

**ADDIS ABABA UNIVERSITY COLLEGE OF BUSINESS AND  
ECONOMICS**

**DEPARTMENT OF MANAGEMENT**



**PERCEIVED CUSTOMER SERVICE QUALITY AND ITS EFFECT ON  
ORGANIZATIONAL IMAGE: THE CASE OF ETHIOPIAN AIRLINES**

**BY**

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**A RESEARCH PROJECT WORK SUBMITTED TO THE OFFICE OF GRADUATE  
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REQUIREMENTS FOR MASTER OF SCIENCE IN INTERNATIONAL BUSINESS**

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## **STATEMENT OF DECLARATION**

I, MAHLET DEBEBE, declare that this Master’s Thesis titled “Perceived Customer Service Quality and its Effect on Organizational Image: THE CASE OF ETHIOPIAN AIRLINES” is my original work. I have carried out the study independently with the edifying guidance of my research advisor, Desalegn Amlaku (Ph. D). All referenced literatures in this study are duly acknowledged, in the appropriate setting. I also confirm that this study has not been submitted for the award of any diploma, degree, or any other higher education program in this or any other institution.

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## **STATEMENT OF CERTIFICATION**

This is to certify that, MAHLET DEBEBE has carried out this project work on the topic titled “Perceived customer service quality and its effect on organizational image: the case of Ethiopian Airlines”. Accordingly, I hereby assure you that her work is appropriate and standard enough to be submitted for the award of the Degree of Master of Sciences in International Business.

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**ADDIS ABABA UNIVERSITY COLLEGE OF BUSINESS AND ECONOMICS**

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## **Acronyms**

**AT:** - Airlines Tangible

**TT:** - Terminal Tangible

**PS:** -Personnel Services

**EY:** - Empathy

**IG:-**Image

**OIG:** - Organizational Image

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## Abstract

*The purpose of this study is to examine the perceived customer service quality and its effect on the organizational image of Ethiopian Airlines, utilizing the AIRQUAL model. The research employs a quantitative approach with a descripto-explanatory design that incorporates descriptive and explanatory methods. A convenience sampling approach is employed to select the sample, with 384 questionnaires distributed and 288 validly completed responses received. The data is analyzed in two segments, with descriptive analysis addressing the first question and regression analysis covering the remainder of the questionnaire. The descriptive analysis reveals that Airlines Tangible (AT), Empathy (EY), and Image (IG) elicit a favorable response regarding the current customer service quality, while Terminal Tangible (TT) and Personal Services (PS) garner the highest level of disagreement. In the regression analysis, the correlation is significant at a 95% confidence level for the image, while it falls within the range of 87% and 96% for the other components, namely, Terminal Tangible, Personnel Services, and Empathy. However, the independent variable Terminal Tangible displays a negative and insignificant correlation with the dependent variable at a 99% confidence level. Conversely, the independent variable personnel display a negative correlation with all the components of the dependent variable, where the correlation is significant at 95% for all components. In addition, an hypothesis test was test using beta Coefficients, accordingly Airline tangible, Empathy, Image have a positive and significant effect on the organizational image of Ethiopian Airlines at P value greater than 0.05 with beta coefficient value of 0.085, 0.303,0.10 5resepctively, the other independent variables personnel services and Terminal tangible has a negative and insignificant effect on the dependent variable organizational image with P value less than 0.05 with beta coefficient value of -.306 and -.315.The findings of the study provide decision-makers with an indication of improvement, particularly regarding variables that exhibit a negative correlation with dependent variables, mainly terminal tangible and personnel services. Additionally, Ethiopian Airlines' management should prioritize implementation of the study's outcomes to enhance their customer service quality. They should focus on enhancing the check-in process by implementing innovative systems, creating comfortable spaces with excellent air conditioning, and acquiring additional trolleys to enhance security and improve baggage handling. Furthermore, the company should thoroughly assess its personnel services and terminal tangible variables and concentrate on enhancing the quality of services as a result of the correlation relationship effect.*

**Keywords: Airline Tangibles, Terminal Tangibles, Empathy, personnel, Image, Service quality, organizational image**

# CHAPTER ONE

## 1.0 INTRODUCTION

This chapter serves as an introduction to the study, including a background of the study, a statement of the problem, the research question, the objectives of the study, limitations, and the significance of the study.

### 1.1 Background of the study

The idea of service quality could have had multiple interpretations and facets. Chen and Chang (2005) defined it as a range of services consisting of several processes for providing complete service. Whereas, Park et al. (2004) viewed service quality as the overall perception of how an organization's effectiveness and services were perceived by its customers. However, the majority of definitions of service quality depended on the context and emphasized how well the service met customers' wants and expectations.

Services were intangible products that one organization offered to another as a core or supplementary product, such as legal services to complement a core offering (Zeithaml, Bitner, and Gremler 2013). The services offered to customers greatly influenced their decision to buy products. If services were not provided appropriately, it might have prompted customers to look for other companies that offered more satisfactory services.

Customer service refers to the assistance provided to those who patronize a business. It shared many features of services such as intangibility, heterogeneity, simultaneous production, and consumption, and perishability. However, customer service differed in two major ways: it occurred in the delivery and exchange of offerings from seller to buyer, and the importance of quality service in these two functions was well established. (Huang & Huang, 2014, p. 51)

The widely known SERVQUAL scale gap model, proposed by Parasuraman, Zeithaml, and Berry, was utilized to assess the quality of services (ChingangNde Daniel, Lukong Paul Berinyuy, 2010). It measured the extent and direction of a person's experience's deviation from their initial expectations. Despite several criticisms, the SERVQUAL model has been further developed into a technique called AIRQUAL by Bari et al. (2001) to evaluate service quality in aviation. The AIRQUAL comprised five dimensions, including image, empathy, personnel services, and tangible aspects of the airline and terminal.

Airline tangible refers to the physical parts of the plane that make flying comfortable and efficient. Terminal tangible refers to airport extras like cleanliness, shopping, parking, organization, air conditioning, and smoking areas. Personnel services referred to how airline employees interacted with passengers, their level of education and dedication, and how they handled bookings and tickets. Empathy was when an airline understood what mattered to their customers and took care of them. These included being on time, providing transportation to and from the airport, compensating passengers if there was a problem, taking care of luggage, and having airline offices available. The corporate image was how people saw a company. It was what people thought about a company's openness and quality. A company's image was based on how well it met the needs of its customers and how it grew and adapted to new markets.

Organizational image refers to a customer's assessment of a brand, product, or business that provides goods and services. The quality of service offered was crucial in sustaining a competitive advantage for any product, company, or brand. A favorable organizational image could create a higher potential for the service provided in a variety of ways. If customers perceived that a company was genuinely committed to providing excellent customer service, they might be more forgiving of minor service shortcomings. Customers had expectations of the services they would receive, and their subjective evaluation of the service's quality determined their performance. A positive corporate image was essential in driving customer satisfaction and trust, which could have a significant impact on a company's long-term success.

Understanding the link between service quality and organizational image was critical for any business's success. Leaders had to recognize that providing high-quality service and customer value resulted in high customer satisfaction, improved corporate image, and customer loyalty.

Businesses needed to customize their services and marketing strategies to different customer segments to maintain a positive image. Price-sensitive customers might prioritize satisfaction and value, while others might value high-quality service. By providing high-quality service, businesses could improve their image and build customer loyalty over time. Research conducted by Sunaryo (2023), Cheng (2014), Hoe (2011), and Hu (2009) showed that providing high-quality service could positively influence customer perception of an organization. A positive image could also lead to increased customer trust and confidence, which could result in customer satisfaction and

loyalty. However, it is important to note that a customer's overall view of the organization determines how they interpret their service experience (Chien, 2019).

According to Hu (2009), companies that delivered excellent service quality and customer value achieved better results. Soltani's (2010) research confirmed that management's approach played a pivotal role in achieving service quality goals consistently at all levels. In addition, Cheung's (2010) study revealed that management's commitment to service quality led to greater employee satisfaction and enhanced customer perceptions of service quality, particularly when employees were heavily involved. Callaghan (2015) proposed a framework for evaluating how customers perceived a company's image based on their interactions with excellent service. Customers tended to associate top-notch service quality with a positive brand image. Service quality has a significant positive impact on an organization's performance, including financial, operational, and behavioral outcomes, according to Cheng's (2014) findings. Therefore, service quality is essential for any business's success and competitiveness.

Globalization and fierce competition have transformed the environment in which businesses can operate. The approach and consistency of senior management also played a critical role in driving the success of service quality operations. These factors, coupled with a positive organizational image, could provide a competitive edge and fuel superior business performance. According to Gilaninia and Soltani (2016), as well as Soltani (2010), superior service quality leads to better performance, customer loyalty, and market share growth. They explored the link between management's approach and point of reference and the effectiveness of service quality operations, highlighting the impact of senior management's approach and consistency with middle and first-line managers.

The airline industry's success heavily relied on the correlation between the quality of service and the organizational image. Customers gauged an airline's reputation and overall corporate image based on the quality of services. Ethiopian Airlines was the case study used in these studies. Airlines are recognizing the importance of providing high-quality service to gain a competitive advantage in the industry (Mishra & Ratti, 2017). Studies have shown that customers are willing to pay a premium for superior service, making it a worthwhile investment for airlines (Kim & Lee, 2016). Additionally, airlines are using customer feedback and data analytics to improve their services and better meet the needs of their passengers (Gretzel et al., 2015). This was because

competitors were quite efficient at responding to price changes. Customers' perceptions of these airlines' service quality served as a competitive advantage (Chang & Yeh, 2002). Therefore, all airlines had to prioritize maintaining high-quality service to stay competitive and ensure their longevity in the industry.

The airline sector was no different in this regard. To effectively compete in the global market, many airlines have altered their marketing methods, particularly regarding service quality (Mishal, 2015). To provide airline services that employed value to meet customers' expectations for safety, timeliness, convenience, and comfort, airlines had to work in conjunction with relevant civil aviation firms to the extent possible (Lu et al., 2017), which Ethiopians had prioritized.

In the airline business, service quality was of utmost importance as it was composed of different interactions between passengers and airlines, in which staff members attempted to shape passengers' impressions and the carriers' perceptions of themselves (Gursoy et al., 2005). This was especially true since the airline industry was highly competitive, and customers had a lot of options to choose from. Several studies showed that different dimensions of service quality had a significant impact on the corporate image of airlines. For instance, research by Yanginlar (2020) found that trust and empathy positively impacted the corporate image of an airline.

Another study by Chan in 2022 revealed that assurance, responsiveness, and tangibles positively impacted the corporate image of Royal Brunei Airlines. However, it was vital to note that empathy and reliability did not significantly impact corporate image, per Chan's research. Additionally, service quality also affects customer satisfaction and loyalty. It was evident from studies conducted by Kim in 2013 and Yang in 2019, which found that higher service quality resulted in greater customer satisfaction and loyalty for airlines. Corporate image and customer trust were crucial factors that impacted an airline's corporate reputation. A study by Song in 2019 found that responsiveness and reliability dimensions of service quality positively impacted Asiana Airlines' corporate image and customer trust. These, in turn, positively impacted Asiana Airlines' corporate reputation.

In 2023, the global economy was predicted to increase by about 3%, down from 3.4% in 2022 and 6.3% in 2021, according to IATA. Since the 1970s, the world's GDP has grown by an average of 3% annually. As of March, the revenue passenger kilometers (RPKs) for the entire industry had reached 88% of its pre-pandemic levels, indicating a promising start to the year. The air passenger

traffic rebound that began in 2022 continued to gain momentum in the first quarter of 2023. Further: evidence of the significant unmet demand for air travel could be found in the rebound in air passenger demand in 2022 (RPKs climbed by almost 64% YoY), which supported the improvement in financial performance for the year.

The trend of consumers demanding higher-quality services from organizations has become increasingly important (Chen et al., 2019). Quality services play a crucial role in setting an organization apart from its competitors and gaining a competitive edge (Mahmoud et al., 2019). According to Kotler and Keller (2012), service quality could lead to various benefits such as reduced costs, increased profits, higher market share, and greater customer satisfaction.

