



**ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE DEPARTMENT OF MARKETING
MANAGEMENT POST GRADUATE PROGRAM**

**The Influence of Service Quality, Perceived Price
Fairness and Corporate image on the loyalty of Airline
Travelers in Ethiopia**

**A Research Thesis Submitted in Partial Fulfillment of the
Requirements for the award of Master of Arts degree in Marketing
Management**

By: Abel Chanyalew

June, 2016
Addis Ababa, Ethiopia

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By: Abel Chanyalew

Approved by Board of Examiners

Tewodors Mesfin

Advisor

Signature

Mesfin Workineh

Internal Examiner

Signature

Shiferaw Mitiku, Ph.D

External Examiner

Signature

June, 2016

Addis Ababa

Statement of Declaration

I hereby declare that the research entitled “The Influence of Service Quality, Perceived Price Fairness and Corporate image on the loyalty of Airline Travelers in Ethiopia” is my original work done under the guidance of my advisor Tewodors Mesfin. It has never been presented in Addis Ababa University or any other university for any purpose. All sources of the materials used for writing the research report have been acknowledged.

Declared by: Abel Chanyalew

Signature: _____

Date: _____

Statement of certification

This is to certify that Abel Chanyalew carried out his thesis work on topic “The Influence of Service Quality, Perceived Price Fairness and Corporate image on the Loyalty of Airline Travelers in Ethiopia”. The work is original in nature and suitable for submission for the award of masters of art degree in marketing management.

Tewodors Mesfin

Advisors' Name

Signature

Date

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Abstract

It is essential for airline companies to understand factors that influence customer loyalty in order to be successful in this competitive marketing environment. The research was conducted to investigate the influence of service quality, perceived price fairness and corporate image on customer loyalty in Ethiopian airlines industry. A questionnaire was designed consisting of thirty-one (31) items to obtain the required information from the study sample. Primary data was obtained through structured questionnaire from customers of four airline companies namely Ethiopian, Emirates, Kenya Airways and Turkish Airways. Probabilistic stratified sampling technique was used to sample customers. 385 questionnaires were distributed to the airline customers and 333 of the questionnaires were returned and, properly filled. Usable questionnaires were analyzed using descriptive and inferential statistical tools to analyze and examine the hypothesis. The applications used to analyze the collected data are the Statistical Package for Social Sciences version 20. Pearson Correlation and simple and multiple regression analysis were used to establish the relationship between the independent and dependent constructs of the research. The main findings of the study were; a significant effect of service quality, airline image and perceived price fairness was observed with regard to customers' loyalty at the level of ($\alpha \leq 0.05$). The result also indicated that service quality was the most important factor influencing customer loyalty of airline travelers followed by airline image and perceived price fairness. A conclusion was drawn to the effect that since factors influencing customer loyalty have been established, airline companies should note these and emphasize it in their marketing strategy. Airlines companies should sustain its favorable service quality and image among its current customers and to be able to attract new customers and should also give due attention to its pricing strategy so as to improve the level of loyalty.

Key words: Airline/ corporate image, Customer loyalty, Perception, Price fairness, Service quality

Acronyms

AI – Airline image

ATAG: Air transport action group

CL – Customer loyalty

EK-Emirates Airline

ET: Ethiopian Airlines

GDP: Gross domestic product

IATA: International air transport association

KQ- Kenya airways

PPF- Perceived price fairness

SPSS- Statistical Package for Social Sciences version

SQ - Service quality

TK- Turkish Airways

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CHAPTER ONE

INTRODUCTION

This chapter presents an overview of the entire study. It includes the background of the study, statement of the problem, research questions and objectives of the study, scope and delimitations of the study, and significance of the study.

1.1. Background of the Study

Over the past decades, service quality, customer satisfaction and customer loyalty have occupied a dominant position in research on the marketing of service industries (Bei and Chiao, 2006).

The concept of relationship marketing emerged within the broad areas of service marketing and industrial marketing (Christopher, Payne and Ballantyne, 1991). In an era of increasing competition, firms have resorted to using relationship marketing as a strategy to attract, maintain and enhance customer relationships and build loyalty (Berry and Leonard, 1983). Relationship marketing aims to establish, maintain, and enhance relationship with customer, so that the objectives of the parties are met (Gronroos, Storbacka, and Strandvik, 1994).

Rapid changes are taking place in the business environment. The competitive advantage that organizations achieved due to product differentiation no longer holds good due to a proliferation of similar looking and performing “me too” products. Most organizations today can mass customize products and services and make it very difficult for customers to distinguish between their product/ service and that of a competitor. In such an environment, having loyal customers is an ever increasing challenge for the marketer. The choice of products and services has increased so much that today’s customers are always having an alternative (Bose and RAO, 2011). Research has also shown that the cost of serving one loyal customer is significantly less than the cost of attracting and serving one new customer (Chan and Ndubisi, 2004). It is therefore, of absolute

importance and necessity for the marketer that she or he has ways and means to stop the customer from switching over to the competing products and services. Companies try to outsmart their competitors through a variety of marketing strategies and tactics. One such tactic happens to be the ubiquitous ‘loyalty program’. In short it means rewarding a customer who comes back to you and purchases your product or service (Bose and RAO 2011).

In precise manner, loyalty can be defined as a customer’s intention or predisposition to purchase from the same organization again (Edvardsson, Johnson, Gustafsson, and Strandvik, 2000), that result from the conviction that the value received from one seller is greater than the value available from other alternatives (Hallowell, 1996). Customer loyalty defined by Kim and Yoon (2004) as “the willingness of customer to maintain their relations with a particular firm or service/product”. Several studies were conducted on customer loyalty over the past decades. Early on, Service quality dimension were the primary interest of researchers. Later on, more different complex conceptual relationship are began to be investigated (Cronin, Brandy, and Hult, 2000). Andreassen and Lindestad (1997) studied the impact of corporate image on quality, customer satisfaction and loyalty for customers with varying degrees of service expertise. Based on Andreassen and Lindestad conceptual framework, Johan, Noor, Bahar, Yan, and Ping (2014) conducted a study on factors affecting customer loyalty on airline industry in Malaysia. Bei & Chiao (2006) conducted a study on the determinants of customer loyalty in three service sectors; banks, auto repairs and maintenance shop and gasoline filling stations. And also many related researches are conducted in Kenya but most of it is in the case of banking industry.

In Ethiopia, several researchers focused on service quality and customer satisfaction impact on the loyalty of customers on a single airline. However, very little attention has been paid to the other variables namely, airline image and perceived price fairness.

1.2. Industry Profile

As many other industries, the airline industry is still a large and growing one; thanks to its central role in the globalization movement which is taking place in other industries, for it facilitating economic growth, world trade, tourism and international investment. Air travel for business purposes and for leisure had grown greatly worldwide; in the last decade, air traveling has grown by 7% per year (Khraim, 2013).

According to data from the Air Transport Action Group (ATAG, 2014), in 2013, 3.1 billion passengers were carried by the world's airlines. The industry supports an estimated 56.6 million jobs globally and contributes 3.5 per cent of the global gross domestic product (GDP). In fact, according to the same report, if aviation were a country it would be the 19th biggest economy in the world by GDP. In America, Commercial aviation helps drive more than 11 million American jobs and 5 cents of every dollar of U.S. GDP (Airlines for America, 2014). It also plays a vital role in facilitating economic growth, particularly in developing countries. Air transport supports 6.9 million jobs and \$80.5 billion in GDP in Africa (ATAG, 2014). In the Middle East, visionary leaders have long realized the aviation industry's potential to drive economic growth and consequently invested heavily in establishing world class airlines that, in no small measure, create jobs, facilitate global trade and stimulate economic growth. ATAG's data on the Middle East paints an incredible picture: by 2010, the region's air transport industry created direct and indirect employment for 2.7 million people. It also contributed \$129 billion to the region's GDP.

From all indications, the industry's growth is set to continue into the coming decades. According to economic think-tank Oxford Economics, the aviation industry's direct contribution to GDP will increase by 6.3 per cent per annum in real terms over the next 20 years, creating an additional 294,000 jobs in the region (Gulf news, 2012)

Despite its contribution, the airline industry has gone through some unfortunate incidents over the past decade. Among them are the terrorist attack on New York's World Trade

Centre in 2001, the outbreaks of SARS and foot and mouth diseases and the wars in Afghanistan and Iraq (IATA, 2002). The recent world economic downturn in 2008/2009 has had a great impact on aviation industry, particularly to the market of business travel. In 2014 there had been eight accidents and incidents involving commercial aircrafts.

The continuous turmoil and highly competitive market conditions in the airline industry pressurize airlines to deliver high-quality services. Since service is a performance, we have to measure and monitor performance to know where we stand in relation to customers' expectations and perceptions. Hence, understanding the nature and determinants of customer expectations is essential to ensure that service performance meets or exceeds expectations. To provide this, airline firms must first understand customers' needs and expectations. Next, they should focus on how to deliver the most convenient service to meet customers' needs. The delivery of high-quality service became a marketing requirement among air carriers as a result of competitive pressure (Ostrowski *et al.*, 1993).

Currently, there are 12 international airlines operating in Ethiopia. Ethiopian Airlines (ET) is the national carrier whereas the rest eleven namely Emirates (EK), Lufthansa (LH), Turkish Airline (TK), Kenyan Airways (KQ), Qatar Airways (QR), Saudia Airlines (SV), Yemenia (IY), Gulf Air (GF), Egypt Air (MS), Sudan Airways (SD), and Fly Dubai (FZ) are international airlines registered and operating in Ethiopia. According to MIDT report for year 2015, Ethiopian Airlines is the major player in the market with lion share followed by Emirates and Kenya Airways.

Table 1: Market share (passengers originating Ethiopia) 2015

Airline	ET	EK	KQ	TK	SV	LH	QR	MS	GF	SD	FZ	IY	Total
Market Share	74%	7%	5%	4%	4%	2%	2%	1%	1%	0%	0%	0%	100%

Source: MIDT

1.3. Statement of the Problem

Customer loyalty is the focus in the research and it turn into an important concern for management only due to concentrated competition especially in service industry (Bodet, 2008). Today's airline companies have started to employ various marketing methods and strategies in an intensely competitive environment where product and service differentiation is becoming harder and harder, the number of rival companies is increasing and a new notion of customer whose wants and expectations are increasing day by day is emerging (Atalik, 2009).

The industry has evolved rapidly in recent decades. It was a luxurious form of travel early in the last century but has become one of the most common methods of travel today. Today, air travelers have more choice in the selection of their travel providers than was previously available. In a competitive market, the airlines must understand customer loyalty in order to keep their customers.

Almost all airlines operate their own frequent flyer program, or are partners in another carrier's Program (Shaw, 2007). In the 1980s, American Airlines tried to establish a competitive advantage by introducing the frequent flyer program. Within weeks, all the airlines did the same thing. Overnight, frequent flyer programs became a necessary tool for competitive parity instead of a competitive advantage (Ketchen & Eisner, 2009). From this program both the airline and the travelers will be benefited. It is true that the passenger will often happily take the benefits by choosing the airline who's Frequent Flyer Program they are currently supporting (Shaw, 2007). The problem then arises as to know what influences the air traveler in joining one airline frequent flyer program which makes them loyal.

