing Management

Questionnaire—English language

Dear Survey Respondent

I am conducting a research entitled "The Changing Trend of Airline Distribution toward Online sales and Customer's Intention towards Online Purchases" which shall be submitted in partial fulfillment of the requirements for Master's Degree in Marketing Management. The purpose of this study is to identify the level of awareness of airline customers in airline distribution and service escape specifically using the airlines website as a tool of interaction with the airline. The main objective of this research is to examine the general purchase intention of customers in using online ticketing. Therefore, this is to kindly request you to take 30 minutes of your precious time to fill the questionnaire at your convenience. Your honest and accurate response will make this study more valuable. Your responses are only meant for academic purpose and will be kept confidential. Please try to read each question carefully and give your opinion.

Thank you in advance for your cooperation time!

Anteneh Fekadu
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Demographic characteristics of the respondent

1) What is your gender (sex)?

☐ Male ☐ Female

2) How old are you?

☐ Below 20 ☐ 20-40 ☐ 41-60 ☐ 61 and above

3) what is your educational level?

☐ Primary school ☐ High school diploma ☐ University degree ☐ Masters or above

4) What is your primary reason for air travel?

☐ Business ☐ Leisure (vacation, visiting friends and families etc)

5) What is your occupation?

☐ Company employee or Government employee ☐ Professional/private business

☐ Management ☐ Student ☐ Housewife/househusband

☐ Other_____ (please specify)

6) What is your nationality? _____

7) How often you travel by air?

☐ Several times per month ☐ Once a month ☐ Once every six month ☐ Once a year ☐ Other_____ (please specify)

8) Which Airline do you usually fly with? _____

9) What outlet do you use to purchase your travel ticket?

☐ Travel agency ☐ Airline's ticket office ☐ Travel agencies' website ☐ Airline's own website

10) Are you a member of a frequent flyer program? ☐ Yes ☐ No

If yes please specify the name of the program _____

End of part I

Part II

II. Under Column header "Perceived risk from online purchase of airline tickets", there are factors which might have impact on passengers attitudes towards online airline ticket purchase; the parameters are labeled from 1 up to 7. 1 as completely (strongly) Disagrees and 7 as strongly Agree. Please select the box that describes your evaluation of the airline you mentioned above on question 8 i.e. *Which airline do you usually fly with?*

No A	Perceived risk from online purchase of airline tickets	completely disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly Agree
1	The monetary loss is high if I purchase an airline ticket from the website	1	2	3	4	5	6	7
2	I don't think it is safe to buy service from the airline website	1	2	3	4	5	6	7
3	I feel that online purchases are risky because they may lead to financial loss	1	2	3	4	5	6	7
4	I expect service performance failure is high if I buy from the airline website	1	2	3	4	5	6	7
5	My friends' influence is high not to buy from the airline website	1	2	3	4	5	6	7
6	I trust the travel agent than online web site more for buying ticket	1	2	3	4	5	6	7
B	**Price perception**							
1	My perception on price influences my buying decision	1	2	3	4	5	6	7
2	There is huge difference in price of tickets online or offline	1	2	3	4	5	6	7
3	Travel agencies charge is higher service fees than direct from the airline	1	2	3	4	5	6	7
4	Airline websites make special deals in charging travelers	1	2	3	4	5	6	7
5	I always compare the current offer price with my previous price	1	2	3	4	5	6	7
C	**Level of involvement**							
1	I am somewhat of an expert when it comes to finding cheapest fares	1	2	3	4	5	6	7
2	I like to give people tips/ assistance on how to find best deals on the net	1	2	3	4	5	6	7
3	People think of me as good source in finding cheaper airline tickets	1	2	3	4	5	6	7
D	**Convenience**							
1	I prefer airline's website to buy tickets because of easiness to purchase	1	2	3	4	5	6	7
2	Airline's website are easy to access at all times	1	2	3	4	5	6	7
3	I always find online ticket purchase have more options than travel agencies	1	2	3	4	5	6	7
4	Generally online reservation and purchasing look easy to navigate through	1	2	3	4	5	6	7
5	The information on airline 's website facilitates decision-making processes	1	2	3	4	5	6	7
E	**Variety of choices**							
1	I find more Choice in airline's website than the travel agencies.	1	2	3	4	5	6	7
2	I buy tickets online because of wide selection of destination and price	1	2	3	4	5	6	7

3	I find many different ways to get to my destination with online reservations	1	2	3	4	5	6	7
F	**Familiarity**							
1	I have a good internet and computer experience	1	2	3	4	5	6	7
2	I always check and respond to emails frequently	1	2	3	4	5	6	7
3	I am aware and usually make reservations online	1	2	3	4	5	6	7
4	I am very familiar with the various online tickets websites	1	2	3	4	5	6	7
5	My experiences with purchasing online is always accurate and good	1	2	3	4	5	6	7
G	**Security /Privacy**							
1	I feel secured in providing personal information of purchasing airline tickets online	1	2	3	4	5	6	7
2	I feel that my privacy is protected when I am purchasing tickets online	1	2	3	4	5	6	7
3	I believe websites of the airline have adequate security features	1	2	3	4	5	6	7
4	The airlines website with respect to my credit card information is trustworthy	1	2	3	4	5	6	7
H	**Over all online ticket purchase attitude**							
1	I always prefer to purchase tickets online	1	2	3	4	5	6	7
2	I recommend friends and family to purchase tickets online	1	2	3	4	5	6	7
3	I will continue purchasing tickets online	1	2	3	4	5	6	7

Thank you for valuable cooperation!