In today's competitive airline industry, exceptional passenger service is vital for success. The survival and competitiveness of a company heavily depended on the provision of top-notch passenger service. To this end, the following study assessed the current state of Ethiopian Airlines' customer service quality and its impact on the company's image. Moreover, there was no scientific study report that assessed service quality and its effect on its organizational image in using the AIRQUAL model. Throughout the examination, the study explored how customer service quality affected the airline's overall image.

## **1.1 Statement of the problem**

Achieving service excellence was a crucial aspect that every service provider needed to give priority to. To accomplish this, providers had to consider various essential factors such as tangibility, personalization, empathy, and overall image. These factors had to be of top-notch quality and practical options for consumers to maintain their business. The relationship between service quality and organizational image was undeniable. A positive reputation could lead to higher expectations for service quality while delivering high-quality services could enhance a company's reputation. Customer satisfaction was reliant on the quality of service provided, as a customer's perception of a company and its image could be negatively affected by a series of unpleasant experiences. Therefore, airlines had to constantly improve their services and technologies to maintain a high level of service quality and meet the needs of their customers. This ultimately led to a positive corporate image (Munusamy et al., 2011).

Corporate image refers to the tangible and intangible factors that are associated with a company's reputation. It encompassed a range of emotions, beliefs, knowledge, ideas, impressions, and values that people held about a corporation. Creating and maintaining a positive corporate image was crucial to success in the business landscape of the past; as it could significantly influence consumer purchasing behaviors towards a company's products and services (Tran et al., 2015).

Assessing service attributes could be challenging, but a company's image could have a significant impact on customer preferences. A positive corporate image was likely to increase customer satisfaction. By engaging with customers and communicating effectively, a company could shape and enhance its image in the minds of consumers (Andreessen and Lindestad, 1998).

The aviation industry is distinguished between two types of services: airline tangibles and terminal tangibles. Airline tangibles referred to physical amenities and furnishing on the aircraft, while terminal tangibles referred to additional offerings available at the airport. The latter could include lounges, shopping centers, and restaurants. (chu, 2001)

Another critical aspect of airline services was personnel services, which included employee conduct and ticketing transactions. These encompassed the demeanor of airline staff, their willingness to help customers, and the efficiency of the ticketing process. Empathy was also a vital factor in the aviation industry, particularly in customer care. It referred to the ability of airline staff

to understand and relate to customers' needs and concerns, promptly addressing them to satisfaction. (Dawson, 2016)

According to a study by Nguyen and Leclerc, an airline's image was a key factor in shaping its reputation and brand identity, encompassing elements such as the design of the logo and color scheme, the quality of the airline's services, and the overall customer experience (Nguyen & Leclerc, 2017). The study indicated that a positive image could attract new customers and help establish an airline's brand, while a negative image could damage its reputation and drive customers away

A critical analysis of the services offered and the organization's image was essential for the enlargement of a lucrative and sustainable business airline sector. Airline companies have adopted the practice of using service quality as a marketing strategy in the aviation service sector due to the high level of competition witnessed in recent decades (Miller, 1993). According to Kotler & Keller (2012) providing high-quality service resulted in lower costs, increased profitability, a larger portion of the market, and happier consumers. Passengers had to receive high-quality service for the company to survive and become more competitive.

The aviation industry was dynamic and the preferences of customers kept evolving. In this study, Ethiopian Airlines was used as a case to analyze the effect of customer service quality on the organizational image. The airline focused on four main criteria to measure customer service performance: customer complaints, luggage handling, on-time performance, and in-flight services that had direct contact with passengers.

The organizational culture of an airline was a crucial, yet often overlooked, aspect when it came to providing excellent customer service. By understanding how this culture interacted with different elements of customer service, airlines were able to shape their image and make strategic decisions. Unfortunately, there was limited research on the specific dimensions of customer service quality that had a significant impact on a company's image. Therefore, it was necessary to have a comprehensive understanding of these intricacies to develop targeted strategies to improve customer satisfaction and enhance the airline's image.

Moreover, there were recent reports of concerns about the quality of services provided by Ethiopian Airlines, despite having received awards in the past. Passengers had given low ratings to the airline in various areas, such as the cleanliness of the aircraft interior, in-flight meals, customer service, personnel interactions, and on-time performance. At the time of conducting this study, Ethiopian Airlines had lost its position in customer service quality to its African airline competitors. Furthermore, unpublished surveys and internal reports on the General Assembly of Ethiopian Airlines' fiscal years 2021/2022 & 2022/2023 had highlighted problems with the quality of customer service.

This research aimed to address the existing literature gap by examining the interplay between different aspects of customer service quality and their impact on the organizational image. By identifying the dimension of customer service that had the most significant effect on Ethiopian Airlines' image, this study provided actionable insights to benefit the airline and contribute to the wider discourse on effective customer service management in the aviation sector. It also served as a reference point for future studies on the impact of various variables. The study was expected to enhance the existing literature on the AIRQUAL model and guide decision-makers at Ethiopian Airlines.

## **1.2. Research questions**

The study emphasizes addressing the following questions as follows;

1. What was the current status of customer service quality as perceived by customers?
2. How did airline tangible affect the organizational image of Ethiopian Airlines?
3. To what extent did terminal tangibles affect Ethiopian Airlines' organizational image?
4. How did empathy affect the organizational image of Ethiopian Airlines?
5. How did Personnel affect the organizational image of Ethiopian Airlines?
6. How did Image affect the overall corporate image of Ethiopian Airlines?

## **1.3 Objective of the study**

### **1.3.1 General Objective**

The research aimed to examine how customer service quality affected the organizational image of Ethiopian Airlines using the AIRQUAL model.

### **1.3.2 Specific objectives**

- ❖ To descriptively examine the current customer service quality perception of EAG customers.
- ❖ To examine the Airline Tangible service quality dimension effect on the organizational image of Ethiopian Airlines.
- ❖ To examine the Terminal Tangible service quality dimension effect on the organizational image of Ethiopian Airlines.
- ❖ To examine the Empathy service quality dimension effect on the organizational image of Ethiopian Airlines.
- ❖ To examine the Personnel service quality dimension effect on the organizational image of Ethiopian Airlines.
- ❖ To examine the Image service quality dimension effect on the organizational image of Ethiopian Airlines.

## **1.4 Delimitation/Scope of the study**

The study steered at Ethiopian Airlines, situated in Addis Ababa, Ethiopia. The research emphasizes particularly examining the connections between service quality and organizational image. Different customers receive various services from Ethiopian Airlines, including this study services for passenger and cargo transportation, training, maintenance, repair, and overhaul (MRO). However, the span of this study is restricted to passenger transport services. Subsequently, passenger services are the airline's primary means of income and there is severe rivalry among airlines globally.

## **1.5 Limitations of the study**

In this study, the study has faced economic constraints, time, and inconsistency of network and electric power. The economic and material resources needed for a large sample size for this study are expected to be inadequate. However, the researcher has overcome the challenges by going through library in order to address the inconsistency of network and for the economic constraints loan from family, and friends was a taken as a solution.

## **1.6 The significance of the study**

The research conducted was of immense importance for decision-makers in the airline industry, as it shed light on the critical factors that impact the corporate image of airlines. In particular, the study focused on Ethiopian Airlines, one of the leading airlines in Africa. The findings of the research were instrumental in identifying the key aspects that have a significant bearing on the airline's reputation. The researcher had high hopes that the insights gained would be used by Ethiopian Airlines to enhance its customer services and, in turn, improve its overall performance in the highly competitive airline industry.

## **1.7 Organization of the study**

The study is divided into five chapters. Chapter One provides an introduction to the study, including the background, statement of problem, research objectives, research questions, scope, limitations, and significance. Chapter two discusses the literature review, theoretical review, empirical literature, and conceptual framework in detail. Chapter three describes the research methodology, including the study area and period, research design and approach, population, sampling techniques, sample size determination, data sources and collection method, data collection instrument, measurement, validity and reliability analysis, data analysis method, and ethical considerations. Chapter four provides an analysis, discussion, and interpretation of the data collected. Finally, chapter five concludes the study by summarizing the findings, drawing conclusions and recommendations, and suggesting future research directions.

## **CHAPTER TWO**

### **2.0 Literature review**

This chapter provides a literature review of this study. It discusses theoretical review, empirical review, conceptual framework, and hypothesis.

### **2.1 Theoretical review**

#### **2.1.1 Concept of Customer Service Quality**

According to Kotler and Armstrong (2012), the concept of "service" encompasses a wide range of commercial activities that provide time, place, form, or psychological utilities. They argue that service businesses can thrive by identifying previously unmet consumer needs. Messay (2012) supports this view, defining services as "identifiable, intangible activities that are the primary object of a transaction aimed at satisfying customer wants." Messay provides examples of service-based industries such as travel, healthcare, finance, entertainment, and professional services.

Kotler's definition of quality emphasizes that it is all the characteristics and properties of a product or service that affect its ability to satisfy expressed or implied needs (Kotler (2009). This definition is in line with the customer-centric approach that companies should take when producing products. According to Kotler and Armstrong (2006), a product is everything a company offers to the market to attract attention, acquisition, use, or consumption to satisfy a desire or need. Therefore, the quality of a product is essential in determining whether customers will be attracted to it or not.

A great product refers to the product's ability to effectively fulfill its properties. Companies need to keep in mind the needs of the target market, the amount of quality provided through competition, and patron preferences when determining the right stage for a great product. Balancing premium quality and price is critical to delivering products that meet customer expectations while remaining aggressive.

Delivering smart services of high quality to customers is thought essential for every organization, especially in light of the intense competition in today's corporate environment. For instance, providing exceptional service in the travel industry entails consistently meeting clients' expectations. This is because it is one of the best ways to strengthen competitive advantage and enhance organizational performance. According to Tsoukatos and Mastrojianni (2010), customers

can determine the comparative service quality by relating the firm's definite service performance to their expectations. Due to this, there have recently emerged gaps between the organization's services and what customers anticipate from them.

The aggregate of a substance or service's qualities and features which impact the ability to comply with either clear or implicit requirements is referred to as quality, according to Kotler et al. (2002). As stated by Kotler (2003), quality should begin with the prospects of consumers or passengers and end with how those passengers perceive it. This demonstrates that the categorization of good quality perception is based on the perception of the passenger, not the perspective of the service provider. As consequently, the passenger's condemnation of service quality provides detailed evaluations of a service's rewards.

### **2.1.2 Characteristics of service**

Service quality has been a topic of interest for researchers, and numerous definitions have emerged. According to Eshghi et al. (2008), provider satisfaction refers to the overall assessment of a provider by way of the customer. This evaluation takes into consideration various components of the provider reveal and affects consumer satisfaction.

Defining provider service is crucial for agencies as it enables them to deliver tremendous services and enhance consumer satisfaction, as emphasized with the aid of Ghylin et al. (2008). Understanding what constitutes high quality within the context of offerings is crucial for corporations to fulfill purchaser expectancies successfully.

Services possess specific traits that differentiate them from tangible merchandise, along with intangibility, heterogeneity, and inseparability, as cited with the aid of Ladhari (2008). Intangibility manner that services can't be visible or touched like bodily goods. Heterogeneity refers to the variability in service delivery because of the involvement of human elements and the absence of standardization. Inseparability highlights the simultaneous manufacturing and consumption of offerings, indicating that clients are frequently present throughout the service delivery system.

## **Intangibility**

Customers can assess the quality of services by their personal experiences because they are classified as an intangible process (Kandampully, 2002). By integrating this idea of service utilizing the incorporeal characteristics of physical immateriality, psychological intangibility, and multiplicity, Lovelock and Gummenson (2004) went one step further. Being intangible in the real world According to Gummesson and Lovelock (2004), the ubiquity dimension of intangibility is known as accessibility or inaccessibility, and the degree of image is known as mental intangibility. Therefore, intangibility demands that the consumer participate subjectively in the process of process evaluation.