The emergences of many airlines in to Ethiopian market increased the level of competition and widen the option for the travelers. To survive and get a fair share of the market an airline marketer should know what factors influence a traveler to be loyal customer of one airline.

1.4. Research Questions

Airlines tend to concentrate on a certain variable in relation to customer's behavioral intentions. Frequently, the most variable considered is the service quality provided by the airline (Khraim, 2013). For some scholars Service quality is the only factor which affects customer loyalty (Wilmshurst & Macay, 2002). In the last decades researchers like Bei & Chiao (2006) and Andreassen and Lindestad (1997) advocate service Quality is not the only factor that affect customer loyalty. They take in to consideration other factors, in addition to service quality, like perceived price fairness and corporate image as a variable on their study.

Main research question

- What is the relationship between service quality, perceived price fairness, corporate image and loyalty of airline travelers in Ethiopia?

Specific research question

- What are the challenges of keeping a customer loyal on Ethiopia airline industry?
- Which factors appear to be the most important factor in explaining and predicting customer loyalty in Ethiopian airline industry?
- Is there any significant difference in customer loyalty attributes in terms of class of service?
- Is there any significant difference in customer loyalty attributes between different airline customers?

1.5. Objective of the Study

1.5.1. General objective

The main objective of the study is to determine the influence of service quality, perceived price fairness and corporate image on loyalty of airline travelers in Ethiopian.

1.5.2. Specific objective

- To determine the challenges of keeping a customer loyal to airlines.
- To propose recommendations by focusing on areas where unfavorable gaps are found.
- To determine as which factor highly influence customer loyalty.
- To identify whether there is any significant difference in customer loyalty attributes in terms of class of service or not.
- To identify whether there is any significant difference in customer loyalty attributes between different airline customers.

1.6. Scope of the Study

Airlines can be divided into two groups based on their core activity: passenger airlines and cargo airlines. However, this study is only be limited to international passengers originating their journey from Ethiopia. Furthermore, the scope of this research limited to the three factors i.e. perceived service quality, perceived price fairness and corporate image believed to have an impact on customer loyalty.

1.7. Significance of the Study

There are many studies conducted on this topic area both locally and internationally. As far as the knowledge of the researcher, there is no published research made so far in Ethiopia on factors affecting customer loyalty towards airline industry applying the three factors (service quality, Perceived price fairness and Airline image) together. However, there are some unpublished researches conducted in the case of single airline, Ethiopian Airlines, and limited to service quality and customer satisfaction.

The researcher found it important to:

- Conduct the study on the industry rather than limited to one airline because factors affecting customer loyalty and the intensity might be different from one airline to another airline customer.
- Include other factors i.e. perceived price fairness and corporate image as a factor affecting customer loyalty in addition to service quality.

This thesis will give some detailed information about customers to airlines marketers, managers and practitioners and will give them a clue on how carefully to manage customer “touch-points” to maximize customer loyalty. It will also help other researchers to conduct further studies on airline service quality, price and image dimensions; evaluation of frequent flyer programs of different airlines; profitability of airlines through customer relationship marketing; evaluation of corporate image and others.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter covers the review of related literatures. It includes four main part; theoretical framework, Empirical literature review, conceptual framework of the study and the Airline Industry profile.

2.1. Theoretical Framework

2.1.1. Relationship Marketing

The only source of the companies' present profit and future growth is customer. Creating loyal customers is at the heart of every business (Kotler and Keller, 2012). Customers are central to all marketing activities all over the world. Success and in turn profit is not unthinkable without customers. Moreover, companies incur millions of dollars to attract customers and make them loyal.

Relationship management is the overall process of building and maintaining profitable customer relationships by delivering superior customer value and satisfaction (Kotler, Wong, Saunders and Armstrong, 2005). It has been suggested that firms can leverage firm-customer relationship to gain privileged information about customers' needs and in turn provide more satisfactory offerings than competitors (Ndubisi, 2004). Relationship marketing strategy, apart from its ability to help understand customers' needs, can also lead to customer loyalty and cost reduction (Ndubisi, 2004).

The importance of relationship marketing is being recognized to a growing extent. Kotler (1992) concluded that companies must move from short-term transaction-oriented goal to long-term relationship-building goal. Webster (1992) in an analysis of the current developments in business and in marketing reported that "there has been a shift from a transaction to a relationship focus" and "from an academic or theoretical perspective, the

relatively narrow conceptualization of marketing as a profit-maximization problem, focused on market transactions or series of transactions, seems increasingly out of touch with an emphasis on long-term customer relationships and formation and management of strategic alliances”. Ndubisi (2003) argued that the only real sustainable business growth strategy is through a mutual symbiotic relationship with customers, which enables a business to understand their needs more clearly and to create and deliver superior value. Kavali *et al.* (1999) had earlier indicated that relationship marketing is about healthy relationships characterized by trust, equity, and commitment.

2.1.2. Customer Loyalty

Customer Loyalty as defined by Khan and Khan (2006) reads “... exists when a person regularly patronizes a particular (store or non-store) that he or she knows, likes and trusts”. Oliver (1999) stated that customer loyalty is a deeply held commitment to rebuy or re-patronize a preferred products or services consistently in the future. Customer loyalty is the willingness of customer to maintain their relations with a particular firm or service/product (Kim & Yoon, 2004). Loyalty is customer commitment dealing with a particular firm, buying their products and services and referring it to colleagues (McIlroy & Barnett, 2000). Zeithaml *et al.* (1996) opine that a loyal customer will result in repeat purchase; increase in purchase value and volume over time and in spreading positive word of mouth (wom) which in turn will bring newer customers to the business. Customer loyalty is a function of all aspects of a company marketing, e.g. pricing, convenience, quality of service etc. However, there is also a school of thought that advocate there is no secret to customer loyalty other than offering good service (Wilmshurst and Macay, 2002).

By tradition, customer loyalty is divided into two components one is based on behavior and the other is based on attitudes (Guillen, Nielsen, Scheike & Marin, 2011). Rauyruen and Miller (2007) also explain customer loyalty as a merged concept of behavioral loyalty (willingness of customer to repurchase from and continue relationships with the

company) and attitudinal loyalty (emotional attachments and advocacy of customers toward the company). Loyalty can be measured by the intention of repurchase, recommending the product/services to other and patience towards price (Kim & Yoon, 2004).

Oliver (1999) has proposed four ascending brand-loyalty stages according to the cognition–affect–conation pattern. The first stage is cognitive loyalty. Customers are loyal to a brand based on their information on that brand. The next phase is affective loyalty, which refers to customer liking or positive attitudes toward a brand. The third step is conative loyalty or behavioral intention. This is a deeply held commitment to buy a “good intention.” This desire may result in unrealized action. The last stage is action loyalty, where customers convert intentions into actions. Customers at this stage experience action inertia, coupled with a desire to overcome obstacles to make a purchase. Although action loyalty is ideal, it is difficult to observe and is often equally difficult to measure. As a compromise, most researchers tend to employ the conative or behavioral-intention measure.

Almost all airlines operate their own frequent flyer program, or are partners in another carrier’s Program (Shaw, 2007). The primary motive behind a loyalty program is rewarding customers for their repeat purchase behavior, encouraging, maintaining and subsequently enhancing the level of loyalty by providing the customers with targets at which various benefits can be earned by them. By implementing effective reward programs, marketers retain their old customers i.e. earn their loyalty. In addition, it can attract new customers, some of whom will become loyalists in the long run (O’Malley, 1998). Loyalty programs are considered to be highly effective in retaining customers and are readily accepted by both customers and retailers.

Customer respect oriented business organization will attract and develop loyal customers (Chang & Chen, 2007). It is crucial to understand the customer psyche for building competitive policies to succeed in differentiation and winning of customer loyalty in the competitive market. A firm can develop long lasting, jointly profitable associations with

customer by developing customer loyalty. Customer loyalty is a vital element for the continued existence and operating of firms business (Chen & Hu, 2010).

2.1.3. Benefits of Customer Loyalty

Most studies show that higher levels of customer satisfaction lead to greater customer loyalty, which in turn result in better company performance. Losing customer means losing more than a single sale. It means losing the entire stream of purchases that the customer would make over a lifetime of purchases that the customer would make over a lifetime of patronage (Kotler *et al.*, 2005).

Customer loyalty plays a critical role in an organization's success and customer loyalty becomes more important especially when customer acquisition alone does not equate to long term success (Flint, Blocker & Boutin, 2011). Customer loyalty is the main objective for strategic marketing planning since it brings about many favorable outcomes to companies. First, it is much less expensive to retain current customer than it is to seek new ones (Kotler, 2010). Further, loyal customers are more likely to discuss past service experiences positively than non-loyal customers, creating a potential for word-of-mouth advertising at no extra cost to the service provider (Shoemaker and Lewis, 1999). Third, it secures the relationship between customer and service provider. Finally, loyal customers are more easily accessible than first-timers since organizations usually retain records, making targeted indirect marketing more feasible. This knowledge permits suppliers to precisely target the repeat segment and solicit direct responses to promotions (Reid & Reid, 1993).

2.1.4. Service Quality

Perceived quality is simply the overall customer's assessment of the standard process of receiving customer services (Hellier *et al.*, 2003). Some experts believe that the perceived quality is the extent of compliance rate between perceived performance and customer expectations (Athiyaman, 1997). Some other researchers take the perceived quality as the

result of satisfaction (Anderson and Sullivan, 1993). Store brand image can be impressed positively by perceived quality (Zins, 2001). Consumer also often judges the quality of a product or service on the basis of a variety of informational cues that they associate with the product. Some of these cues are intrinsic to the products, whereas others are extrinsic. Perceived quality has direct impact on customer purchase decision and brand loyalty, especially during the time customers have less or no information of the products that they are going to purchase (Armstrong and Kotler, 2003).

Although the definitions of service quality vary, the definitions are all formulated from the customer perspective: that is, what customers perceive are important dimensions of quality. Gronroos (1982) and Parasuraman, *et al.* (1988) were the pioneers in the conceptualization of the service quality construct; these authors maintained that the overall perception of quality was a disconfirmation of a customer's expectation and his/her evaluation of a service. The dimensions of service quality have also been debated in the literature. For example, Gronroos (1982) proposed technical (the tangible aspects of service delivery) and functional (the expressive performance of the service) qualities as two critical dimensions of service quality. Alternatively, Parasuraman *et al.* (1988) proposed five service quality dimensions, namely, tangibles, reliability, responsiveness, assurance and empathy.

TANGIBLES is defined as the physical appearance of facilities, equipment, staff, and written materials. It translates to the restaurant's interiors, the appearance and condition of the cutlery, tableware, and uniform of the staff, the appearance and design of the menu, restaurant signage and advertisements (Zeithaml *et al.*, 2006). Tangibles are used by firms to convey image and signal quality (Zeithaml *et al.*, 2006).