L’école du commerce de l’université d’Addis Ababa

Département de la gestion du Marketing

Langue questionnaire-Français

Cher des répondants au sondage

Je mène une recherche intitulée “Le changement de tendance de Distribution de la compagnie aérienne vers le commerce électronique et Le client a l'intention vers Achats en ligne” qui doit être soumise en accomplissement partiel des exigences pour la maîtrise en gestion du Marketing.

Le but de cette étude est d'identifier le niveau de sensibilisation des clients des compagnies aériennes dans la distribution du transport aérien et le service évasion en particulier en utilisant le site Web de compagnies aériennes comme un outil d'interaction avec la compagnie aérienne. L'objectif principal de cette recherche est d'examiner l'achat intention générale de clients en utilisant des outils de billetterie en lignePar conséquent, c'est de demander de bien vouloir prendre 30 minutes de votre précieux temps pour remplir le questionnaire à votre convenance. Votre réponse honnête et précis fera cette étude plus précieux. Vos réponses sont uniquement destinées à des fins académiques et resteront confidentielles. S'il vous plaît essayer de lire attentivement chaque question et donner votre avis.

Merci d'avance pour votre temps.

Anteneh Fekadu
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Les caractéristiques démographiques de l'intimé

1) sexe ?

☐ Homme ☐ Femme

2) Quel âge avez-vous?

☐ Below 20 ☐ 20-40 ☐ 41-60 ☐ 61 and above

3) Quel est votre niveau de scolarité?

☐ l'école primaire ☐ Diplôme du secondaire ☐ Un diplôme universitaire ☐ Maîtrise ou dessus

4) Quelle est votre principale raison pour Voyage de l'air?

☐ Affaires ☐ Leisure (des vacances, visite à des amis et les familles, etc)

5) Quelle est votre occupation?

☐ Entreprise et de gouvernement employé ☐ D'affaires professionnel / privé

☐ la gestion ☐ étudiante ☐ Ménagère / h au foyer

☐ L'autre_____ (s'il vous plaît indiquer)

6) Quelle est votre la nationalité? _____

7) A quelle fréquence vous voyagez par avion?

☐ Plusieurs fois par mois ☐ Fois par mois ☐ Une fois que tous les six mois

☐ Une fois par an ☐ L'autre _____ (s'il vous plaît indiquer)

8) Quelle compagnie aérienne ne vous voyagez généralement avec?_____

9) Qu'est-ce que la sortie que vous utilisez pour acheter votre billet d'Voyage?

☐ Agence de Voyage ☐ De la billetterie de ligne aérienne ☐ Le site Internet des agences de voyages ☐ Propre site de la compagnie

10) Êtes-vous membre d'un programme pour grands voyageurs? ☐ Oui ☐ Non

Si oui s'il vous plaît spécifier le nom du programme_____

De fin de la partie I

partie II

II. Sous-tête de colonne 'de risque perçu de l'achat en ligne de billets d'avion', il existe des facteurs qui pourraient avoir un impact sur les attitudes envers les passagers achat en ligne de billets d'avion; les paramètres sont numérotés de 1 à 7. 1 complètement (fortement) n'est pas d'accord et 7 accord aussi fortement. S'il vous plaît cochez la case qui décrit votre évaluation de la compagnie aérienne que vous avez mentionné ci-dessus à la question 8 à savoir Quelle compagnie aérienne ne vous voyagez habituellement avec?

No	**Le risque perçu de l'achat en ligne de billets d'avion**	**désaccord complet**	**désaccord**	**Plutôt en désaccord**	**ni d'accord ni en désaccord**	**plutôt d'accord**	**être d'accord**	**fortement d'accord**
A								
1	La perte monétaire est élevé si j'achète un billet d'avion sur le site Web	1	2	3	4	5	6	7
2	Je ne pense pas qu'il soit sûr d'acheter un service sur le site de la compagnie aérienne	1	2	3	4	5	6	7
3	Je pense que les achats en ligne sont risqués car ils peuvent entraîner des pertes financières	1	2	3	4	5	6	7
4	Je m'attends à l'échec de la performance du service est élevé si j'achète sur le site de la compagnie aérienne	1	2	3	4	5	6	7
5	L'influence de mes amis est grande de ne pas acheter sur le site de la compagnie aérienne	1	2	3	4	5	6	7
6	J'espère l'agent de Voyage de site web en ligne pour l'achat de billet plus	1	2	3	4	5	6	7
B	**le prix perception**							
1	Ma perception sur le prix influe sur ma décision d'achat	1	2	3	4	5	6	7
2	Il est énorme différence de prix de billets en ligne ou hors ligne	1	2	3	4	5	6	7
3	Les agences de voyages facturent des frais de service est plus élevé que directe de la compagnie aérienne	1	2	3	4	5	6	7
4	Sites de compagnies aériennes font des offres spéciales en charge les voyageurs	1	2	3	4	5	6	7
5	Je compare toujours le prix de l'offre actuelle avec mon ancien prix	1	2	3	4	5	6	7
C	**Niveau de participation**							
1	Je suis un peu d'un expert quand il s'agit de trouver des tarifs les moins chers	1	2	3	4	5	6	7
2	J'aime donner aux gens des conseils / assistance sur la façon de trouver les meilleures offres sur le net	1	2	3	4	5	6	7
3	Des gens me considèrent comme bonnes sources pour trouver des billets d'avion moins chers	1	2	3	4	5	6	7
D	**Convenience**							
1	Je préfère le site de la compagnie pour acheter des billets en raison de la facilité d'achat	1	2	3	4	5	6	7
2	Le site Internet de ligne aérienne sont faciles d'accès en tout temps	1	2	3	4	5	6	7