## **Heterogeneity**

Heterogeneity is a crucial component of service delivery that businesses must consider to provide high-quality services. The skills of employees have a significant impact on how well services are delivered, especially when customers interact directly with them. This presents a challenge for businesses as it can lower the level of customer service quality. According to a study by **Zeithaml et al. (1993)**, effective businesses go above and beyond to ensure that their client contact staff with superior training in interpersonal talents and public relations. This is because employees who interact with customers must be exceptional problem solvers and frequently improve to deliver the highest quality of service due to their restricted access to other staff members. In addition, heterogeneity in service delivery refers to the various customer wants and expectations that employees or supervisors must meet during the production and delivery of services. This is because the production and delivery of services involve interactions between service providers and customers, which cause the nature of service delivery to differ (Schneider and White, 2004). In today's digital age, businesses must also consider the heterogeneity of customer preferences across different channels, devices, and touch points. A study by Accenture (2021) found that customers expect consistent, seamless experiences across all channels, and businesses that fail to deliver such experiences risk losing customers. Therefore, businesses must invest in Omni channel strategies that provide a unified customer experience across all channels.

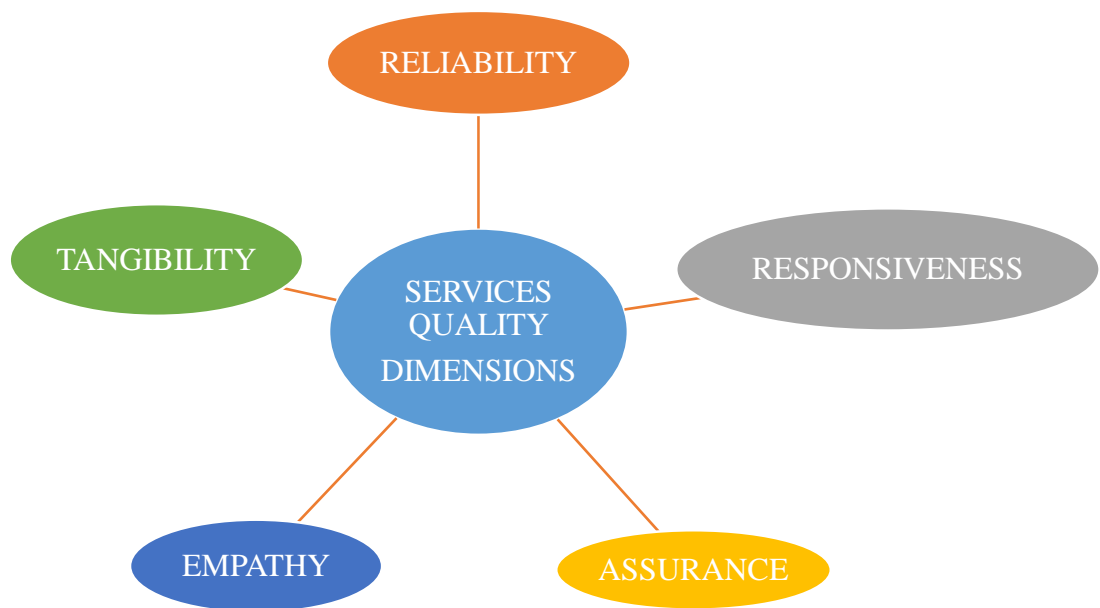
### **Inseparability**

The moment a service is provided because it is an intangible process is when it is experienced (Kotler, 2003). The inseparability of services is therefore a crucial component. According to Schneider and White (2004) spotlight that the nature of provider delivery varies due to the interactions among carrier companies and clients. Due to the inability to inventory empty seats for future use, airline managers must work diligently to ensure that none exist (Ibid). The revenue from an empty room cannot be recovered, thus hotel management must make every effort to fill them.

### **Perishability**

It is widely accepted services possess a perishable nature, distinguishing them from physical goods in that they cannot be stored or resold (Lusch&Vargo, 2014).. This makes it challenging for service providers to manage supply and demand and optimize resource utilization. Additionally, customers have unique needs and preferences and may not be satisfied if their expectations are not met (Hartman & Lindgren, 1993). By doing so, they can establish enduring relationships and foster customer loyalty (Lovelock &Wirtz, 2011).

### **2.1.3 Dimensions of service**



**Figure 1**Dimension of services Sources: Literature review

## **Reliability**

The dimension of reliability in pleasant service plays a vital function in maintaining the buyer's pride and acceptance as true with the closer to the service company. It serves to ensure that customers are satisfied with the services provided with the help of the employer. As highlighted with the help of Khan and Fasih (2014), reliability refers to the continued ability of a shipping company to provide a perceived exceptional service to its customers. This perception is similarly supported by Blery et al. (2009) who argue that reliability serves as a crucial element in consumer expectations of assembly and the fulfillment of their wishes.

Furthermore, the importance of reliability is emphasized through Abd-El-Salam et al. (2013) who state that it noticeably affects the general impression that clients form about the provider after consuming the service. This is because customers perceive reliability as a sign of the service company's commitment to meeting their needs. In addition, Kaura et al. (2012) emphasize that reliability is a key element in creating trust with clients and maintaining their long-term loyalty.

## **Responsiveness**

Perceived first-class controlled service and its impact on the organizational image of Ethiopian Airlines can be induced by the airline's responsiveness in addressing clients' wishes and solving problems in an active and efficient manner.

In today's fast-paced international environment, clients have excessive expectations in relation to the speed and efficiency of transport. They expect quick responses and solutions to their problems. Sensitivity as defined by Blery et al. (2009), refers back to the ability of shipping carriers to directly respond and definitively clarify consumer issues within a certain time frame. It is an important detail of provider quality that is perceived through the interaction between providers and clients.

The human detail of the excellent carrier plays a vital role in shaping the perception of responsiveness. He specializes in how airline personnel handle consumer requests, inquiries, litigation and issues. Factors along with reliability, availability and commitment of people to their work contribute to the perceived responsiveness of an airline. Customers respect and reward service providers who demonstrate an excessive level of responsiveness in dealing with their wishes.

Advances in fact-making have greatly changed the way carriers deal with their clients. The uses of e-mails, websites and customer service interfaces have substantially advanced the response of service companies, including airlines such as Ethiopian Airlines (Kaura et al., 2012). These technological devices enable faster conversation and facilitate green processing of requests and management of patrons. Customers can seamlessly connect with the airline through multiple digital channels, and the airline can respond immediately and improve the perceived responsiveness of the carrier.

Ethiopian Airlines' perceived ability to respond to customer needs and resolve issues within the available time can have an immediate impact on its organizational image. When customers enjoy convenient and efficient service, they are much more likely to perceive an airline as reliable, customer-oriented and truthful. Positive feedback stories contribute to customer satisfaction, loyalty and beneficial word-of-mouth referrals. On the other hand, if clients perceive the airline as unresponsive or slow in solving their problems, it can cause dissatisfaction, bad wording and a tarnished image of the organization.

### **Assurance**

Customers place significance on the know-how and competencies of service personnel in making sure effective carrier delivery. This aspect is the 1/3 determinant of service best. Demonstrating received information for the duration of provider provision helps set up trust and assures clients that representatives are performing their responsibilities professionally and ethically, as highlighted via Khan and Fasih (2014). However, not all clients own the information to completely examine the best and value of the carrier they get hold of. This is in which powerful conversation and private causes play an important role, as recommended by Naidoo (2014). By making use of the human's element of service excellent, as defined with the aid of Kaura et al. (2012), service carriers can ensure that clients apprehend and appreciate the value of the service and feel assured within the service they're receiving.

## **Empathy**

The quality of service is greatly enhanced by empathy, which enables organizations to effectively address the specific needs and problems of their clients (Khan & Fasih, 2014). It can be defined as personalized service that customers receive from service providers. According to Blery et al. (2009), empathy is the ability of a company to take responsibility for resolving the difficulties faced by their customers on both an individual and collective level. This means that service organizations should not only focus on addressing the problems faced by their customers but also consider the emotional aspect of their experience. Empathy indicates that each customer is unique and valuable to the business.

## **Tangibility**

Tangibles are an important aspect of service quality, as noted by Khan and Fasih (2014). According to researchers, tangibles refer to things that can be perceived by touch or that have a visible existence. ICT, company employees, tools, and visible facilities that are part of the service delivery experience are all examples of tangibles. However, the application of these tangibles by service providers can vary greatly as noted by Blery et al. (2009), and the perception and experience of end-users may also differ. This emphasizes the significance of comprehending how tangibles are used in service delivery and how they are perceived by customers. Tangibility plays a crucial role in developing strong, positive, and inspiring customer associations and experiences through proprietary assets, as stated by Naidoo (2014).

### **2.1.4. SERVQUAL Model**

The American marketing gurus Valarie Zeithaml, A. Parasuraman, and Leonard Berry created the SERVQUAL Model of Service Quality in 1988. his model is used to gauge and measure the level of customer service provided.

Five (5) generic dimensions or factors of the SERVQUAL model are stated below:

- ❖ Tangibles: - Architectural infrastructure, tools, and employee's demeanor
- ❖ Reliability: - capability to execute the offered service consistently and with precision.
- ❖ Responsiveness: - Desire to serve customers by offering rapid service.

- ❖ Assurance: - Assurance is a specialty of the competence, professionalism, and trustworthiness of employees. It consists of their potential to deliver self-belief and build consider with clients.
- ❖ Empathy: - The Company's consumers obtain attentive and personalized care.

### **2.1.6 AIRQUAL model**

In the competitive airline industry, excellent airline offerings play a vital role in determining the survival and achievement of airlines, along with Egypt Air. Several research has identified diverse traits of splendid airline services. Some of these factors consist of worker service, onboard carrier, safety and dependability, flight availability, timetable, on-time performance, frequent flyer applications, airport carrier, ticket price, and airline image.

Chen and Chang (2005) have highlighted that each floor carrier trait (including flight schedules and reservation team of workers) and in-flight carrier traits (consisting of seat comfort and handling of passenger lawsuits by using the group) substantially contribute to the overall service fine of the airline industry.

The SERVQUAL model, which measures service first-rate, has additionally been expanded and applied within the aviation quarter. Nadiri et al. (2005) developed the AIRQUAL version based totally on the SERVQUAL dimensions, along with workforce, empathy, photographs, and tangibles on the airport and at the aircraft.

Park et al. (2004) examined the effect of SERVQUAL dimensions, carrier expectation, provider perception, carrier fee, passenger delight, and airline picture on passengers' intentions. Pakdil and Aydin (2007) used weighted SERVQUAL scores to evaluate passengers' expectancies of airline carrier high-quality, such as personnel, tangibles, responsiveness, reliability and assurance, flight patterns, availability, picture, and empathy.

Due to criticisms of SERVQUAL as a procedure-based total evaluation, Bari et al. (2001) developed a brand new size scale known as AIRQUAL to evaluate airline providers. AIRQUAL includes five additives: airline tangibles, terminal tangibles, employees, empathy, and Image. The authors aimed to assess how properly airline passengers perceived the satisfaction of the service they obtained.

## **Airline tangibles**

When evaluating airline services, researchers have diagnosed numerous dimensions that play an essential position in determining passenger pleasure. Among those dimensions, one that stands proud is airline tangibles, which encompass different factors related to the bodily environment of the aircraft. According to research performed by Bari et al. (2001), Ekiz et al. (2006), and Nadiri et al. (2008), airline tangibles may be efficaciously measured by using assessing factors such as the aircraft's interior, the nice of in-flight catering, the cleanliness and luxury of the seats, and the performance of the air-conditioning machine.

These elements preserve significant sway over passengers' typical revel in and their perceptions of an airline's first-class. For example, a well-maintained plane is easy, with comfortable seats and an efficient air-conditioning system, contributing positively to the passengers' journey. On the other hand, a plane that is dirty, uncomfortable, and lacking proper air exceptional can lead to dissatisfaction amongst passengers and result in poor critiques.

## **Terminal tangibles**

### **Terminal Tangibles: Shaping the Airport Service Quality Experience**

When it comes to evaluating airport service quality, an important factor to consider is what researchers refer to as "terminal tangibles" (Bari et al., 2001; Ekiz et al., 2006; Nadiri et al., 2008). Terminal tangibles constitute the second dimension of the AIRQUAL device used for measuring airport service quality, focusing specifically on factors relevant to airports. These factors encompass a wide range of elements that significantly contribute to the overall passenger experience within the airport environment.