Responsiveness is customer service's willingness to help customers and to provide prompt service. For example, keeping customers waiting may create unnecessary negative perceptions of quality. Whenever a service failure occurs, the ability to recover quickly and with professionalism can still leave customers very positive perceptions of service quality (Awoke, 2010).

Assurance refers to the knowledge and courtesy of employees as well as their ability to convey trust and confidence. The assurance dimension includes the following features: competence to perform the service, politeness and respect for the customer, effective communication with the customer, and the general attitude that the server has the customer's best interests at heart (Awoke, 2010).

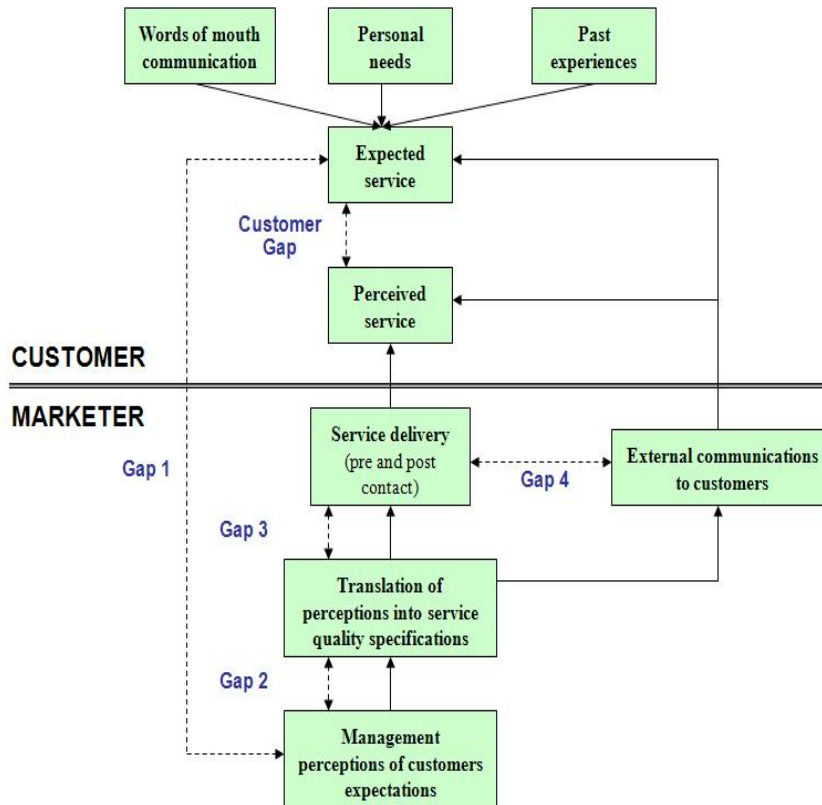
Empathy refers to the caring and individualized attention which the customer gets during the service delivery. This includes the approachability, sensitivity of service employees and effort to understand the customer's needs (Awoke, 2010).

Tangibles are the physical aspects of service delivery i.e. the appearance of physical facilities, equipment, personnel, and communication materials (Awoke, 2010).

Chang (2008) supports the earlier line of thinking by Gronroos developed "The Gap Analysis Model", which is a well-known model of service quality. This model shows an integrated view of the customer-company relationship.

The main idea of the model is focused on the premise that service quality is dependent on the size and direction of the five gaps that can exist in the service delivery process.

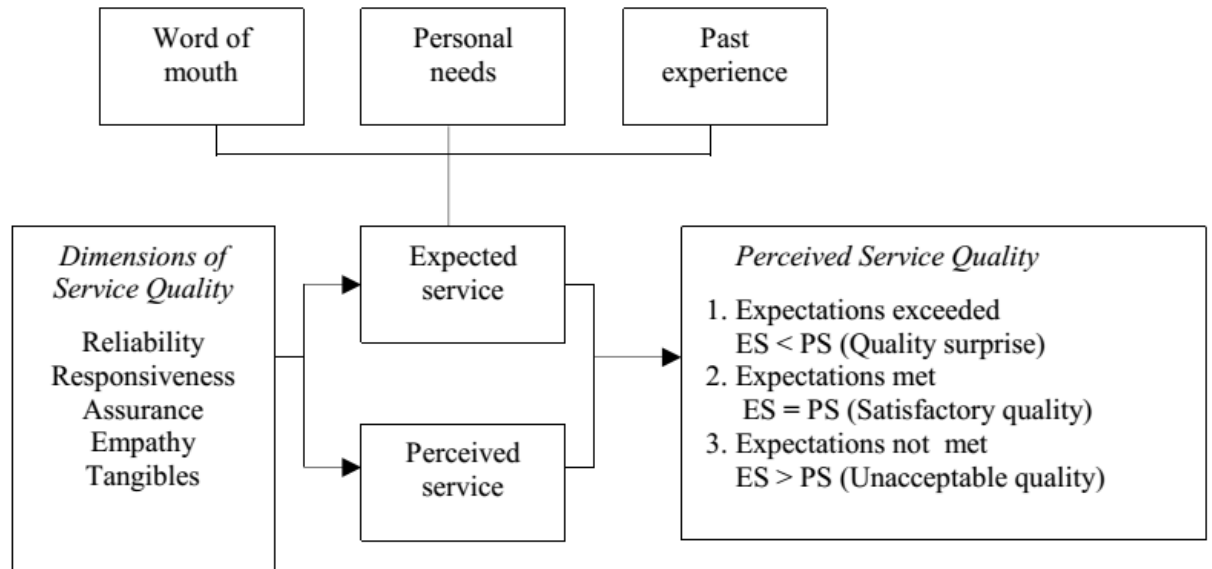
- **Gap 1:** the gap between customer expectations and those perceived by management to be the customer's expectations.
- **Gap 2:** the gap between management's perception of customer expectations and the firm's service quality specifications.
- **Gap 3:** the gap between service quality specifications and service delivery.
- **Gap 4:** the service delivery, external communication gap.
- **Gap 5:** the perceived service quality gap, the difference between expected and perceived service.



Source: Parasuraman et al. (1985)

Figure 1: The integrated gap model of service quality

Zeithaml & Bitner (1996) explains that the quality of service is the excellence or superior service delivery process to those with consumer expectations. There are two main factors that affect the quality of services, namely: expected service and perceived service. If the service is received as expected then the service quality is good or satisfactory, but if the services received exceed the expectations will be very satisfied customer and perceived service quality is very good or ideal. Conversely, if the service received is lower than expected then the perceived poor quality of services. Quality of service will depend on how much the service provider's ability to consistently meet the needs and desires of consumers.



Source: Fitzsimmons & Fitzsimmons (2001)

Figure 2: Perceived service quality model

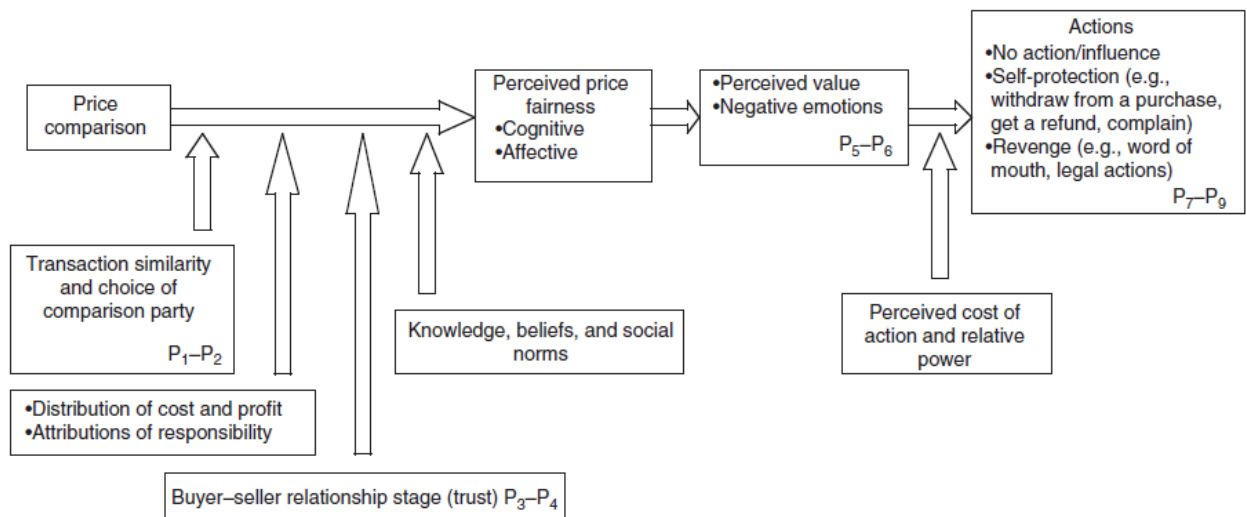
Parasuraman *et al.* (1985) customer expectation is the customer's confidence before buying a service which is used as a standard in assessing the performance of services. Customer expectations are formed by past experiences, talk through word of mouth and corporate promotions. After receiving a service, customer service experience to compare with the expected. If the service suffered under the expected, then the customer will not be interested again, otherwise if the service experience meets or exceeds customer expectations the customer will look to use these providers.

2.1.5. Perceived Price Fairness

Price fairness is defined as a consumer's assessment and associated emotions of whether the difference (or lack of difference) between a seller's price and the price of a comparative other party is reasonable, acceptable, or justifiable (Xia, Monroe, and Cox 2004). Fairness has also been defined as a judgment of whether an outcome and/or the process to reach an outcome is reasonable, acceptable, or just (Bolton, Warlop, and Alba

2003). The cognitive aspect of this definition indicates that price fairness judgments involve a comparison of the price of procedure with a pertinent standard, reference, or norm. Thus, price fairness perceptions may not be critical until consumers perceive a price as unfair (Xia *et al.*, 2004).

The comprehensive conceptual model developed by Xia *et al.* (2004) aimed to depict how buyers form price fairness judgments by comparing similar transactions. According to this model the choice of comparative other parties (self, other customers, or other sellers), and buyer-seller relationship are believed to influence consumers' judgment of price fairness. They propose that price discrepancies will only become salient to consumers when the comparison is made between two transactions of high similarity because "a fairness judgment may not even occur if consumers consider the two transactions incomparable."



Source: Xia, Monroe, and Cox (2004)

Figure 3: Comprehensive conceptual framework of price fairness

It should be noted that price comparisons can be explicit as well as implicit. In explicit comparisons, people compare one price with another price or with a range of prices. For example, a consumer may claim, "I paid more than another customer did," which is a

comparison between two price points, or “I paid more than I used to,” which is a comparison between a price point and a price range. However, the comparison may not necessarily be explicitly stated. For example, senior citizens may claim that a price is unfair. Although this judgment seems to be based on a single price, it nevertheless is an implicit comparison to an unspecified but expected lower price that they believe they are entitled to because of their limited fixed income.