3	Je trouve toujours l'achat de billets en ligne ont plus d'options que les agences de voyages	1	2	3	4	5	6	7
4	Généralement réservation en ligne et les achats semblent facile à naviguer	1	2	3	4	5	6	7
5	Les informations sur le site Web de l'entreprise de transport aérien facilite la prise de décision processes	1	2	3	4	5	6	7
E	**Variété des choix**							
1	Je trouve plus de choix dans le site de la compagnie que les agences de voyages.	1	2	3	4	5	6	7
2	Je acheter des billets en ligne en raison de large sélection de destination et le prix	1	2	3	4	5	6	7
3	Je trouve beaucoup de façons différentes d'arriver à ma destination avec réservations en ligne	1	2	3	4	5	6	7
F	**la familiarité**							
1	J'ai une bonne expérience de l'Internet et de l'ordinateur	1	2	3	4	5	6	7
2	Je vérifie toujours et répondre aux e-mails fréquemment	1	2	3	4	5	6	7
3	Je suis conscient et l'habitude de faire des réservations en ligne	1	2	3	4	5	6	7
4	Je suis très familier avec les différents sites des billets en ligne	1	2	3	4	5	6	7
5	Mes expériences avec l'achat en ligne est toujours précis et bien	1	2	3	4	5	6	7
G	**Sécurité / Protection des données**							
1	Je me sens sécurisé en fournissant des renseignements personnels de l'achat des billets d'avion en ligne	1	2	3	4	5	6	7
2	J'ai l'impression que ma vie privée est protégée lorsque j'achète des billets en ligne	1	2	3	4	5	6	7
3	Je crois que les sites Web de la compagnie aérienne ont des caractéristiques de sécurité adéquates	1	2	3	4	5	6	7
4	Le site Web des compagnies aériennes à l'égard de mes informations de carte de crédit est digne de confiance	1	2	3	4	5	6	7
H	**Dans l'ensemble, comportement de l'achat de billets en ligne**							
1	Je préfère toujours acheter des billets en ligne	1	2	3	4	5	6	7
2	Je recommande les amis et la famille pour acheter des billets en ligne	1	2	3	4	5	6	7
3	Je vais continuer à acheter des billets en ligne	1	2	3	4	5	6	7

Merci pour la précieuse collaboration!

Ethiopian airlines WEB Sales contribution report (2011-2013)

WEB Sales contribution Report								
Month	*WEB PAX Traveled for 2011*	*WEB RPB contribution for 2011*	*WEB PAX Traveled for 2012*	*WEB RPB contribution for 2012*	*2011 and 2012 variance web RPB*	*WEB PAX Traveled for 2013*	*WEB RPB contribution for 2013*	*2012 and 2013 variance web RPB*
January	10,519	3.18%	11,493	3.72%	9.26%	24,510	7.02%	113.26%
February	7,584	2.75%	7,229	2.55%	-4.68%	18,300	6.09%	153.15%
March	8,470	2.71%	9,717	3.24%	14.72%	24,175	7.15%	148.79%
April	9,357	2.88%	10,899	3.54%	16.48%	19,190	6.39%	76.07%
May	7,755	2.71%	9,652	3.24%	24.46%	19,514	5.38%	102.18%
June	8,715	2.82%	12,222	3.89%	40.24%	21,809	5.98%	78.44%
July	12,020	3.62%	14,812	4.17%	23.23%	24,814	6.12%	67.53%
August	12,882	3.32%	17,280	5.03%	34.14%	28,799	6.86%	66.66%
September	11,072	3.57%	14,954	4.62%	35.06%	22,585	6.10%	51.03%
October	11,148	3.54%	13,823	4.19%	24.00%	22,187	5.78%	60.51%
November	9,778	3.33%	13,790	4.23%	41.03%	19,711	5.33%	42.94%
December	13,844	4.33%	24,912	7.08%	79.95%	33,143	8.85%	33.04%
Year Total	*123,144*	*3.23%*	*160,783*	*4.13%*	*30.57%*	*278,737*	*6.42%*	*73.36%*

Source: Ethiopian airlines distribution department (2014)