Within the dimension of terminal tangibles, several factors play a role. These factors include the size of the airport, the effectiveness of signage throughout the airport, and the availability of trolleys for passenger use. Additionally, other elements considered within this dimension include the efficiency of the security management system, the appearance of staff uniforms, and the comfort level of the waiting areas. These elements play a crucial role in shaping passengers' overall perceptions of the airport and the quality of its services.

For example, an airport that lacks clear and efficient signage can lead to frustration and confusion among travelers, while a lack of available trolleys can make it difficult for passengers to transport their luggage smoothly. Similarly, an uncomfortable waiting area can contribute to a negative perception of the airport as a whole.

Research conducted by Bari et al. (2001), Ekiz et al. (2006), and Nadiri et al. (2008) underscores the importance of terminal tangibles in determining the overall service quality of an airport. These studies highlight that factors such as the availability of trolleys, the size of the airport, the effectiveness of the security management system, and the comfort level of the waiting areas significantly impact passengers' perceptions of the airport's service quality.

### **Personnel**

Bari et al. (2001), Ekiz et al. (2006), and Nadiri et al. (2005) have conducted numerous studies examining the impact of the personnel size on passengers' satisfaction with their overall airline experience. The personnel size, which constitutes the third dimension of AIRQUAL, evaluates the performance of airline personnel in terms of their behavior, knowledge, personal attention to passengers, and the accuracy of ticketing and reservation systems. This dimension plays a crucial role in determining the quality of service provided by airline employees, thereby significantly influencing passengers' overall satisfaction.

### **Empathy**

The fourth measurement of AIRQUAL, known as "empathy," is an important factor in evaluating the first-rate of provider prolonged to passengers. This size encompasses factors along with well-timed departures and arrivals, transportation services between cities and airports, interest given to passengers' baggage, locations of airline organization workplaces, and the number of flights offered to fulfill passenger demands. Numerous studies have been carried out to have a look at the effect of this dimension on passengers' satisfaction with their universal airline revel in. Results from those researches have constantly indicated that the empathy measurement appreciably affects passengers' satisfaction stages (Bari et al., 2001; Ekiz et al., 2006; Nadiri et al., 2005).

## **Image**

The component of the image is essential for determining the quality of airline services. It includes various factors such as the availability of low-cost tickets, the consistency of ticket prices with the service offered, and the reputation of the airline company. The AIRQUAL scale, which was utilized by Ekiz et al. (2006) and Nadiri et al. (2008) to measure passenger satisfaction and happiness, revealed that a higher level of airline service quality had a statistically significant effect on passenger satisfaction (Ekiz et al., 2006; Nadiri et al., 2008). Furthermore, Nadiri et al. (2008) reported that the AIRQUAL scale's assessment of airline service quality had a substantial positive effect on passengers' behavioral aspects of happiness. These findings emphasize the importance of image in determining airline service quality and its influence on passenger satisfaction and happiness. Airlines can strive to provide a better customer experience and gain a competitive edge in the market by concentrating on this component.

## **Airline services quality parameters**

### **Frequency and Timings**

In quick-haul markets, the frequency and timings of flights play a critical function, especially for business vacationers. The percentage of flight frequency that an airline holds on a particular path tends to strongly correlate with the marketplace proportion it could capture. However, it is no longer just about the frequency of flights. The timing of the flights additionally will become an important consideration. Having an excessive frequency of flights is of little use if they're concentrated only on weekends or for duration of intervals inside the middle of the day when business travelers won't discover them handy (Shwan, 2007).

### **Punctuality**

Punctuality is another critical element highlighted by Shwan (2007). Being punctual with flights is of apparent and critical significance to business tourists. Flight delays can cause inconvenience, neglected appointments, and doubtlessly result in a lack of customers. An airline that continuously struggles with punctuality issues will discover it difficult to attract an extensive proportion of the enterprise tour market. A terrible punctuality reputation can be a tremendous handicap for an airline's success in this market phase.

### **Airport Location and Access**

Shwan (2007) also mentions that on quick-haul routes, passengers tend to choose a provider from a local and easily handy airport in place of touring to an extra remote hub. The proximity and accessibility of the airport play a tremendous position in the decision-making procedure for passengers. This choice for nearby and without difficulty, positioned airports; is driven with the aid of the preference for comfort, time financial savings, and a greater seamless journey revel in. Choosing an airport that is closer to their starting place or vacation spot allows passengers to minimize journey time and logistics, making their typical journey extra green and exciting.

### **Seat Accessibility/Ticket Flexibility**

Shwan (2007) emphasizes the importance of seat accessibility in the aviation industry, particularly for business travelers. Seat accessibility refers to the likelihood of a passenger being able to secure a seat on a flight quickly before its scheduled departure. This factor becomes crucial in situations where a business trip is required in response to an unforeseen crisis, necessitating last-minute travel on the next available flight. It can also be relevant when a previously booked flight needs to be canceled due to a change in plans, requiring the passenger to rebook on an earlier or later flight. In such cases, it is vital that the passenger's ticket is flexible, allowing for changes, and that seats are available close to the departure time on alternative flights.

For business travelers, a high frequency of flights on a particular route may not be beneficial if all the flights are fully booked days or weeks in advance. Therefore, airlines need to consider seat availability and provide flexibility in ticketing options. Moreover, many business travelers expect the flexibility to not show up for a flight and be rebooked on a later one without facing any penalties. This flexibility in ticketing and seat availability is essential for meeting the needs and preferences of business travelers (Shwan, 2007).

### **2.1.7 Organizational image**

In the case of Ethiopian Airlines, the perceived checked provider fine at once pertains to the idea of organizational image discussed in "Image Is Everything" employing Gioia, Hamilton, and Patvardhan (2014) and different applicable literature on the subject.

Organizational image, as described in the literature, refers to the notion or impact that outside stakeholders have on an organization. It displays how the corporation is perceived through clients, media, politicians, providers, NGOs, and other applicable parties. In the context of Ethiopian Airlines, the perceived checked carrier pleasant substantially contributes to shaping the outside organizational image of the airline.

When passengers enjoy excessive degrees of provider high-quality in the course of the check-in system, it undoubtedly affects their perception of the airline's ordinary image. Efficient, accurate, and customer-oriented take look at-in techniques create a tremendous impact on professionalism, reliability, and customer service. On the other hand, negative studies throughout check-in can lead to a poor organizational image and a negative notion of the airline's logo and popularity.

The studies' traditions and discussions surrounding organizational image spotlight its importance for constructing and handling stakeholder relationships, setting up organizational legitimacy, and developing an awesome logo function. An effective external organizational image is vital for Ethiopian Airlines to attract and hold clients, preserve an aggressive gain, and improve its stakeholder relationships.

The concept of corporate image (CI) is also relevant to expertise in the connection between perceived checked provider fine and organizational picture. CI represents the general effect that the public has on an organization. In the case of Ethiopian Airlines, the perceived checked carrier exceptional contributes to the tangible final results of stakeholders' feelings, minds, interactions, and perceptions of the airline. Positive studies throughout check-in shape the favorable corporate associations and impressions that customers have of the airline.

The paper highlights the importance of cultivating a positive impression among clients, who are important outside stakeholders for any commercial enterprise. Ethiopian Airlines must prioritize the established order and renovation of a high-quality image to construct a robust brand role and improve stakeholder relationships. This includes continuously improving and innovating the test-

in processes, making an investment in staff education, imposing green technologies, and actively tracking consumer comments to deal with any troubles promptly.

**Table 2: The Corporate Character Scale: Dimensions, Facets and Items**

<i>Dimension</i>	<i>Facet</i>	<i>Item</i>
Agreeableness	Warmth	Friendly, pleasant, open, straightforward
	Empathy	Concerned, reassuring, supportive, agreeable
Enterprise	Integrity	Honest, sincere, trustworthy, socially responsible
	Modernity	Cool, trendy, young
Competence	Adventure	Imaginative, up-to-date, exciting, innovative
	Boldness	Extrovert, daring
	Conscientiousness	Reliable, secure, hardworking
Chic	Drive	Ambitious, achievement oriented, leading
	Technocracy	Technical, corporate
	Elegance	Charming, stylish, elegant
Ruthlessness	Prestige	Prestigious, exclusive, refined
	Snobbery	Snobby, elitist
	Egotism	Arrogant, aggressive, selfish
Informality	Dominance	Inward-looking, authoritarian, controlling
	None	Casual, simple, easy-going
Machismo	None	Masculine, tough, rugged

**Table 1 the corporate charter scale Source: Davis et al 2004**

### **Agreeableness**

The importance of agreeableness in branding and reputation literature cannot be overstated, as it highlights trust and social responsibility. The issue of whether commercial organizations should prioritize social responsibility over their primary economic role of generating returns for shareholders has been debated for a long time. Nevertheless, it is widely acknowledged that being perceived as socially responsible can improve an organization's reputation and foster trust among customers and stakeholders. This is particularly relevant in today's business environment, where consumers are more aware of the social and environmental impact of the organizations they interact with.

Several studies have demonstrated that being perceived as socially responsible can positively affect customer satisfaction and loyalty (Dawkins & Ngunjiri, 2008; Sen & Bhattacharya, 2001). As a result, social responsibility is no longer an optional feature for profit-driven organizations, but a crucial aspect of corporate identity that can help establish the intangible asset that is a reputation.

Furthermore, agreeableness is not only a critical aspect of corporate character but also of human personality. The similarity between the dimensions identified for organizations and individuals implies that hiring customer-facing employees with a high agreeableness score can assist

organizations in appearing more agreeable and socially responsible (Barrick & Mount, 1991; Judge & Bono, 2001).

### **Enterprise**

Researchers have been interested in the correlation between personality traits and organizational behavior for many years. Extroversion, in particular, has been linked to organizational behavior as a dimension. In the context of organizations, Extroversion is often associated with the Enterprise dimension, which is characterized by innovation, excitement, and a positive corporate reputation (Bhattacharya et al., 2008).

Interestingly, the Enterprise dimension is often associated with organizations that are seen as 'young'. This association is reflected in the modernity facet, which includes items like 'cool and trendy'. From this, it can be inferred that organizations that aim to be seen as enterprising should consider hiring younger-looking staff to interact with their customers. However, this raises crucial issues of equal opportunities and ageism at work.

Ageism refers to discrimination that occurs when individuals are treated unfairly because of their age. This form of discrimination can have negative effects on both individuals and organizations. For instance, older workers may feel undervalued and less motivated, leading to reduced productivity and increased turnover. On the other hand, younger workers may feel that they are being hired primarily for their appearance rather than their abilities, which can also lead to demotivation and reduced productivity.

To avoid ageism and promote equal opportunities at work, organizations should focus on hiring based on skills and abilities, not age or appearance. This approach will not only create a more diverse and inclusive workplace but will also enable the organization to attract and retain the best talent

### **Competence**

The dimension of Competence has been extensively examined in the branding literature. In 1997, Aaker recognized this dimension as a crucial aspect of brand personality, and subsequent research has affirmed its importance in both corporate and product branding contexts (BerBergkvist&Bech-Larsen 2010).

Bergkvist and Bech-Larsen's (2010) research revealed that Competence was the second most advantageous dimension in elucidating staff and customer satisfaction. This underscores the significance of organizations thoughtfully considering the Competence dimension when managing both their corporate reputation and product imagery.

Furthermore, recent studies have discovered that competence is particularly critical in the context of service brands, in which customers frequently rely on the expertise and capabilities of the service provider (Liu et al., 2020). This further highlights the necessity for companies to effectively portray competence in their branding endeavors.

### **Chic**

The Chic dimension, which is part of Aaker's product branding scale, shares similarities with the Sophistication dimension. However, some survey respondents viewed the 'feminine' attribute in Aaker's scale as sexist and it did not fit within any factor defined in the Chic dimension. Despite this issue, it is probable that both the Chic and Sophistication measures have similar underlying concepts.

In the context of organizations, the Chic dimension emphasizes prestige. Both employees and customers value their association with a prestigious company, but there is a risk of snobbishness. Organizations should be careful not to focus too heavily on Chicness in their reputation management, as this could turn away potential employees and customers who do not want to be seen as snobbish.