Price comparisons lead consumers to one of three types of judgments: equality, advantaged inequality, or disadvantaged inequality. A perception of price equality normally does not trigger a fairness perception, or if one is triggered, it may lead to perceived fairness. A perception of price inequality may lead to a judgment either that the price is less fair than the equal prices situation or that it is unfair.

Affect is an important element that accompanies the cognition of price equality or inequality. A buyer may have feelings of unease or guilt when the inequality is to his or her advantage but feelings of anger or outrage when the inequality is to his or her disadvantage. These emotions may occur concurrently with the unfair cognitions, or arguably they may even precede such cognitions.

An unfairness perception and potential negative emotions usually are directed toward the party that is perceived as having caused the “unfair” situation. For price unfairness, the target of the perception and the emotions is usually the seller. Thus, the actions that buyers take when they perceive that prices are unfair are usually directed toward the seller rather than toward a comparative other buyer or the product involved in the transaction.

2.1.6. Corporate Image

The concept of the corporate image came to existence during 1950s and 1960s, but scholars have focused the center of their research on corporate brands in recent years (Balmer and Greyser, 2006). Corporate image is defined as the perception of an organization in the customers’ minds, referring to the brand and the kind of associations that customers obtain from a brand, goods, service and/or organization (Nguyen &

Leblanc, 2001). Barich and Kotler (1991) tried to define corporate image as the overall impression of a firm left in customer's mind. Corporate image is a perception regarding a firm held in customers' memory and works as a filter, which affects the perception of the operation/activities run by the firm (Lai, Griffin, & Babin, 2009). A firm's various activities and attributes eventually settle in customers' minds, thus resulting in certain mental image(s) relatable to the firm intuitively (Nguyen & Leblanc, 2001). Corporate image germinates as the customers actively or passively receive and process information about a firm from various sources.

Walters (1978) suggested that while corporate image covers a substantial amount of factors, as far as consumers are concerned, the most essential aspects may be summarized into organizational image, functional image and merchandize image. Nguyen and Leblanc (2001) believe that factors that constitute corporate image might have originated from customers' awareness of corporations as physical entities and their behaviors, including corporation name, tradition, management philosophy, diversification of products and so forth.

Kennedy (1997) said that corporate image has two dimensions;

- Functional (tangible characteristics) and
- Emotional (feelings and attitude towards a firm).

Nguyen and Leblanc (2001) said that as the customers get exposed to the realities created by a firm, they tend to construct an image regarding the firm. Generally, the customers keep an array of reflections embodied in mental or intellectual framework about a firm in their minds (Orth & Green, 2009). Eventually corporate image influences customers' behavior or sometimes even their behavioral outcome(s) like-satisfaction, repurchase intention or recommending others about the firm or its products or services (Akbar, 2013).

2.2. Empirical Literature Review

Bei and Chiao (2006) much of the service marketing literature has focused only on service quality. Zeithaml and Bitner (1996) suggested that the extent of satisfaction was broader than that of service quality assessment and was subject to several factors, such as service quality, product quality, price, situation, and personal attributes. Lee and Cunningham (1996) noted that service quality alone was not a sufficient condition for the establishment of customer loyalty because customers were always conscious of cost/benefit trade-off relationships.

H1: *Service quality, perceived price fairness and airline image significantly influences the loyalty of airline travelers in Ethiopia.*

To ensure the effect of each variable on Customer's loyalty the researcher divides this hypothesis into three sub hypotheses:

2.2.1. Service Quality and Customer Loyalty

Empirical findings support the view that service quality is one of the primary determinants of customer satisfaction. Studies suggest that service quality have a direct impact on customer loyalty. In contrary, some other studies indicate that service quality affects customer loyalty only through customer satisfaction. That is, the effect of perceived service quality on behavioral intention appeared to be indirect. However, there are some studies suggest both relationships. Cronin and Taylor (1992) hypothesize that perceived service quality positively affects consumer behavioral intentions. Interestingly, their empirical result show that perceived service quality positively affect behavioral intention only through customer satisfaction.

Bei and Chiao (2006) pointed out that both the direct and indirect effects (i.e., through customer satisfaction) of service quality on behavioral intention should be considered. In their examination of three different service industries, they found that in two cases, the service quality directly and positively affected behavioral intention; moreover, the

indirect effect of service quality on customer loyalty through customer satisfaction was supported empirically in one industry only.

Khraim (2013) included perceived service quality as one of the factor that affect customer' behavioral. The study suggested that there is significant effect of Service Quality on Customer behavioral intentions.

H1-1: *Service quality significantly influences the loyalty of airline travelers in Ethiopia.*

2.2.2. Perceived Price Fairness and Customer Loyalty

With respect to the impact of price fairness perceptions on consumer attitudinal and behavioral outcomes, (Xia *et al.*, 2004) proposed that perceived price unfairness may lead to negative behaviors such as self-protection tendency, and even revenge actions, depending on the nature of fairness judgments. (Dutilh, and Graafland, 2004) categorized the extant of research on price fairness perceptions into two themes: (1) exploration and identification of antecedents to price fairness perceptions (and (2) examination of the impact of price fairness perceptions on consumers' attitudinal and behavioral outcomes. Based on this empirical study, results show that consumers' perceptions of price fairness are influenced by various factors.

In studies that examine price discrimination strategies, it was found that the price setting strategies influence price fairness perceptions (Choi, and Mattile, 2009). Therefore, it is very likely that:

1. Most fairness perceptions and judgments are based on comparison (Austin, W., McGinn, N., and Susmilch, C ,1980), and
2. People tend to choose others who are close to themselves as comparative other party (Wood, 1989).

Generally, the lower the perceived price and sacrifice, the more satisfaction with the perceived price and the overall transaction is created (Zeithaml, 1988). Oliver (1997) noted that consumers usually judged price and service quality by the concept of "equity", then generated their satisfaction or dissatisfaction level, therefore, a lower monetary price

or perceived price does not guarantee higher satisfaction. Bei and Chiao (2001) pointed out that both the direct and indirect effects (i.e., through customer satisfaction) of perceived price fairness on customer loyalty should be considered. In their examination, they found perceived price fairness has positive effect on customer loyalty both directly and indirectly.

H1-2: *Perceived price fairness significantly influences the loyalty of airline travelers in Ethiopia.*

2.2.3. Corporate image and Customer Loyalty

It has also been established through previous studies that a good corporate image could be useful to an organization in various ways, including delaying rival entering the market, charging price premium on customers (Rindova *et al.*, 2005). Corporate image also affects customer's choice of company and influences customer's perception of the goods and services offered (Andreassen & Lindestad, 1997). Meanwhile, however, Page and Fearn (2005) found that while bad image negatively affects brand equity, a good image does not assure strong brands. Rhee & Haunschild (2006) also found that service providers that enjoy good reputation suffer more than providers with a poor reputation when they make a mistake. Park *et al.* (2006) found that airline image has a significant direct effect on airline customers' future behavioral intentions. Investigating antecedents of customer loyalty in the commercial airline industry, Zins (2001) identified corporate image to have the strongest influence on customer loyalty. Khraim (2013) also included corporate image as one of the factor that affect customer' behavioral. The study suggested that there is significant effect of corporate on Customer behavioral intentions.

H1-3: *Corporate image significantly influences the loyalty of airline travelers in Ethiopia.*

2.3. Conceptual Framework

The below diagram, which is adapted from research conducted by Bei and Chiao (2006) and Andreassen and Lindestad (1997), shows proposed conceptual framework to serve as foundation of this study. According to the figure, customer loyalty is the dependent variable. Service Quality, perceived price fairness, and corporate image is the independent variable.

The main idea behind this study is to identify the direct impact of each independent variable on customer loyalty and what kind of relationship that they have and which variable is the most significant factor on customer loyalty. Accordingly, on the below diagram, the arrow reflect the direct relationship between the independent and dependent variables.

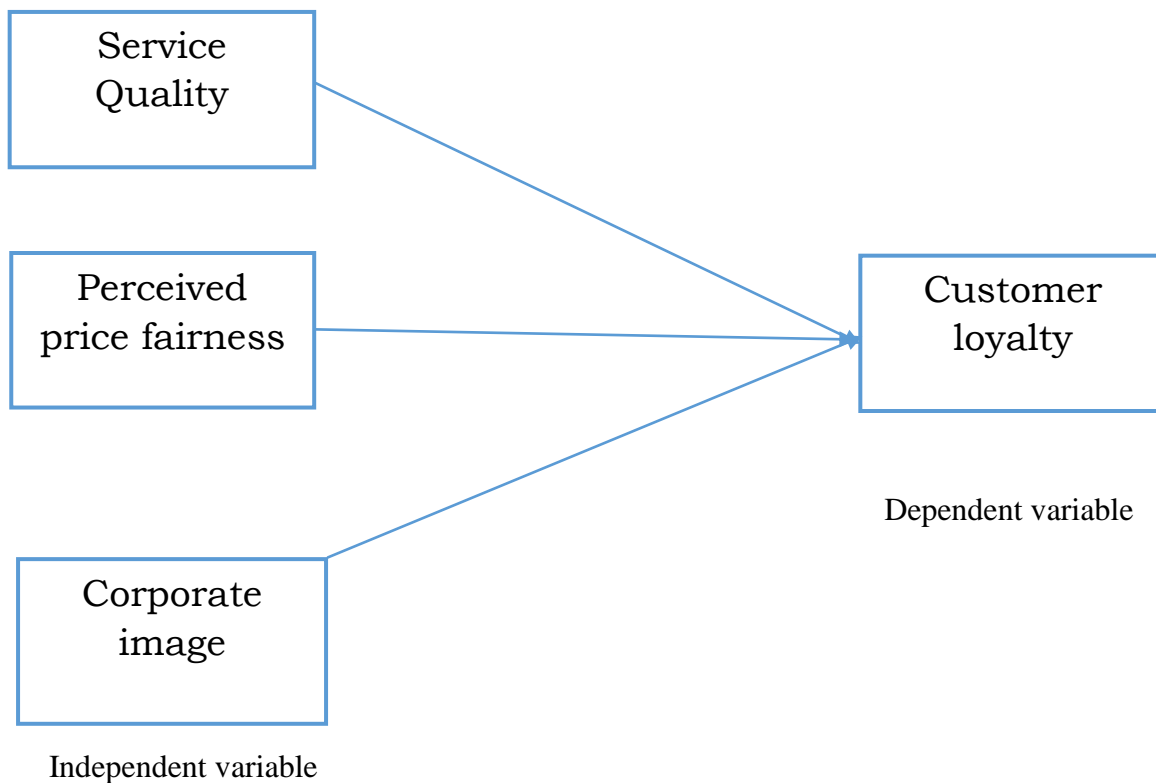


Figure 4: Conceptual framework of the study

Early on, researchers are focused on service quality and customer satisfaction dimensions as the only factors affecting customer loyalty. On the past two decades new dimensions like airline image and perceived price fairness attract the attention of many researchers. However in Ethiopia service quality and customer satisfaction dimensions are still the primary interest of researchers. As a result, the following gaps are identified on existing literature:

1. Some questions has not been raised and addressed by previous researchers as a factor affecting loyalty of Ethiopian airline travelers. The factors are perceived price fairness and corporate image.
2. Service quality has not been raised as a question together with the previously mentioned factors (i.e. perceived price fairness and corporate image) as a factor affecting loyalty of Ethiopian airline travelers even if it was researched exhaustively as standalone factor.