It is important for organizations to strike a balance between prestige and snobbishness when projecting their Chicness. According to Aaker (1997), "a brand that is seen as chic and sophisticated, but also conveys a sense of warmth, can be very successful." Therefore, companies should aim to project their Chicness in a way that is attractive and inclusive to all potential stakeholders.

### **Ruthless**

Understanding how businesses operate and interact with their employees and customers requires an understanding of the concept of corporate character. One aspect of corporate character that has been identified is ruthlessness, which is characterized by an inward-looking and controlling

approach. This approach limits employee autonomy and creates a regimented shopping experience for customers.

According to a study, hiring more agreeable employees does not necessarily improve a company's reputation for being ruthless, as ruthlessness and agreeableness are two distinct dimensions of corporate character. The study identified ruthlessness as the only negatively balanced dimension, which correlates negatively with both staff and customer satisfaction, but more strongly with staff satisfaction. This finding supports previous work in the organizational behavior literature, particularly in the concept of organizational totalitarianism and the reputation literature.

Despite this, the branding literature appears to ignore the concept of ruthlessness, as brands generally do not promote this idea. Instead, brand imagery is largely dependent on company-controlled promotional campaigns. Thus, for both customers and employees, the experience of interacting with an organization is more relevant than the brand imagery.

Inward-looking, which is the opposite of extraversion in human personality, is another significant aspect of corporate character. In the context of an organization, high scores on both inward-looking and ruthlessness are often associated with the way individual managers behave towards employees. On the other hand, customers tend to focus more on examples of undesirable behavior exhibited by customer-facing employees.

### **Machismo and informality**

In a study conducted by Aaker in 1997, stakeholders identified machismo and informality as relevant components of corporate character. While machismo did not emerge as a distinct factor, it still represents a style of organization that is harsh with both staff and customers. In contrast, informality signifies a more relaxed and casual organizational culture that allows for free interactions between employees and customers.

It is important to report these minor factors because they may be significant in certain contexts or specific cases. The identification of different dimensions of brand personality in different cultures highlights the importance of considering cultural context when examining corporate character.

The concept of corporate character is still relatively new and requires further research to fully understand its dimensions and implications. Nonetheless, this study provides a valuable foundation

for future research in this field. Stakeholders in a 1997 study conducted by Aaker identified the dimensions of machismo and informality as relevant components of corporate character. Although machismo was not a clear factor in the study, it represents a style of organization that is tough with both employees and customers. Informality, on the other hand, suggests a more casual and relaxed organizational culture, where interactions between employees and customers are not bound by rules and there is greater freedom in dress and behavior.

It is important to report these minor factors, as they may prove to be significant in certain contexts or specific cases. Different cultures have identified various dimensions of brand personality, and this emphasizes the need to consider cultural context when examining corporate character.

### **2.1.8 The relationship between Customer service quality and Organizational image**

The connection between service quality and behavioral intents such as loyalty, revisit intention, and Referral is thought to influence corporate image. For instance, Lai et al. (2009) discovered that improved service quality considerably boosts a company's reputation, which in turn boosts consumers' behavior. A corporate image should have a strong favorable impact on revisit, according to previous studies.

## **2.2 Empirical Literature**

Most studies on service quality in various organizations use the five-dimensional SERVQUAL measuring tools (Parasuraman et al. 1985, 1988). These studies were primarily concerned with the airline industry, using the AIRQUAL Model that is developed for the airline industry and the researcher reviewed some empirical studies in the field using the AIRQUAL Model, as follows:

In 2021, Admassu Moges conducted a research study called "Evaluation of Service Quality in Aviation Industry Using AIRQUAL Model: The Case of Ethiopian Airlines Passenger Service" to investigate the relationship between service quality and customer satisfaction in Ethiopian Airlines by using the AIRQUAL model. The study received a high response rate of 95% with 404 questionnaires distributed and 385 properly filled. The study used a quantitative research approach with both descriptive and explanatory research designs. The study also conducted a regression analysis and found that all explanatory variables, including terminal tangibility, empathy, image,

personnel, and airline tangibility had a positive and statistically significant impact on customer satisfaction. However, the study also found that personnel, one of the independent variables, had a significant negative effect on customer satisfaction. The study concluded that Ethiopian Airlines is satisfied with its service, and recommended the airline to consider inclusive infotainment opportunities, including Braille. The study also concluded that terminal tangibility had the most significant positive impact on customer satisfaction, followed by empathy and image, while personnel had a significant negative effect on customer satisfaction. Similarly, Hussein Abdel used the AIRQUAL model to assess the satisfaction level of passengers with the quality of services provided by airlines. The study used a well-structured questionnaire to collect data on the quality of service provided by the airline. The study found that improving customer service is essential for improving airline reputation and customer loyalty.

A study titled "The Relationship between Airlines' Corporate Image and the Expectation towards Inflight Hospitality Services," conducted by Azmi, Ahmad, Ehsaneh N.M., and Amin Khakizade in 2013 presents empirical evidence of the significance of an airline's corporate image on passengers' expectations of in-flight hospitality. The research aimed to demonstrate how financial and managerial corporate image dimensions' impact passengers' expectations for airline hospitality. The survey was conducted at Kuala Lumpur International Airport (KLIA), where 546 passengers participated in a questionnaire. The study utilized Partial least squares (PLS) as the primary statistical analysis technique to evaluate the hypotheses. The findings of the research showed that only the managerial corporate image dimension had a strong positive correlation with passengers' expectations of airline hospitality, out of the two corporate image dimensions analyzed.

In 2010, Otto Koskela conducted a study on the corporate image of Posiva. The research aimed to determine the relationship between corporate identity, personality, image, and reputation, and how these factors affect stakeholders' perception of a company. The study used an online questionnaire to gather data from 450 students from Satakunta University of Applied Sciences and Tampere University of Technology, as well as 43 municipal councilors who responded to a modified questionnaire. Ten people, including six students and four councilors, were also interviewed using semi-structured interviews. The study utilized the Davis et al model to measure Posiva's external image. The results showed that Posiva was relatively unknown among university students, with

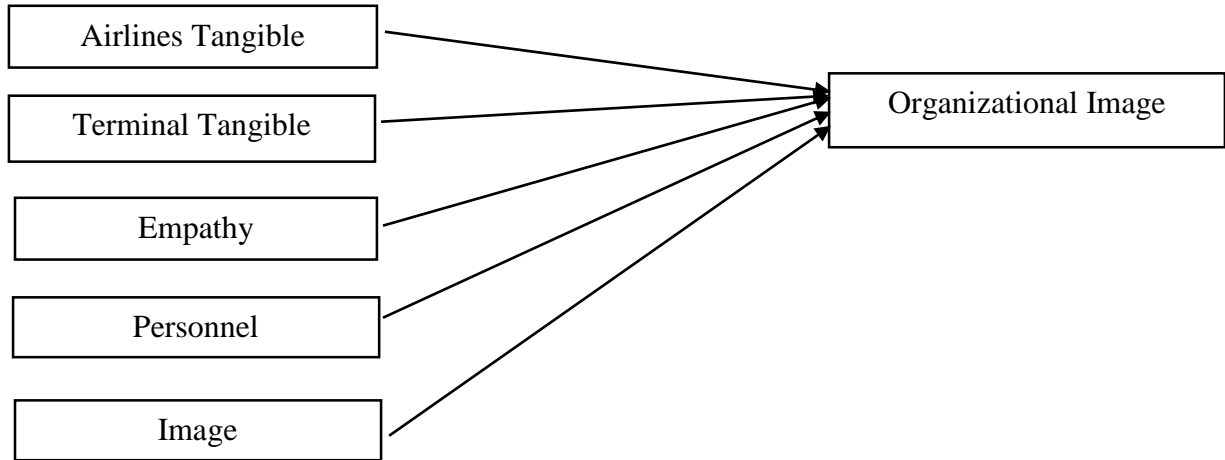
only a small minority having a clear image of the company. However, among municipal councilors, the company was more recognizable, with a mostly positive image. The study provided recommendations to Posiva, including the incorporation of social media in their communication strategy, closer collaboration with universities, and realigning their sponsoring and corporate advertising efforts towards student organizations and events. By following these recommendations, Posiva can enhance its visibility among young people and students.

## **2.3 Conceptual Framework**

This study's framework was created using the AIRQUAL model, which was settled by Bari et al. (2001), subsequently, the SERVQUAL model has more limitations for evaluating airline service quality, the researcher chose to use the AIRQUAL model instead, which is a very acceptable performance pointer of travelers' perceptions of organizations and the caliber of services provided by Ethiopian Airlines. This concept includes personnel, empathy, image, airline tangibles, and terminal tangibles. In order to address the problems with the current service quality, the AIRQUAL model was deployed. In this study, organizational image is the dependent variable, while the characteristics of service quality are considered as independent variable.

In the study by Davies et al. (2001), the Organizational Image Dependent Variable Framework was introduced. The authors noted that no widely accepted or standardized scale can be used to measure all corporate brands and their various stakeholders. Previous research has likened corporate image to human personality, as seen in studies by Spector (1961), Davis et al. (2003), and Slaughter et al. (2004). While each of these authors developed their measurement scales, for this particular research, the Davis et al. (2003) scale was selected, due to its frequent use in various studies. The scale was designed to measure both internal and external perspectives of image and reputation, using dimensions such as Agreeableness, Enterprise, Competence, Chic, Ruthlessness, Informality, and Machismo. It was deemed more appropriate for the current study than the older Spector (1961) scale.

## AIRQUAL SERVICE QUALITY



**Figure 2 Conceptual Framework, Sources Researcher based on literature review**

### **Hypothesis**

The following hypothesis is developed from the conceptual framework.

- ❖ H1: - Airline tangible has a positive and significant effect on the organizational image of Ethiopian Airlines
  - Hypothesis 1 Airline tangible suggests that the tangible aspects of an airline, such as the physical facilities, equipment, and amenities, have a positive and significant impact on the overall organizational image of Ethiopian Airlines. This means that if Ethiopian Airlines invests in improving its tangible aspects, such as the quality and comfort of its planes, its airport facilities, and the services it provides, it will have a positive impact on how customers perceive the airline and view it as a reputable and trustworthy organization. In essence, the hypothesis suggests that tangible aspects are an important factor in shaping the overall perception and image of Ethiopian Airlines.
- ❖ H2: - Terminal tangible has a positive and significant effect on the organizational image of Ethiopian Airlines.
  - Hypothesis 2 intends that terminal tangible factors, such as the quality of airport facilities and amenities, have a positive and significant effect on the organizational image of Ethiopian Airlines. This means that if Ethiopian Airlines provides good-quality airport facilities and amenities, it will improve the overall image of the airline.

- ❖ H3: -Personnel services have a positive and significant effect on the organizational image of Ethiopian Airlines
  - Hypothesis 3 suggests that personnel services, such as customer service, have a positive and significant effect on the organizational image of Ethiopian Airlines. This means that if Ethiopian Airlines provides good customer service, it will improve the overall image of the airline.
- ❖ H4: - Empathy has a positive and significant effect on the organizational image of Ethiopian Airlines
  - Hypothesis 4 proposes that empathy, such as understanding and responding to customer needs, has a positive and significant effect on the organizational image of Ethiopian Airlines. This means that if Ethiopian Airlines shows empathy towards its customers, it will improve the overall image of the airline.
- ❖ H5: - Image has a positive and significant effect on the organizational image of Ethiopian Airlines
  - Hypothesis (H5) suggests that image, which refers to the overall perception and reputation of Ethiopian Airlines, has a positive and significant effect on its organizational image. This means that if Ethiopian Airlines has a positive image and reputation, it will improve the overall image of the airline.

## **CHAPTER THREE**

### **3.0 Research Methodology**

According to Yin (Yin, 2009), the methodology was one of the crucial phases of the research process. The research methodology contained the study area and period, the research design and approach, the population of the study, sampling techniques, Sampling Size, and Sample Size Determination, Data Source and Method of Collection Data Collection instrument and measurement, Validity and Reliability, method of analysis and ethical consideration.

#### **3.1 Description of the study area and The Study Period**

This study was carried out within the Ethiopian Airlines Group. Ethiopian Airlines passengers were the primary focus of the study, which aimed to examine the quality of the provided customer service and how it affected the company's image. As a result, acquiring, recording, analyzing, and interpreting information were all steps in the research process. It emphasized information acquisition and responding to research questions (Wilson, 2014).

#### **3.2 Research Design and Approach**

##### **3.2.1 Research Approach**

To answer the different research questions, this research has adopted a quantitative approach.

##### **3.2.2 Type / design/ of Research**

According to Saunders et al. (2012), the researcher has applied a descripto-explanatory design, which blends descriptive and explanatory designs. To achieve the first research objective itemized in Chapter One descriptive design has been utilized and for the remaining specific study objectives, an Explanatory design has been used because it contributes to establishing a causal connection between the independent and dependent variables.

#### **3.3 Population of the study**

The population of the study targeted Ethiopian Airlines Group passengers. Respondents were selected from the waiting and arrival areas of Bole International Airport terminal, where international passengers were waiting for departure or arrival. Before distributing the questionnaire, respondents were asked whether they were passengers of Ethiopian Airlines, and this was also confirmed through digital platforms.

### 3.4. Sampling Technique

The study focused on the impact of customer service quality on the overall image of Ethiopian Airlines. The passengers of Ethiopian Airlines were the target population for this research. Since it was not possible to meet all the passengers, a non-probable sampling design was used. Due to the vast number of people in the entire population, the sample respondents were selected through a convenience sampling technique. According to Kothari (2004), convenience sampling is a method in which a demographic factor is selected for inclusion in a sample based on accessibility. Similarly, non-probable sampling is a technique in which a sample is obtained from a section of the study population that is close by or convenient (Bhattacharjee, 2012).

### 3.5. Sampling Size and Sample Size Determination

Ethiopian Airlines had 133 international passenger and cargo destinations as of June 2023, including 63 African cities with daily and multiple flights requiring little to no layover in Addis. However, at the time the research was being conducted, it was difficult to show the total number of passengers because once they had used the service, they may not have returned. For calculating sample size when the population is infinite, according to Cochran (1977), the population had to be bigger than 50,000. As a result, the researcher had applied the formula below:

$$N_o = \frac{z^2 pq}{E^2}$$

- ❖ n = the sample size
- ❖ Z = the z-score corresponding to the desired confidence level (e.g., Z = 1.96 for a 95% confidence level)
- ❖ p = the estimated proportion of the population with the characteristic of interest. The maximum variability is 50% is 0.5
- ❖ q = 1 - p
- ❖ ε = the desired margin of error (0.05)

$$N_o = \frac{(1.96)^2 (0.5) (1-0.5)}{(0.05)^2} = 384$$

Therefore, sample size for this study is **384**

### **3.6. Data Source and Method of Collection**

#### **3.6.1. Source and Types of data**

The study used both primary and secondary data, with primary data addressing the majority of the research questions. The data was structured by conducting our own survey, and secondary data was received from Ethiopian Airlines Group.

#### **3.6.2. Data Collection Methods**

The secondary data was collected from records about international passengers of Ethiopian Airlines. As a result, several documents that had been distributed online and published on the Ethiopian Airlines website were scrutinized. A structured questionnaire was used for the collection of primary data, which was administered both digitally by using Google Forms and in person for the selected international passengers on Ethiopian Airlines. The questionnaire had three phases, namely Part I, II, and III. Part I consisted of general information about the respondents, Part II focused on the current customer service quality, and Part III focused on its effect on organizational image. The questionnaire used for this study was closed-ended, with the Likert scale measurement.

### **3.7 Data Collection instrument and measurement**

Data has been collected using a survey questionnaire adapted from Bari et al. (2001), Abd-El-Salam, E. M. Shawky, A. Y., & El-Nahas, T. (2013), and Davies (2003) et al. Davis et al scale was developed to measure internal and external perspectives of image and reputation and for this study, it has been used to measure the external image of the Ethiopian Airlines group Koskela, Otto, 2010. The nature of descriptive research is compelling. This means that a descriptive study contains measurable information that may be utilized to draw statistical conclusions about the target audience through data analysis. As a result, this style of research employs closed-ended questions. Both the independent and dependent variables will be measured using a 5-point Likert scale (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Disagree). It is a prominent rating scale that enables respondents to indicate their level of agreement or disagreement with a series of statements or questions (Zikmund, 2013). This rating scale is simple to create and administer, and responders quickly grasp how to use it.

Part I: In the first part, the demographic variable has been collected with closed-ended questions.

Part II: In the Second part, it has been measured the independent variables of Customer Service Quality closed-ended questions.

No.	Customer service quality dimensions	Variable	No of questions
1	Airlines Tangible	<ul style="list-style-type: none"> <li>❖ Cleanness,</li> <li>❖ Safety,</li> <li>❖ Meal standardization,</li> <li>❖ Conformability of seat,</li> <li>❖ Entertainment availability,</li> <li>❖ Air conditioning</li> </ul>	6
2	Terminal Tangible	<ul style="list-style-type: none"> <li>❖ Adequate number of stores,</li> <li>❖ Attire appealing,</li> <li>❖ Baggage handling</li> <li>❖ Impairments handling,</li> <li>❖ Adequate system,</li> <li>❖ Availability trolleys,</li> <li>❖ Signage system is well</li> <li>❖ Designed, availability of space and cleanliness</li> </ul>	11
3	Personnel Service	<ul style="list-style-type: none"> <li>❖ Alternative response,</li> <li>❖ Compassionate,</li> <li>❖ Courteous and willingness,</li> <li>❖ Attentive care, patient, self</li> <li>❖ Assurance,</li> <li>❖ Excelling services</li> </ul>	6
4	Empathy	<ul style="list-style-type: none"> <li>❖ Schedule,</li> <li>❖ Connectivity,</li> </ul>	8

		<ul style="list-style-type: none"> <li>❖ Care use of luggage,</li> <li>❖ Frequency,</li> <li>❖ Availability,</li> <li>❖ No of flights,</li> <li>❖ Ease of use and</li> <li>❖ Handling of injuries</li> </ul>	
5	Image	<ul style="list-style-type: none"> <li>❖ Reputation,</li> <li>❖ Cost-effectiveness,</li> <li>❖ Fairness</li> </ul>	4

**Table 2 Measurement Scale**

Part III. During the third part, the dependent variable of organizational image was measured through a set of closed-ended questions. These questions included 13 items that corresponded to the seven dimensions outlined by Davies (2003) et al. The scale utilized in this study operationalized these dimensions, which included agreeableness (measuring traits such as trustworthiness, honesty, and supportiveness), enterprise (measuring the organization's innovativeness), and competencies (measuring the organization's leadership skills). Additionally, responsiveness, going the extra mile, and recommendations relied on the remaining dimensions.

### **3.8 Validity Analysis**

Validity in research pertains to the accuracy of an instrument in measuring its intended purpose. To gauge the precision of the measures on the data, validity checks are conducted through content validity, criterion-related validity, and construct validity. It also addresses whether the research accurately measures what it purports to measure without any prejudice or distortion. The attributes were extracted from relevant literature to ascertain the questionnaire's validity. The questionnaire was based on an adapted model, cross-checked with previous related studies, and reviewed by a group of friends and academicians. The tools were generally developed based on the literature review, and the researcher utilized content validity in this study to analyze the extent to which the instrument provided sufficient coverage of the subject under study in the survey items. The final version of the tools incorporated all approved comments.

### 3.9 Reliability Analysis

Assessment of data quality was done through reliability tests. These tests were used to determine if the measurement objects were consistent (Cerri, 2012). To measure the reliability of data used in SPSS software version 24, Cronbach Alpha was employed in this study. To test the internal consistency of variables in the research instrument, Cronbach's alpha coefficient was calculated. For this study, a Cronbach's alpha score of 0.970 or higher was considered adequate to determine reliability. The reliability of the scale for further analysis was indicated by a coefficient alpha of 0.970 in this study.

No	Description the title of the questionnaire	Number of items	Cronbach's Alpha
1	Airlines Tangible	6	0.934
2	Terminal Tangible	11	0.974
3	Personnel	6	0.984
4	Empathy	8	0.984
5	Image	4	0.975
6	Organizational image	13	0.974
7	Overall reliability	48	0.970833

**Table 3 Reliability analysis**

### 3.10. Method of data analysis

The analysis was categorized into two parts. The study primarily employed a descripto-explanatory model, which included both descriptive and explanatory designs, as well as data from primary and secondary sources. Descriptive analysis was utilized in the initial part of the analysis to understand the goal of the first research question; this part analyzed customers' perceptions of service quality.

The level of customer service provided and its impact on the organization's image were evaluated in the second part of the study. Additionally, the relationship between the independent and dependent variables was analyzed for the remaining research questions. To ensure the accuracy of the analysis, multiple linear regression analysis was conducted using SPSS version 26, and all necessary tests were performed.

For the second part analysis, the general multiple regression model is assumed as follows;

$$Y_i = \beta_0 + \beta_1 X_{1i} + \beta_2 X_{2i} + \dots + \beta_n X_{ni} + E_i$$

Where:  $Y_i$  is the dependent variable for  $i^{\text{th}}$  observation;

$X_i$  is the independent variable for  $i^{\text{th}}$  observation;

$B_0$  is the intercept;  $\beta_n$  are regression coefficients; and  $e_i$  is the error term for  $i^{\text{th}}$  observation. The multiple regressions will be conducted with the model indicated below. Based on the conceptual framework, the regression equation will be as follows;

$$ETGOI = \beta_0 + \beta_1AT + \beta_2TT + \beta_3PS + \beta_4EY + \beta_5IG + e_i$$

Where:

**Dependent variables:**

OI= Organizational image of Ethiopian Airlines

**Independent Variables:** AIRQUAL model of service quality dimension as follows;

AT= Airline tangible of service quality dimension in Ethiopian Airlines Group

TT= Terminal tangible of service quality dimension in Ethiopian Airlines Group

PS= Personnel services of service quality dimension in Ethiopian Airlines Group

EY= Empathy of service quality dimension in Ethiopian Airlines Group

IG= Image of service quality dimension in Ethiopian Airlines Group

### **3.11. Ethical Consideration**

The research work has given full consideration to ethical principles, including the right to choose, the right to safety, the right to be informed, the right to privacy, and confidentiality. The Department of Management at Addis Ababa University Faculty of Business and Economics has set ethical guidelines that this study followed. Ethiopian Airlines passengers were approached by the researcher through a questionnaire, and each participant gave their permission. To protect the confidentiality of the information provided by the respondents, they were instructed not to include their names in the questionnaire. The respondents were assured that their responses would only be used for academic purposes and kept confidential.

## **CHAPTER FOUR**

### **ANALYSIS, DISCUSSION AND INTERPRETATION**

#### **4.1. Introduction**

The analysis section is comprised of three significant parts. The initial segment focuses on a descriptive examination of the present perception of the quality of customer services. The following two parts respectively display the linear and causal connections between the dependent and independent variables.

#### **4.2. Demographic Information on respondent**

The demographic information of the respondents pertains to their gender, age, educational background, reason for flight, mode of purchasing air tickets, and preferred class for air travel. Graphical representation is used to present the data related to the demographic information of the respondents. A total of 288 respondents completed the 384-questionnaire. Of these, 179 or 62% were female, while 109 or 38% were male.

##### **AGE of respondents**

The majority of the populace who participated in the survey, which is 148 (51% of the total respondents), were among the ages of 26 and 33 years. The least number of respondents, 80 (34-41%), were aged between 34 and 41 years. The remaining participants were either between the ages of 18 and 25 or above 50 years, with 56 (20%) and 4 (42-49) respondents respectively. Based on this analysis, it can be concluded that the majority of the respondents were young adults. Most of the respondents 148 (51%) were aged between 26- 33 years and the least of the respondents 80(34-41%) were at the age of 34-41 and the other respondents were at the age of 18-25 and above 50 age with a number of 56(20%) and 4(42-49) respectively. It can be inferred from the analysis that most of the participants belong to the youth.