The research will have valuable practical and theoretical implications.

1. Practical implications: answered research questions could improve existing practice and inform professional decision-making to airline marketers and other stakeholders.
2. Theoretical implications: this study is the tip of the ice berg even if it raised factors which was not covered before. The created theory through answering the research questions can be used by researchers as a base to conduct further studies.

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter explains the research methodologies employed. It covers research approach and design, source of data and collection methods, sample and sampling method, design of the research questionnaire, and method of data analysis. This study follows deductive research approach. When a deductive research approach is being followed in the research the author formulates a set of hypotheses that need to be tested. Then, through implementation of relevant methodology the study proved the formulated hypotheses whether right or wrong.

3.1. Research Approach, Design and Method

3.1.1. Research Approach

This study is descriptive and correlational in nature. Descriptive studies can answer questions such as “what is” or “what was.” Descriptive studies are usually the best methods for collecting information that will demonstrate relationships (Walliman, 2001). Whereas, correlational studies aim to answer three questions about two variables or two sets of data: does a relationship exist between the two variables or sets of data? If so, what is the direction of the relationship, and what is its magnitude? (Walliman, 2001). Therefore, it is found convincing that the study is designed to be descriptive and correlational in its nature to answer the “what” questions of the research questions asked so far and to find out the magnitude and direction of the relationship between the variables.

3.1.2. Research Design

Quantitative research method deemed necessary to conduct this study through objective data collection procedures. This emanated from the mere fact that quantitative research tools are ideal for descriptive studies. Quantitative data is used to find out the impact of

perceived service quality, perceived price fairness and corporate image on customer loyalty by collecting cross-sectional data from airline customers.

3.2. Target Population, Sampling Technique and Sample Size

3.2.1. Target Population

In order both to save on unnecessary work and to give accurate information on the subject of research, the sample of people or events surveyed (technically called the population) must be carefully chosen and delineated (Walliman, 2001). The target population of the study includes all international passengers originating Ethiopia. However, it was not feasible to include all these customers in this study because of time and cost constraint.

3.2.2. Sample Size

Sample size refers to the number of items to be selected from the universe to constitute a sample. Determining sample size is a very important issue because samples that are too large may waste a lot of time, resource and money, while samples that are too small may lead to inaccurate results (Kothari, 2004).

According to De Coster (2004), minimum sample size used in statistics analysis should be equal to or greater than five times the number of variables(items), but not less than 100 to generate reliable results: $n \geq 100$ and $n \geq 5k$ (where k is the number of items). This research has 31 items, as a result, the minimum sample size required for this research is: $n = 5 \times 31 = 155$. According to Kothari (2004), minimum sample size recommended for correlation analysis is 64 participants for one tailed test and 82 participants for two tailed test. According to Cochran (1963), the sample size can be determined using the below formula when the population is large and unknown. Using the formula, the sample size for this study is 385. In view of this, the researcher took the bigger sample size determined (i.e. 385 respondents).

Sample size from the customers is calculated as follow using Cochran formula:

$$n_0 = \frac{z^2 pq}{e^2}$$

Where:

n_0 = sample size

Z^2 = the abscissa of the normal curve that cuts off an area α at the tails (1 - α equals the desired confidence level)

e = the desired level of precision

p = the estimated proportion (standard deviation) of an attribute that is present in the population, and q is 1-p.

95% confidence level, .5 standard deviation, a margin of error (confidence interval) of +/- 5% and Z Score (is found in statistical tables which contain the area under the normal curve) = 1.96.

$$n_0 = \frac{(1.96)^2 (0.5) (0.5)}{(0.05)^2} = 384.16$$

3.2.3. Sampling Technique

A probabilistic Stratified sampling technique was implemented to represent the population based on market share of airlines. Top four market share holder airlines were chosen: Ethiopian Airlines (ET), Emirates (EK), Kenya Airways (KQ) and Turkish Airways (TK). The listed airlines represent 90% of the market (MIDT, 2015). The questioner is handed over to respondent while waiting to board to their respective flight at Addis Ababa Bole international airport.

Addis Ababa Bole international airport is the hub of all travels originating from Ethiopia. The sample taken is believed to be a representative of the population because all international travelers from Ethiopia pass through the airport.

Table 2 Sample size distribution

Airline	ET	EK	KQ	TK
Sample size distribution %	82.20%	7.80%	5.60%	4.40%
Sample Size	318	30	20	18

The sample size distribution percentage was computed based on the market share data from MIDT (refer table 1).

3.3. Data Collection

3.3.1. Data Source

There are two major approaches (primary and secondary data) to gather data about a situation, person, or problem. Sometimes information required is already available and need only be extracted. However, there are times when the information must be collected. For this study, primary data from travelers was collected through structured questionnaire.

3.3.2. Research Instrument

Data was collected from survey through questioners adopted from Khraim (2013) and Khraim *et al.* (2014). Descriptive research is conclusive in nature. This means that descriptive research gathers quantifiable information that can be used for statistical inference on target audience through data analysis. As a consequence this type of research takes the form of closed-ended questions. Customers perception was measured at 5 point likert scale; (1 = Strongly Disagree, 2= Disagree, 3=Neutral, 4 = Agree and 5 = Strongly Disagree). It is a widely used rating scale which requires the respondents to indicate a degree of agreement or disagreement with each of a series of statements or questions (Sekaran, 2003). This rating scale is easy to construct and administer and respondents readily understand how to use the scale.

The questionnaire is divided into the following sections:

Section One: Demographic Variables. The demographic information was collected with closed-ended questions.

Section Two: Independent variables, this section measure perceived service quality, perceived price fairness, and Airline Image.

Section Three: Dependent variables, this section measure Customer loyalty with respect to customer behavioral intention towards the airline.

3.4. Reliability and Validity

There are two major criteria which to be applied to evaluate the quality of the study. These are validity and reliability.

Validity: To test the questionnaire for clarity and to provide a coherent research tool, a review that covers all the research elements was performed by academic reviewers specialized in marketing and Business as well as professional people working in the airlines industry. Some items are added, based on their valuable recommendations. Some others were reformulated to become more accurate and clear, and this was required for the purpose of enhancing the research instrument.

Reliability: Cronbach Alpha reliability, the most popular test of consistency reliability, was applied to measure strength of the correlation and coherence between questionnaire items. The closer Cronbach's alpha is to 1, the higher the internal consistency reliability (Sekaran, 2003).

3.5. Data Analysis

Data were collected from the respondents through structured questionnaire and sorted and filtered to be ready for analysis.

Then, the data was treated through Statistical Package for Social Sciences (SPSS) version 20 for analysis and conclusions. The following statistical methods were applied in the data analysis: Percentage and Frequency, arithmetic Mean, Standard Deviation,

Independent sample t-test, One-way ANOVA, Simple linear and Standard multiple Regression analysis.

- a) To evaluate the respondents' characteristics, frequency distribution was used,
- b) Cronbach Alpha reliability to measure strength of the correlation and coherence between questionnaire items,
- c) Arithmetic mean to identify the level of response of the study sample individuals to the study variables,
- d) Standard Deviation to measure the responses spacing degree about Arithmetic Mean,
- e) In order to show if there exists significant difference in each variables in terms of class of service and airline choice, an independent-samples t-test and one-way ANOVA test was performed.
- f) Multiple & Simple Regression analysis to Measure the impact of study variables (to test the hypothesis), and Relative importance.

Finally, the summarized data was interpreted based on the findings of the data analyzed along with the theoretical frame work to answer the research questions and draw meaningful conclusions.

3.6. Ethical Considerations

In order to keep the confidentiality of the data given by respondents, the respondents was not required to write their name and assured the anonymity and confidentiality of their response. The purpose of the study was disclosed in the introductory part of the questionnaire. Furthermore, the researcher tried to avoid misleading or deceptive statements in the questionnaire. Lastly, the questionnaires was handed out up on their consent only.

All research works that have contributed in any way to this study are properly acknowledged and appreciated.

CHAPTER FOUR

RESULTS AND DISCUSSION

This chapter discusses the main findings and interpretations of the study

Out of the 385 questioner distributed 333 was returned and useable for analysis. These usable questioners are coded to SPSS version 20 and analyzed through descriptive and inferential statistics as discussed below.

4.1. Descriptive Analysis of Demographic Variables

Tables 3 show the demographic variables of the study sample. It shows that 60.96% of the study sample are males and 39.04% are females. For Age, 40.84% of the study sample ranged 30 years or less, while 24.92% of the study sample ranged between 31 to 34 years, 14.41% of the study sample ranged between 35 – 39 years, and 19.82% of the study sample were 40 years and above. For academic qualification, Table 3 shows that the majority of respondents of the study sample have a bachelor degree. With regards to frequency of flying, about 1.8% are flying at least once a week; 16.52% are flying at least once a month; 27.93% are flying at least once a quarter; 38.44% are flying at least once a year and 15.32% are under the other category.

Table 3: Descriptive of sample study

No.	Variables	Categorization	Frequency	Percent
1	Gender	Male	203	60.96
		Female	130	39.04
2	Age	<30	136	40.84
		31-34	83	24.92
		35-39	48	14.41
		>40	66	19.82
3	Academic Qualification	Diploma and below	34	10.21
		Bachelors	219	65.77
		Masters	63	18.92
		PhD and Above	17	5.11
4	Frequency of Flying	At least once a week	6	1.8
		At least once a month	55	16.52
		At least once a quarter	93	27.93
		At least once a year	128	38.44
		Other	51	15.32
5	Purpose of the trip	Leisure	96	22.12
		Business/Corporate	115	26.5
		Personal business/trade	82	18.89
		Visit of family and friends	99	22.81
		Other	42	9.68
6	Class of service	Business and above	40	12.01
		Economy	267	80.18
		Both	26	7.81
7	Airline	ET	274	82.28
		EK	27	8.11
		KQ	17	5.11
		TK	15	4.5

Source: Own survey (May, 2016)

4.2. Descriptive Analysis of Study Variables

The researcher used the arithmetic mean, standard deviation, and item importance to describe each question under each variable.

4.2.1. Service Quality

Table 4 clarifies the service quality, where the arithmetic means range between 3.55 and 4.23 compared with General Arithmetic mean amount of 3.94. The result indicate that the highest mean was for the item “The Airline offers convenient flight schedule” with arithmetic mean 4.23, Standard deviation 0.851. The lowest arithmetic mean was for the item "The airline offers great meal service” with average 3.55 and standard deviation 1.228. The general standard deviation for service quality is 0.78. The standard deviation of 0.78 shows that the individual responses, on average, were 0.78 away from the mean.

In general, it appears that the service quality level from the study sample viewpoint was good. The interpretation was made based on the following measurement scale intervals or range. Mean scores 4.51-5.00 excellent or very good, 3.51- 4.50 good, 2.51-3.50 average or moderate, 1.51-2.50 fair and 1.00-1.50 is poor (Poonlar Btawee,1987) as sited by Demissie (2013). Accordingly, the general arithmetic mean for service quality lie in the category between 3.51and 4.50 which means respondents have good perception on service quality.

Table 4: Arithmetic mean, SD, item importance for service quality

No.	Service Quality	Mean	St.D	t	Sig	Item importance
1.	The Airline provide up-to-date aircraft and in-flight facility	4.2	0.938	0.051	.000	3
2.	The airline offers great meal service (items, tastes, freshness, quantity, appearance)	3.55	1.228	0.067	.000	18
3.	The airline offer high seating comfort, Seat space and Legroom	3.78	1.061	0.058	.000	14
4.	The airline offer great in-flight entertainment (books, newspapers, movies, magazines, etc.)	3.8	1.033	0.057	.000	13
5.	The airline offer convenience and prompt reservation and ticketing process	4.12	0.943	0.052	.000	6
6.	The airline performance is on-time	3.83	1.008	0.055	.000	12
7.	The airline sincere interest in solving problems is great e.g. flight cancellation, baggage loss	3.76	1.036	0.057	.000	15
8.	The Airline provides quality Check-in service (waiting time, efficiency, etc.)	4.02	0.907	0.05	.000	9
9.	Baggage delivery is accurate and prompt	3.6	1.153	0.063	.000	17
10.	The amount imposed for overweight baggage by the airline is fair	3.65	1.095	0.06	.000	16
11.	The airline Provide seat that passengers prefer	3.89	1.014	0.056	.000	11
12.	Employee of the airline have neat appearance	4.21	0.961	0.053	.000	2
13.	Employees of the airline are willing to help passengers	4.14	0.921	0.05	.000	5
14.	Employees of the airline are courteous	4.09	0.981	0.054	.000	7
15.	Employees of the Airline have the knowledge to answer passengers' questions	4.03	1.052	0.058	.000	8
16.	Employees of the airline give passengers personal attention	3.96	1.036	0.057	.000	10
17.	The Airline offers convenient flight schedule	4.23	0.851	0.047	.000	1
18.	The Airline offers Non-stop flight	4.14	0.962	0.053	.000	4
	General Arithmetic mean and standard deviation	3.9451	0.77766		.000	

Source: Own survey (May, 2016)

4.2.2. Perceived Price Fairness

Table 5 clarifies the perceived price fairness, where the arithmetic means range between 3.68 - 3.83 compared with general arithmetic mean amount of 3.73. The result indicates that the highest mean was for the item “The ticket price corresponds to the image” with arithmetic mean 3.83 and Standard deviation 0.949. The lowest arithmetic mean was for the item " The price I paid was fair” with average 3.68 and Standard deviation 1.048. The general standard deviation for perceived price fairness is 0.93. The general standard deviation shows that the individual responses, on average, were 0.93 away from the mean.

In general, it appears that the perceived price fairness level from the study sample viewpoint was good. The general arithmetic mean of perceived price fairness lie in the category between 3.51and 4.50 which means respondents have good perception on perceived price fairness according to Poonlar (1987) as cited by Demissie (2013).

Table 5: Arithmetic mean, SD, item importance for perceived price fairness

No.	Perceived price fairness	Mean	St.D	t	sig	Item importance
19	The price I paid was fair	3.676	1.048	63.973	.000	6
20	The price I paid was justified	3.742	1.050	65.050	.000	2
21	The ticket price corresponds to the service	3.736	1.028	66.324	.000	3
22	The ticket price corresponds to the image	3.829	.949	73.594	.000	1
23	The ticket price corresponds to the quality	3.736	1.013	67.290	.000	3
24	The ticket price meets my expectation	3.688	1.049	64.134	.000	5
	General Arithmetic mean and standard deviation	3.734234	0.929504			

Source: Own survey (May, 2016)

4.2.3. Airline Image

Table 6 clarifies the airline image, where the arithmetic means range between 3.9-3.96 compared with general Arithmetic mean amount of 3.92. The result indicates that the highest mean was for the item "I have always had a good impression of this airline" with Arithmetic mean 3.96, Standard deviation 1.017. The lowest arithmetic mean was for the item " I believe that this airline has a better image than its competitors" with average 3.90 and Standard deviation 0.855. The general standard deviation for airline image is 0.8. The general standard deviation shows that the individual responses, on average, were 0.8 away from the mean.

In general, it appears that the airline image level from the study sample viewpoint was good. The general arithmetic mean of airline image lie in the category between 3.51 and 4.50 which means respondents have good perception on airline image according to Poonlar (1987) as cited by Demissie (2013).

Table 6: Arithmetic mean, SD, item importance for airline image

No.	Airline Image	Mean	St.D	T	sig	Item importance
25.	I have always had a good impression of this airline	3.96	1.017	71.107	.000	1.000
26.	I believe that this airline has a better image than its competitors	3.90	.855	83.222	.000	3.000
27.	In my opinion, this airline has a good image in the minds of passengers	3.91	.993	71.860	.000	2.000
	General Arithmetic mean and standard deviation	3.9239	.80049			

Source: Own survey (May, 2016)

4.2.4. Customer Loyalty

Table 7 clarifies customer loyalty, where the arithmetic means range between 3.92- 4.29 compared with general Arithmetic mean amount of 4.05. The result indicates that the

highest mean was for the item "I am willing to be member of the airline frequent flyer program" with arithmetic mean of 4.29, Standard deviation of 0.812. The lowest arithmetic mean was for the item " I will choose the airline whenever I think of flying” with average of 3.92 and Standard deviation of 1. The general standard deviation for customer loyalty is 0.83. The general standard deviation shows that the individual responses, on average, were 0.83 away from the mean. In general, it appears that the customer loyalty level from the study sample viewpoint was good. The general Arithmetic mean of customer loyalty lie in the category between 3.51 and 4.50 which means respondents have good perception on customer loyalty according to Poonlar (1987) as sited by Demissie (2013).

Table 7: Arithmetic mean, SD, item importance for customer loyalty

No.	Customer loyalty	Mean	St.D	T	sig	Item importance
28	I will recommend the airline to others	4.12	.937	80.280	.000	2
29	I will choose the airline whenever I think of flying	3.92	1.000	71.572	.000	4
30	I am willing to be member of the airline frequent flyer program	4.29	.812	96.474	.000	1
31	I consider myself to be loyal patron for the airline	3.93	1.059	67.690	.000	3
	General Arithmetic mean and standard deviation	4.053	.83077			

Source: Own survey (May, 2016)

4.3. Reliability

The reliability analysis applied to the level of Cronbach Alpha (α) is the criteria for internal consistency, which was at a minimum acceptable level ($\alpha \geq 0.60$) suggested by (Sekaran, 2003). These results are the acceptable levels as suggested by (Sekaran, 2003). The results were shown in Table 8.

Table 8: Reliability of questionnaire dimensions

No.	Dimensions	No. of Items	Alpha Value (α)
1	All Variables	31	0.967
2	Service quality	18	0.959
3	Perceived price fairness	6	0.957
4	Airline image	3	0.784
5	Customer loyalty	4	0.892

Source: Own survey (May, 2016)

4.4. Correlation

The correlation analysis was done to assess the relationship between the independent variables and behavior indicator and the correlation among the independent variable. It helps to gain insight into the direction and strength of correlation between variables. Correlation coefficients take values between -1 and 1 ranging from being negatively correlated (-1) to uncorrelated (0) to positively correlated (+). The sign of the correlation coefficient defines the direction of the relationship. The absolute value indicates the strength of the correlation.

As per the general principle suggested by Field (2005), correlation values less than 0.3 are considered weak, correlations between 0.3 and 0.7 are considered moderate, and correlations greater than 0.7 are considered strong as the closer it gets to 1 the stronger it becomes and the closer it gets to zero the weaker it is.

Table 9: Pearson correlation analysis

		Service quality	Perceived price fairness	Airline Image	Customer loyalty
Service quality	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	333			
Perceived price fairness	Pearson Correlation	.626**	1		
	Sig. (2-tailed)	.000			
	N	333	333		
Airline Image	Pearson Correlation	.546**	.265**	1	
	Sig. (2-tailed)	.000	.000		
	N	333	333	333	
Customer Loyalty	Pearson Correlation	.777**	.519**	.609**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	333	333	333	333

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

Source: Own survey (May, 2016)

As shown in table 9, all the values of the Pearson correlation(r) were found to be significant at $p < 0.01$ showing a reliable relationship. The magnitude of relationship ranged from .265(between airline image and perceived price fairness) to .777 (between customer loyalty and service quality) and for most of the variables, the strength of the correlation was found to be moderate. There is a moderate to strong correlation between customer loyalty and all the dimensions with r value ranging from .519 to .777. The highest score was with service quality dimension ($r=.777$ which indicates that service quality has a stronger positive correlation with customer loyalty followed by airline image($r=.609$) and perceived price fairness with $r=.519$).

4.5. Hypotheses Testing

After examining the correlation between the independent variables and customer loyalty, multiple regression analysis was conducted using customer loyalty, as a dependent variable and service quality, Perceived price fairness and Airline image, as independent

variable. The regression analysis helps to see the relevance of the three independent variables in affecting loyalty.

Before the regression analysis, all assumption test to perform the analysis was made and satisfied (appendix 2). Among the tests multicollinearity is one of it. The commonly used cut-off points as Pallant (2005) mentioned for determining the existence of multicollinearity among independent variables are tolerance value and variance inflation factor (VIF) value. The rule is that when tolerance value is less than 0.2 and the VIF exceeds 10; it is a signal of multicollinearity, which could lead to misleading and/or inaccurate results. Multicollinearity occurs when there are high intercorrelations among some set of the predictor variables. In other words, multicollinearity happens when two or more predictors contain much of the same information. Refer to collinearity Statistics shown below, the tolerance and VIF showed that there was no multicollinearity because VIF of all variables were less than 10 and tolerance of all variables also greater than 0.2.

Table 10: Multicoliniarity statistics

Variables	Tolerance	VIF
Service quality	.452	2.212
Perceived price fairness	.599	1.669
Airline image	.692	1.446

Source: Own survey (May, 2016)

H1: *Service quality, perceived price fairness and airline image significantly influence the loyalty of airline travelers in Ethiopia.*

To test this hypothesis, the researcher uses the multiple regression analysis to ensure the influence of Service Quality, perceived price fairness, and airline image on Customer loyalty, as shown in Table (11 & 12).