### **Education qualification of the respondent**

Regarding the educational background of the respondents, 74% or 214 individuals held a Bachelor's Degree, while only 1%, or 4 individuals held a PhD. Additionally, 9% or 25 individuals had a high school education, and 16%, or 45 individuals held a Master's Degree.

### **Reason for flight**

In terms of reason for flight, most of the respondents was business travelers 131(45%), 112(39%) leisure, 19(7%), education and 26 (9%) were other travelers.

### **Round-trip flights**

The data shows that most respondents have traveled between 1-5 times, which accounts for 192 individuals or 67% of the total respondents. The next highest number of respondents, 49 individuals or 17%, have traveled between 6-10 times. The number of respondents who have traveled between 11-15 times was 23 individuals or 8%, and the number of respondents who have traveled more than 20 times was 24 individuals or 8%.

### **Yearly income of respondents**

The yearly income of the respondents is 65 (22%) less than 5000 and 23% above 20,000, then 5001-10,000\$ were 92 (32%), 10,001-15,000 20 (7%), and 15,001-20,000 46(16%).

### **Flight Class of respondents**

The flight class of respondents was 225(89%) economy class and 33(11%) business class

### **Flight booking of tickets**

According to the data from the respondent majority purchase their ticket online 167 (58%), from Ethiopian Airlines ticket offices 46 (16%), from travel agencies 71 (25%), and 4 other platforms.

### **Airlines respondents fly regularly**

The majority of the respondents fly with Ethiopian Airlines 238(82%), 20(7%) Turkish airlines, emirates takes 5 (2%) and 25 (9%) other.

Demographic information	Category	Frequency	Percentage
SEX	MALE	109	38
	FEMAE	179	62
AGE	18-25	56	20
	26-33	148	51
	34-41	80	28
	42-49	4	1
Education qualification	High school complete	25	9
	Diploma	-	-
	Degree	214	74
	Masters	45	16
	PHD	4	1
Reason for flight	Other	-	-
	Business	131	45
	Leisure	112	39
	Medical	-	-
	Education	19	7
Round-trip flights	Other	26	9
	1-5	192	67
	6-10	49	17
	11-15	23	8
	16-20	-	-
Yearly income of respondents	More than 20	24	8
	<5000	65	22
	50001-10,000	92	32
	10,001-15,000	20	7
	15,001-20,000	46	16
Flight Class of respondents	above 20,000	65	23
	Economic Class	255	89
Flight booking of tickets	Business Class	33	11
	Online	167	58
	Ethiopian Airline Ticket office	46	16
	Travel Agency	71	25
	Call centre	-	-
Fly with regular basis	Other	4	1
	Ethiopian	238	82
	Turkish	20	7
	Lufthansa	-	-
	Emirates	5	2
	other	25	9

**Table 4 Demographic Information on respondent**

### **4.3 Descriptive Analysis of the independent variables**

Descriptive statistics were employed to examine the independent variable in the section and answer the first research question. The presented mean values of both the dependent and independent variables offer insight into their relation scores.

#### **Airlines tangible**

According to the provided data, Ethiopian Airlines has received high ratings for aircraft cleanliness and safety. Around 226 respondents strongly agreed or agreed, while only 32 respondents disagreed. The onboard meal service quality is also rated positively, with 194 respondents approving and only 53 disapproving. The airplane seats are in excellent condition and comfortable, with 211 respondents approving and only 20 disapproving. The cleanliness of the restrooms on the airplane also received positive feedback from 137 respondents. In-flight entertainment, which includes magazines, newspapers, videos, and films, was approved by 215 respondents. Finally, the airplane's equipment, including the air conditioning, was highly rated by 239 respondents strongly agreeing or agreeing, while only 12 respondents disagreed. Overall, Ethiopian Airlines seems to have satisfied most of its customers in terms of these various criteria. To conclude, the calculated mean ( $M=3.7494$ ,  $SD=0.84275$ ) values show that there are strong and greater activities of airlines' tangible services quality in Ethiopian as indicated in the below table.

**Table 5- AT own survey, SPSS**

Airlines Tangibles	N=288											
	Min	Max	Response						Mean	Std. Deviation	AM	SD
			SA&A	%	N	%	D&SD	%				
Ethiopian Airlines' aircrafts are clean and safe	1.00	5.00	226	79	30	10	32	11	3.9514	.8039	3.7494	0.84275
The on-board meal service is highly standard.	1.00	5.00	194	68	41	14	53	18	3.5451	.8269		
The airplane's seats are in excellent condition and are very comfy.	1.00	5.00	211	73	57	20	20	7	3.7326	.84375		
The restrooms on airplanes are spotless.	1.00	5.00	137	47	111	39	40	14	3.4062	.8572		
During the flight, there is in-flight entertainment available (up to date magazine, newspapers, videos and films)	1.00	5.00	215	74	16	6	57	20	3.7743	.8323		
The airplane is equipped with top-notch air conditioning	1.00	5.00	239	83	37	13	12	4	4.0382	.89244		

## **Terminal Tangible**

Based on the graph provided, the passenger check-in process did not receive positive feedback. Among the respondents, 234 disagreed (the total of those who strongly disagreed and those who disagreed), and 54 remained neutral. Another factor that determines the quality of the airport terminal is the availability of ample space to accommodate all passengers. Only 13 respondents (the total of those who strongly agree and those who agree) confirmed the presence of ample space, while 231 disagreed (the total of those who strongly disagreed and those who disagreed), and 44 were neutral. The cleanliness of the airport's restrooms is another important criterion. Only 19 respondents (the total of those who strongly agree and those who agree) agreed that the restrooms are clean and well-maintained, while 127 disagreed (the total of those who strongly disagree and those who disagree), and 142 remained neutral. The airport's air conditioning system is another critical parameter, with only 44 respondents (the total of those who strongly agree and those who agree) confirming its excellence, 183 disagreed (the total of those who strongly disagree and those who disagree), and 61 were neutral. The availability of multiple trolleys throughout the airport is another parameter, with only 27 respondents (the total of those who strongly agree and those who agree) agreeing that there are enough trolleys, while 184 disagreed (the total of those who strongly disagree and those who disagree), and 77 were neutral.

The airport's signage system is also crucial, with 121 respondents (the total of those who strongly agree and those who agree) confirming its well-structured design, while 30 disagreed (the total of those who strongly disagree and those who disagree), and 37 were neutral. The security system is another parameter, with 162 respondents (the total of those who strongly agree and those who agree) confirming its adequacy, while 100 disagreed (the total of those who strongly disagree and those who disagree), and 26 were neutral. The airport's inclusivity towards people with impairments is another parameter, with 142 respondents (the total of those who strongly agree and those who agree) confirming their welcoming behavior towards such individuals, while 87 disagreed (the total of those who strongly disagree and those who disagree), and 59 were neutral. The baggage handling system is another crucial parameter, with only 40 respondents (the total of those who strongly agree and those who agree) confirming its efficiency, 212 disagreed (the total of those who strongly disagree and those who disagree), and 36 were neutral. The employee attire is another parameter, with 165 respondents (the total of those who strongly agree and those who agree) confirming its appeal, while 83 disagreed (the total of those who strongly disagree and those who disagree), and 40 were neutral. Finally, the availability of an adequate number of stores within

the airport premises is another critical parameter, with only 26 respondents (the total of those who strongly agree and those who agree) confirming its adequacy, while 147 disagreed (the total of those who strongly disagree and those who disagree), and 115 were neutral. To conclude, the mean calculated for Terminal tangible services quality in Ethiopia (**M=2.524, SD=0.50177**) indicates weaker activity as indicated in the table below.

Terminal Tangibles	N=288											
	Min	Max	Response						Mean	Std. Deviation	AM	SD
			SD&D	%	N	%	SA&A	%				
Passenger check-in easy	1.00	3.00	234	91	54	19	-	-	2.125	0.48497	2.5243	.50177
The airport has ample space to hold all the passengers.	1.00	5.00	231	80	44	15	13	5	2.1424	0.77676		
The airport's restrooms are spotless.	1.00	5.00	127	44	14	49	19	7	2.4063	0.02149		
The airport has excellent air conditioning systems.	1.00	5.00	183	63	61	21	44	16	2.3507	0.09732		
There are multiple trolleys available for selection throughout the airport.	1.00	5.00	184	64	77	27	27	9	3.1146	0.1853		
The airport's signage system is well-designed.	1.00	5.00	30	16	37	20	121	64	2.191	0.9886		
The security system is adequate.	1.00	5.00	100	35	26	9	162	56	2.3194	0.6125		
People with impairments are welcome at the airport.	1.00	5.00	87	30	59	21	142	49	3.3056	0.7731		

Baggage handling is well-handled	1.0 0	5.0 0	212	74	36	12	40	14	2.0764	0.53711		
Employee attire is usually appealing	1.0 0	5.0 0	83	29	40	14	165	57	3.3542	0.52953		
There is an adequate number of stores available within the airport premises.	1.0 0	5.0 0	147	51	11 5	40	26	9	2.3819	0.51225		

**Table 6 TT own survey-SPSS**

**Personnel services**

Based on the data presented in the graphs below, there appears to be a lack of consensus among respondents regarding alternative responses to the problem given. Specifically, 185 respondents (the total of those who strongly disagreed and those who disagreed) held a negative view, while 103 respondents remained neutral. Another key factor in personnel services is the standard of employee empathy and understanding. Unfortunately, there was also a lack of agreement on this aspect, with 222 respondents (the total of those who strongly disagreed and those who disagreed) expressing disagreement and 66 taking a neutral stance. Moving on, the third criterion concerns the courteousness and willingness of employees. Only three respondents (the total of those who strongly agreed and those who agreed) expressed satisfaction with the condition, while 209 respondents (the total of those who strongly disagreed and those who disagreed) held a negative view, and 76 remained neutral. The fourth parameter focuses on whether everyone receives an equal amount of attentive care from employees. Only six respondents (the total of those who strongly agreed and those who agreed) expressed satisfaction, while 275 respondents (the total of those who strongly disagreed and those who disagreed) held a negative view, and seven respondents remained neutral. The fifth criterion addresses whether employees are patient, self-assured, and capable. Only two respondents (the total of those who strongly agreed and those who agreed) expressed satisfaction, while 233 respondents (the total of those who strongly disagreed and those who disagreed) held a negative view, and 53 remained neutral. Finally, the last parameter is whether employees are professional and go above and beyond to resolve concerns. Unfortunately, there was no consensus on this matter, with 215 respondents (the total of those who strongly disagreed and those who disagreed) expressing disagreement, and 73 remaining neutral. To conclude, the mean calculated for Personnel services quality in Ethiopia (**M=1.905, SD=0.38642**) indicates weaker activity.

**Table 7- PS own survey, SPSS**

Personnel Services	N=288											
	Min	Max	Response						Mean	Std. Deviation	AM	SD
			SD&D	%	N	%	SA&A	%				
The personnel has an alternative response to the problem at hand.	1.00	3.00	185	64	103	36	-	-	2.0729	.79954	1.9057	.38642
Employees have empathy and understanding.	1.00	3.00	222	77	66	23	-	-	2.1285	.56076		
The employees are courteous and willing to assist.	1.00	5.00	209	73	76	26	3	1	1.9757	.81114		
Everyone obtains the same amount of attentive care from the employees.	1.00	4.00	275	96	7	2	6	2	1.1910	.57381		
Employees are patient, self-assured, and capable	1.00	4.00	233	81	53	18	2	1	2.0312	.61548		
The employees are professional and go above and beyond to resolve concerns.	1.00	3.00	215	75	73	25	-	-	2.0347	.68750		

## **Empathy**

The below report analyzes responses to a survey aimed at understanding passengers' perceptions of the various services provided by Ethiopian Airlines. The survey responses were analyzed based on various parameters that are critical in measuring the level of empathy among passengers. These parameters included flight schedules, the availability of an efficient transport system, the handling of passengers' luggage, the frequency of convenient flying services, the availability of offices of the airline in various locations, the adequacy of flights to meet the demand of passengers, the ease of purchasing tickets online, and the possibility of compensation for any wrongdoing or injuries.