Table 11: Multiple regression analysis test results of the effect of service quality, perceived price fairness and airline image on customer's loyalty.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.246	.159		1.548	.123
	Service Quality	.613	.051	.574	11.961	.000
	Perceived Price Fairness	.078	.037	.087	2.097	.037
	Airline Image	.282	.040	.272	7.010	.000

a. Dependent Variable: Customer Loyalty

Source: Own survey (May, 2016)

Table 12: Model summary of multiple regression analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.811 ^a	.657	.654	.48852

a. Predictors: (Constant), Airline Image, Perceived Price Fairness, Service Quality

Source: Own survey (May, 2016)

Results indicate that Table 11 there is a positive and significant influence of service Quality, Perceived Price Fairness, and airline image on customer loyalty. The R was (0.811) at level ($\alpha \leq 0.05$), whereas the R^2 was (0.657). This means the (0.657) of customer loyalty changeability's results from the changeability in service quality, perceived price fairness and airline image. 65.7% of variability in loyalty is explained by the model. In other words, 34.3% of the variation in customer loyalty is affected by other factors. As β was (Service Quality = 0.574; Perceived price fairness=0.087; Airline Image =0.272), this means the increase of one unit in customer loyalty concerned will increase variables value (Service Quality = 0.574; Perceived price fairness=0.087; Airline Image = 0.272).

Service quality, perceived price fairness and airline image had a p value score of 0, 0.037 and 0, respectively, which is < 0.05 showing that these factors are affecting the overall customer loyalty level at a significant level. Therefore,

Service quality, Perceived price fairness and airline image significantly influences the loyalty of airline travelers in Ethiopia.

The result support the argument of Lee and Cunningham (1996) service quality alone was not a sufficient condition for the establishment of customer loyalty. The result also indicated that service quality was the most important factor influencing customer loyalty of airline travelers followed by airline image and perceived price fairness. All significant factors are included for the establishment of the function. The established regression function is

$$CL = 0.613(SQ) + 0.078(PPF) + 0.282(AI) + 0.246$$

Where: CL= Customer Loyalty

SQ= Service quality

PPF= perceived price fairness

AI= Airline image

To ensure the effect of each variable on customer’s loyalty, the researcher divides this hypothesis into three sub hypotheses, and uses the simple regression analysis to test each sub-hypothesis, as follows:

H1-1: *Service quality significantly influences the loyalty of airline travelers in Ethiopia.*

To test this hypothesis, the researcher uses the simple regression analysis to ensure the effect of service quality on Customer loyalty. As shown in Table 13.

Table 13: Simple regression analysis test results of the effect of service quality on customer loyalty

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.789	.148		5.311	.000
	Service Quality	.831	.037	.777	22.492	.000

a. Dependent Variable: Customer Loyalty

Source: Own survey (May, 2016)

Table 14: Model summary of simple regression analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.777 ^a	.604	.603	.52327

a. Predictors: (Constant), Service Quality

Source: Own survey (May, 2016)

Table 13 shows that there is a significant effect of service quality on customer loyalty. The R was 0.777 at level $\alpha \leq 0.05$, whereas the R^2 was 0.604. This means the 0.604 of customer loyalty changeability's results from the changeability in service quality. As β was 0.777, this means the increase of one unit in service quality will increase customer loyalty value 0.777. Service quality had a p value score of 0 which is < 0.05 showing that these factor is affecting the customer loyalty level at a significant level. Therefore,

Service quality significantly influences the loyalty of airline travelers in Ethiopia.

This result is consistent with Bei and Chiao (2006) and Khraim (2013) study.

H1-2: *Perceived price fairness significantly influences the loyalty of airline travelers in Ethiopia.*

Table 15: Simple regression analysis test results of the effect of perceived price fairness on customer loyalty

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.333	.162		14.439	.000
	Perceived Price Fairness	.464	.042	.519	11.048	.000

a. Dependent Variable: Customer Loyalty

Source: Own survey (May, 2016)

Table 16: Model summary of simple regression analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.519 ^a	.269	.267	.71117

a. Predictors: (Constant), Perceived Price Fairness

Source: Own survey (May, 2016)

Table 15 shows that there is a significant effect of perceived price fairness on Customer loyalty. The R was (0.519) at level ($\alpha \leq 0.05$), whereas the R^2 was (0.269). This means the (0.269) of Customer loyalty changeability's results from the changeability in perceived price fairness. As β was (0.519), this means the increase of one unit in perceived price fairness will increase Customer Loyalty value (0.519). Perceived price fairness had a p value score of 0 which is < 0.05 showing that these factor is affecting the customer loyalty level at a significant level. Therefore,

Perceived price fairness significantly influences the loyalty of airline travelers in Ethiopia.

This result is consistent with Xia et al. (2004) and Bei and Chiao (2001) study.

H1-3: Corporate image positively and significantly influences the loyalty of airline travelers in Ethiopia.

Table 17: Simple regression analysis test results of the effect of airline image on customer loyalty

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.586	.181		8.753	.000
	Airline Image	.632	.045	.609	13.960	.000

a. Dependent Variable: Customer Loyalty

Source: Own survey (May, 2016)

Table 18: Model summary of simple regression analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.609 ^a	.371	.369	.66010

a. Predictors: (Constant), Airline Image

Source: Own survey (May, 2016)

Table 17 shows that there is a significant effect of airline image on Customer loyalty. The R was (0.609) at level ($\alpha \leq 0.05$), whereas the R² was (.371). This means the (0.371) of Customer loyalty changeability's results from the changeability in airline image. As β was (0.609), this means the increase of one unit in airline image will increase customer loyalty value (0.609). Airline Image had a p value score of 0 which is < 0.05 showing that these factor is affecting the customer loyalty level at a significant level. Therefore,

Airline image significantly influence the loyalty of airline travelers in Ethiopia.

This result is consistent with Andreassen & Lindestad (1997), Zins (2001) and Khraim (2013) study.

4.6. Underlying Factors Affecting Customers Loyalty Based on Respondents' Profile

In order to achieve third and fourth objective that aims to examine if there is a difference between the class of service and airline of choice of customers two inferential statistics techniques were employed. These are independent t-test and one-way ANOVA which help to compare demographic characteristics and investigate how they are related with the other three independent variables or factors.

4.6.1. Underlying Factors Affecting Customers Loyalty Based on Class of Service

Independent sample T-test was employed to find out if there is any significant difference between classes of service in customer loyalty attributes as it can be used to test mean differences between two groups. As it is shown in table 19, the mean difference between business class (and above) and economy class subjects with regard to the service quality, perceived price fairness, airline image and customer loyalty. The result of independent sample t-test shows that the mean difference between Business (or above) and Economy class subjects with the above variables as -0.89756, -0.81231, -0.47503 and -.67762 respectively. The service quality, perceived price fairness and airline image are perceived to convince economy class customers' more than business class customers. As a result business class customers are not much loyal.

Table 19: Independent sample t-test between class of service and underlying factors of customers' loyalty

Class of service		N	Mean	Std. Deviation	Mean Difference	t-Value	Sig.(P)
Service Quality	Business and above	40	3.1694	.59370	-.89756	-7.30609	.000
	Economy	267	4.0670	.74184			
Perceived Price Fairness	Business and above	40	3.0042	.90542	-.81231	-5.31948	.000
	Economy	267	3.8165	.89998			
Airline Image	Business and above	40	3.5000	1.08604	-.47503	-3.52267	.000
	Economy	267	3.9750	.74325			
Customer loyalty	Business and above	40	3.4750	.83934	-.67762	-4.929	.000
	Economy	40	4.1526	.80668			

Source: Own survey (May, 2016)

4.6.2. Underlying Factors Affecting Customers Loyalty Based on Choice of Airline

The researcher found it important to conduct the study on the industry rather than limited to one airline because factors affecting customer loyalty and the intensity might be different from one airline to another airline customer. To confirm this one-way ANOVA test was performed and result in there is no significant difference between airlines. This might be due to the fact that the market is dominated by Ethiopian airlines.

Table 20: One-way ANOVA between airlines choice and underlying factors of customers' loyalty

		Sum of Squares	df	Mean Square	F	Sig.
Service Quality	Between Groups	4.761	4	1.190	1.992	.095
	Within Groups	196.016	328	.598		
	Total	200.778	332			
Perceived Price Fairness	Between Groups	6.705	4	1.676	1.963	.100
	Within Groups	280.136	328	.854		
	Total	286.841	332			
Airline Image	Between Groups	4.548	4	1.137	1.791	.130
	Within Groups	208.191	328	.635		
	Total	212.739	332			
Customer Loyalty	Between Groups	5.449	4	1.362	1.998	.095
	Within Groups	223.693	328	.682		
	Total	229.142	332			

Source: Own survey (May, 2016)

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter summarizes the findings followed by conclusions and recommendations. Limitations and implications for future research are discussed at the end.

5.1. Summary of Findings

From the demographic characteristics of respondents, majority are male respondents. Besides, majority of respondents participated in the survey are <30 years old. Regarding educational back ground, majority have got bachelor degree. In respect of the Purpose of the trip many of the respondents are corporate travelers. In terms of class of service, majority are economy class customers.

The descriptive statistics shows that the mean score values of the independent variables (i.e. service quality, perceived price fairness and airline image) ranges from 3.73 to 3.94.

The Pearson correlation coefficient reveals that service quality ($r=.777$); perceived price fairness (.519) and airline image ($r=.609$). For most of the variables, the strength of the correlation was found to be moderate and positively correlated with customer loyalty supporting all the three alternate hypotheses in the research. The strength of correlation is highest for service quality followed by perceived price fairness, and airline image. The correlation is also significant at .01 level two tailed.

Finally from the multiple regression result, estimate of regression weight shows that all the independent variables (service quality ($\beta=.574$), perceived price fairness ($\beta=.087$),

and airline image ($\beta=.272$) significantly predict and explain customer loyalty. Service quality and airline image are the most dominant factors in influencing customer loyalty in Ethiopian airline industry.

5.2. Conclusions

The main objective of the research was to identify the influence of service quality, perceived price fairness and airline image on the loyalty of Ethiopian airline travelers. Accordingly, the study tried to test the relationship that exists between selected factors from existing literature (service quality, perceived price fairness and airline image) vis a vis customer loyalty.

Service quality appeared to be the most correlated construct with customer loyalty in the Ethiopian airline industry with a correlation coefficient of 0.777. It is also the most dominant factor in predicting customer loyalty with a beta coefficient of 0.574. This confirms the findings of the earlier researchers (Bei and Chiao, 2006; Khraim, 2013). This implies that as customers perceive the service of airline companies to be of quality, they remain loyal to their respective airline companies. Thus, improving service quality brings about improved customer loyalty.

Airline image appeared to be the second most correlated construct with customer loyalty in the Ethiopian airline industry with a correlation coefficient of 0.609. It is also the second most dominant factor in predicting customer loyalty with a beta coefficient of 0.272. This confirms the findings of the earlier researchers (Andreassen & Lindestad, 1997; Zins, 2001; Khraim, 2014). This implies that as customers perceive the image of airline companies to be good, they remain loyal to their respective airline companies. Thus, improving airline image brings about improved customer loyalty.

Perceived price fairness appeared to be the least correlated construct with customer loyalty in the Ethiopian airline industry with a correlation coefficient of 0.519. It is also the least dominant factor in predicting customer loyalty with a beta coefficient of 0.087. This confirms the findings of the earlier researchers (Xia et al., 2004; Bei and Chiao,

2001). This implies that as customers perceive the price of airline companies to be fair, they remain loyal to their respective airline companies. Thus, improving perceived price fairness brings about improved customer loyalty.

5.3. Recommendations

Depending on the findings of the research, the researcher suggests the following points.

1. The study results have shown that service quality and Airlines image is highly affecting the customers' loyalty. As a result, Airlines companies should sustain its favorable service quality and image among its current customers and to be able to attract new customers.
2. Airlines companies should maintain good service quality they offer for their passengers as it is internationally compared with other airlines and it is considered competitive in the airline market field.
3. Airline marketers and other stakeholders should give due attention to their pricing strategy so as to improve the level of perceived price fairness.
4. Airlines companies must train their employees so as to have higher capability to answer passengers' questions.
5. Airlines companies must improve their meal service, baggage service, and inflight entertainment so as to improve the level of service quality more.
6. Airlines companies should review their problem solving process so as to improve the level of service quality more.
7. Airlines companies must improve its on-time performance so as to improve the level of service quality.
8. Airline marketers or other stakeholders should look after each class of service (i.e. Business and Economy) separately. Business class passengers need special attention.
9. Airline companies should see its relative image in the minds of customer and work on creating better image.

10. Airline companies should know its service level and customers expectation. After knowing this it's possible to avail price as per the service level and customers expectation.

5.4. Limitations and Implications for Further Research

Due to time and resource constraint, the study is conducted by targeting passengers who traveled through Addis Ababa Bole International Airport from 28th Apr 2016 and 6th May 2016 only depending on their willingness to fill the questionnaire. Hence, those passengers who did not travel during this period are not addressed.

The writer of this research believes that this study is just the tip of the ice berg. The area needs a thorough and detailed investigation (especially on Airline image and perceived price fairness) with more resource both in terms of time and money. Further study should also conduct by introduce satisfaction as mediating variable.

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Appendix 1

Addis Ababa
University
(Since 1950)



Addis Ababa University School of Commerce, Masters of Marketing Management.

Questionnaire to be filled by customers of Airlines

Dear Respondent,

First of all I would like to thank you for taking your time to read and fill this questionnaire.

My name is Abel Chanyalew and I am a graduate student in Master of Arts at Addis Ababa University School of Commerce. This questionnaire is to be used solely for the research I am undertaking in order to fulfill my thesis work required to complete my study.

The aim of this research is to identify the influence of service quality, perceived price fairness and corporate image on the loyalty of airline travelers in Ethiopia. Your participation is invaluable and will remain anonymous. Hence, there is no need to state your name.

The questionnaire is divided in three parts. Please read the instructions carefully before starting to answer. There is no right or wrong answer, all I am interested in is a number that truly reflects your feelings. Please circle the number in the boxes which mostly explains your attitudes.

If you need more information, please do not hesitate to contact me through my cell phone number 0913363221 or through E-mail Abelc99@gmail.com

Thank you in advance for your participation.

Part I: Respondents Background

1. Sex Male Female
2. Age < 30 31-34 35-39 > 40
3. Academic Qualification Diploma and below Bachelors
 Masters PhD and Above

4. Frequency of Flying

- At least once a week At least once a month
 At least once a quarter At least once a year Other

5. Purpose of your trip

- Leisure Business/Corporate
 Personal business/trade Visit of family and friends Other

6. Class of service Business and above Economy

7. What is your airline of choice for travel originating Ethiopia _____

Part II: Survey of your Perception towards service quality, price fairness and image of Airlines

No.		Strongly Disagree(1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree(5)
	Service Quality					
1.	The Airline provide up-to-date aircraft and in-flight facility	1	2	3	4	5
2.	The airline offers great meal service (items, tastes, freshness, quantity, appearance)	1	2	3	4	5
3.	The airline offer high seating comfort, Seat space and Legroom	1	2	3	4	5
4.	The airline offer great in-flight entertainment (books, newspapers, movies, magazines, etc.)	1	2	3	4	5
5.	The airline offer convenience and prompt reservation and ticketing process	1	2	3	4	5
6.	The airline performance is on-time	1	2	3	4	5
7.	The airline sincere interest in solving problems is great e.g. flight cancellation, baggage loss	1	2	3	4	5
8.	The Airline provides quality Check-in service (waiting time, efficiency, etc.)	1	2	3	4	5
9.	Baggage delivery is accurate and prompt	1	2	3	4	5
10.	The amount imposed for overweight baggage by the airline is fair	1	2	3	4	5
11.	The airline Provide seat that passengers prefer	1	2	3	4	5

No.		Strongly Disagree(1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree(5)
12.	Employee of the airline have neat appearance	1	2	3	4	5
13.	Employees of the airline are willing to help passengers	1	2	3	4	5
14.	Employees of the airline are courteous	1	2	3	4	5
15.	Employees of the Airline have the knowledge to answer passengers' questions	1	2	3	4	5
16.	Employees of the airline give passengers personal attention	1	2	3	4	5
17.	The Airline offers convenient flight schedule	1	2	3	4	5
18.	The Airline offers Non-stop flight	1	2	3	4	5
	Perceived Price fairness					
19.	The price I paid was fair	1	2	3	4	5
20.	The price I paid was justified	1	2	3	4	5
21.	The ticket price corresponds to the service	1	2	3	4	5
22.	The ticket price corresponds to the image	1	2	3	4	5
23.	The ticket price corresponds to the quality	1	2	3	4	5
24.	The ticket price meets my expectation	1	2	3	4	5
	Airline Image					
25.	I have always had a good impression of this airline	1	2	3	4	5
26.	I believe that this airline has a better image than its competitors	1	2	3	4	5
27.	In my opinion, this airline has a good image in the minds of passengers	1	2	3	4	5

Part III. Survey of your behavioral intentions towards the airline

No.		Strongly Disagree(1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree(5)
28.	I will recommend the airline to others	1	2	3	4	5
29.	I will choose the airline whenever I think of flying	1	2	3	4	5
30.	I am willing to be member of the airline frequent flyer program	1	2	3	4	5
31.	I consider myself to be loyal patron for the airline	1	2	3	4	5

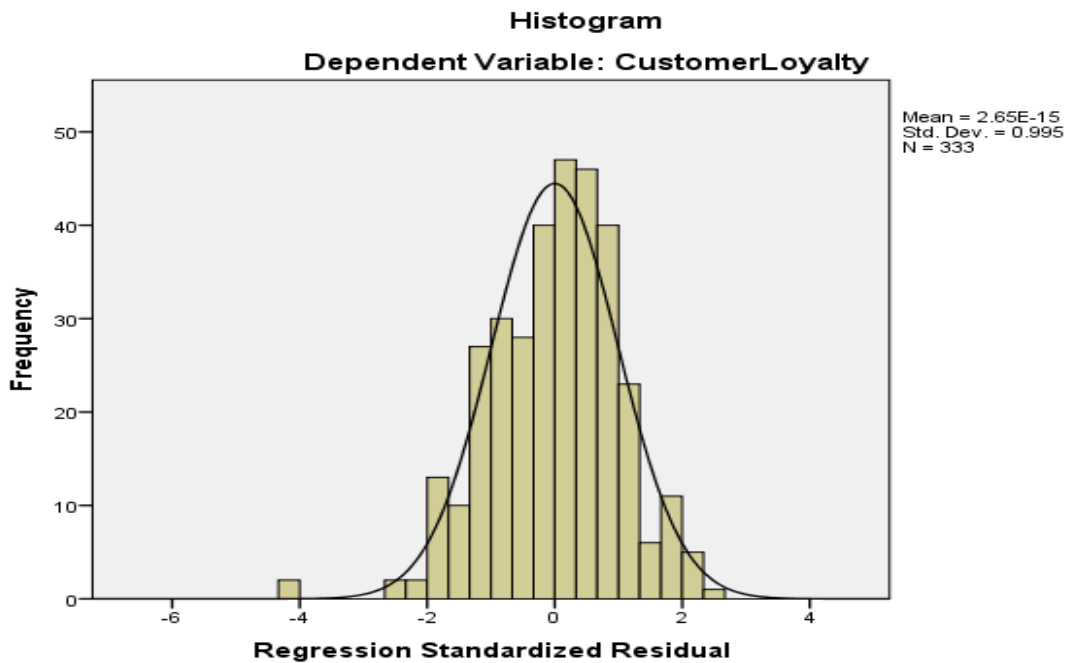
Once again, thank you so much!

Appendix 2

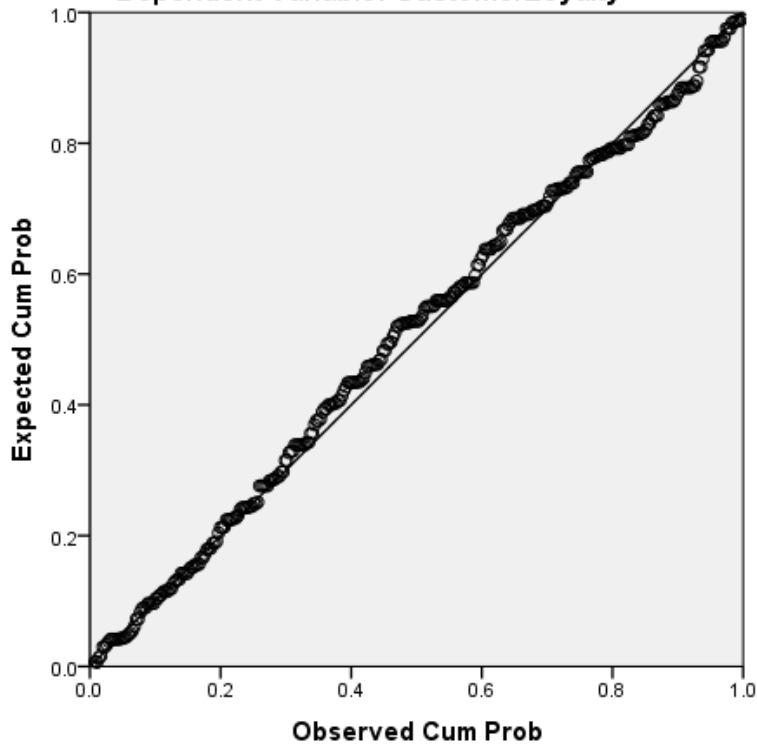
Regression assumption test

Coefficients ^a													
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)	.246	.159		1.548	.123	-.067	.559					
	Service Quality	.613	.051	.574	11.961	.000	.512	.714	.777	.551	.386	.452	2.212
	Perceived Price Fairness	.078	.037	.087	2.097	.037	.005	.151	.519	.115	.068	.599	1.669
	Airline Image	.282	.040	.272	7.010	.000	.203	.362	.609	.360	.226	.692	1.446

a. Dependent Variable: CustomerLoyalty



Normal P-P Plot of Regression Standardized Residual
Dependent Variable: CustomerLoyalty



Scatterplot

Dependent Variable: CustomerLoyalty