The survey results are shown in the graph presented in the report. Out of the total respondents, 210 agreed that flights usually take off and land on time, whereas 13 respondents disagreed, and 65 respondents remained neutral. Similarly, 215 respondents believed that the transport service is of a high standard, whereas 13 respondents disagreed, and 60 respondents remained neutral. The survey also revealed that 104 respondents agreed with the condition of the seats, whereas 148 respondents disagreed, and 36 remained neutral. Moreover, 204 respondents agreed that Ethiopian Airlines offers convenient flying services often enough, while eight disagreed, and 76 remained neutral. Regarding the availability of different offices of the airline in various locations, the survey showed that 178 respondents agreed, whereas 41 disagreed, and 69 remained neutral. Similarly, the survey revealed that 186 respondents agreed that there were enough flights to meet the demand of passengers, whereas 20 disagreed, and 82 remained neutrals. The survey also indicates that 231 respondents found it easy to purchase tickets online, whereas 24 disagreed, and 33 remained neutral. Finally, the survey showed that 104 respondents agreed that Ethiopian Airlines would compensate for wrongdoing or injuries, whereas 64 disagreed, and 120 remained neutral. Overall, the survey results suggest that while Ethiopian Airlines has performed well in some areas, there is still room for improvement in other areas. The airline may consider taking appropriate measures to address the concerns raised by the passengers and improve their experience. To conclude, the mean calculated for Empathy services quality in Ethiopian (**M=3.61, SD=0.624**) indicates that there are strong and greater activities of airlines' tangible services quality in Ethiopian

**Table 8- EY own survey, SPSS**

Empathy	N=288											
	Min	Max	Response						Mean	Std. Deviation	AM	SD
			SD&D	%	N	%	SA&A	%				
The flight takes off and lands on schedule.	1.00	5.00	13	4	65	23	210	73	3.8403	.78898	3.6102	.62487
There is an efficient transport system that connects the city and the airport.	1.00	5.00	13	4	60	21	215	73	3.8576	.78123		
The airline takes superb care of its passengers' luggage	1.00	5.00	148	51	36	13	104	36	3.0799	1.22853		
Convenient flying services are offered with enough frequency.	1.00	5.00	8	2	76	27	204	69	3.8229	.75586		
There are many different places where airlines have offices.	1.00	5.00	41	14	69	24	178	62	3.5035	1.09480		
There are enough flights to accommodate the demand from passengers.	1.00	5.00	20	7	82	28	186	65	3.7049	.87933		
It is simple to purchase tickets online	1.00	5.00	24	8	33	12	231	80	3.9201	.94659		
Ethiopian Airlines will make up for wrongdoing or injuries.	1.00	5.00	64	22	120	42	104	36	3.1528	1.13739		

## Image

The graph below illustrates the results of a survey that measured respondents' perceptions of an airline's reputation, the quality and cost-effectiveness of its services, and the fairness of its ticket prices. Out of the total respondents, 207 believe that the airline has a good reputation, while 36 disagree, and 45 remain neutral. Regarding the airline's service quality and cost-effectiveness, 171 respondents believe that the airline offers high-quality services at reasonable prices, while 36 disagree, and 81 remain neutral. The survey also asked about the fairness of the ticket prices. 140 respondents believe that the seat conditions are fair for the price, while 40 disagree, and 108 remain neutral. Finally, the survey measured whether the airline offers affordable ticket prices. 120 respondents agree that the airline offers affordable ticket prices, while 77 disagree, and 91 remain neutral. To conclude, the mean calculated for Image services quality in Ethiopia ( $M=3.68$ ,  $SD=0.786$ ) indicates that there are strong and greater activities of airlines' tangible services quality in Ethiopian.

**Table 9- IG own survey, SPSS**

IMAGE	N=288											
	Min	Max	Response						Mean	Std. Deviation	AM	SD
			SD&D	%	N	%	SA&A	%				
The airline has a good reputation.	1.00	5.00	36	13	45	16	207	71	4.0312	0.7842	3.68	0.78673
The airline offers a cost-effective, high-quality experience.	1.00	5.00	36	12	81	28	171	60	3.5174	0.82705		
The cost of the ticket is fair considering the value of the service.	1.00	5.00	40	14	108	38	140	48	3.3368	0.7849		
Offering openly affordable ticket costs	1.00	5.00	77	27	91	31	120	42	3.0972	0.75077		

**Table 10 Summary of Descriptive Analysis**

Independent variables	N	Min	Max	Mean	Std. Deviation	Level
Airlines Tangibles	288	1.00	5.00	3.7494	.84275	High
Terminal Tangibles	288	1.36	3.91	2.5243	.50177	Moderate
Personnel services	288	1.00	3.00	1.9057	.38642	Low
Empathy	288	1.13	5.00	3.6102	.62487	High
Image	288	1.54	5.00	3.6800	.78673	High
Organizational Image	288	1.00	5.00	3.6015	.73723	High

**Descriptive Analysis on Secondary Data**

The number of passengers flying with Ethiopian Airlines has consistently increased over the years, and the airline has been recognized with several prestigious awards, as stated in its official factsheet. The table below showcases the steady growth of passenger numbers, while the accompanying image highlights some of the accolades bestowed upon the Ethiopian Airlines Group. While the data demonstrates the airline's dedication to improving customer service, the analysis will rely on primary data to guide the rest of the research.

Parameters	2020/21	2021/22	2022/23
Passenger Number	5,779,033	8,680,301	13.88million

**Table 11 :- sources Ethiopian Airlines factsheet December 2023**

### 4.3. Correlation Statistics

Before moving on to the next session, which presents the regression analysis, it would be helpful to understand the correlation between the variables in the study.

#### 4.3.1. Correlation of Independent Variables with the Dependent Variable

Correlation analysis is a technique that examines the strength of the relationship between different variables. This study analyzed the correlation between service quality dimensions, overall service quality, and organizational image. The correlation coefficient can range from -1 to 1, indicating negative correlation (-1) to no correlation (0) to positive correlation (1). The Pearson correlation coefficient ( $r$  or  $\rho$ ) determines the strength of the relationship, categorized as weak (0.10 to 0.3), moderate (0.40 to 0.6), and strong (0.70 to 1.00) according to Dancey and Reidy (2004). If the correlation coefficient is equal to 1, the relationship is considered excellent.

**Table 12** Correlation sources SPSS version 26

		Correlations					
		AT	TT	PS	EY	IG	OIG
AT	Pearson Correlation	1	.875**	.965**	.934**	.956**	.909**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	288	288	288	288	288	288
TT	Pearson Correlation	-.875**	1	-.714**	-.841**	-.819**	-.829**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	288	288	288	288	288	288
PS	Pearson Correlation	-.665**	-.714**	1	-.582**	-.846**	-.706**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	288	288	288	288	288	288
EY	Pearson Correlation	.734**	.741**	.582**	1	.690**	.938*
	Sig. (2-tailed)	.000	.000	.000		.000	.020
	N	288	288	288	288	288	288
IG	Pearson Correlation	.956**	-.919**	-.946**	.690**	1	.999**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	288	288	288	288	288	288
OIG	Pearson Correlation	.909**	-.829**	-.706**	.938*	.999**	1
	Sig. (2-tailed)	.000	.000	.000	.020	.000	
	N	288	288	288	288	288	288

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

\* . Correlation is significant at the 0.05 level (2-tailed).

The independent variable Airlines Tangible has displayed significant and positive correlations with all its four components as well as the dependent variable. The correlation's significance level is 95% for the image, whereas, for the rest of the components, namely Terminal Tangible, Personnel Services, and Empathy, it ranges between 87 to 96% confidence level. On the other hand, the independent variable Terminal tangible has shown an insignificant and negative correlation with the dependent variable, with a 99% confidence level. However, the independent variables, personnel services have displayed negative correlations with all the components of the dependent variables, where the correlation is significant at 95% for all dependent variables' components. Lastly, the independent variable image has shown significant and positive correlations with the dependent variable as well as other components, except for personal service and terminal tangible, which have a positive sign.

## **4.4. Regression Analysis**

### **4.4.1 Diagnosis Test Result**

At the beginning of the study, the researcher carried out a series of diagnostic tests to ensure that the results obtained were not due to chance. As a result, the model being analyzed has displayed a high level of rigor and robustness, as demonstrated by the tests explained in this section.

#### **4.4.1.1 Linearity**

The analysis aimed to determine the linearity of the relationship between the dependent variable (OIG) and the independent variables (Airlines Tangible, Terminal Tangible, personnel services, empathy, and Image) by applying a scatter plot diagram with a line of fit. The results of the analysis confirmed that the condition of linearity was satisfied. During the scatter plot diagram test, three independent variables were examined Terminal Airlines Tangible, Empathy, and Image. The upward line graph showed a positive and significant relationship with the organizational image, as shown in ANNEX 2. On the other hand, the remaining two independent variables, Personnel Services and Terminal Tangible, showed a downward line indicating a negative and significant relationship with the dependent variable, organizational image.

#### **4.4.1.2 Normality test**

When conducting a normality test on a large sample, it is important to consider that the absolute value of skewness should be between -2 and 2, while the absolute value of kurtosis should fall within the range of -7 to 7. Upon analysis of the results, it was observed that all the variables satisfied these criteria for both positive skewness and kurtosis, indicating that they are normally distributed and skewed. The independent variables such as airlines tangible, terminal tangibles, personal services, empathy, and image skewness value are -.702, -.520, -.278, -.695, and -.716 respectively meanwhile, the Kurtosis value for the independent variable namely airlines tangible, terminal tangibles, personal services, empathy and image is -.134, -.460, .299, .809, and .489 respectively. The dependent variable has a skewness of .134 and Kurtosis values of .569 as indicated in ANNEX 2.

#### **4.4.1.3 Multicollineratiy**

Multicollinearity is a common issue in regression analysis and can lead to biased and unreliable estimates of the regression coefficients. One effective method to identify Multicollineratiy is to use a collinearity diagnostic test, such as the Variance Inflation Factor (VIF). The VIF measures the degree of correlation between each independent variable and all other independent variables in the model. Generally, a VIF score exceeding 10 is indicative of Multicollineratiy (O'Brien, 2007). In this case, after scrutinizing the VIF values of the variables in our model, we discovered that Multicollineratiy was not a cause for concern. Multicollinearity value (VIF) value of the independent variables namely Airline tangible, Terminal Tangible, Personnel Services, Empathy, and Image are 3.396, 1.675, 2.650, 2.438, and 3.598 respectively, as shown in ANNEX 2.

#### **4.4.1.4 Homoscedasticity**

The assumption of Homoscedasticity asserts that every disturbance, regardless of its size, has an unknown variance that remains constant. When this assumption is not met, heteroscedasticity arises. As evidenced by figure4 in annex 2 evenly distributed standardized residuals, it appears that there is no heteroscedasticity issue with the data.

#### **4.4.1.5 Autocorrelation**

Autocorrelation is the assumption that a disturbance occurring in one period will not carry over into another period when observations are made over time. To test for Autocorrelation, the Durbin-Watson statistic is commonly used (White, K., 1992). In this study, the researcher utilized the

Durbin-Watson statistic to assess Autocorrelation within the data. The resulting value of 2.113, as indicated in the table below, falls within the acceptable range of this test.

#### **4.4.2. Regression Analysis Result**

Once the assumptions were thoroughly checked, as indicated in Table 9 regression analysis was conducted using the model specified in Table 11. That is

$$Y_i = \beta_0 + \beta_1 X_{1i} + \beta_2 X_{2i} + \dots + \beta_n X_{ni} + E_i$$

Where:  $Y_i$  is the dependent variable for  $i^{\text{th}}$  observation;

$X_i$  is the independent variable for  $i^{\text{th}}$  observation;

$\beta_0$  is the intercept;  $\beta_n$  are regression coefficients; and  $e_i$  is the error term for  $i^{\text{th}}$  observation. The multiple regression will be conducted with the model indicated below. Based on the conceptual framework, the regression equation will be as follows;

$$ETGOI = \beta_0 + \beta_1 AT + \beta_2 TT + \beta_3 PS + \beta_4 EY + \beta_5 IG + E_i$$

Where:

##### **Dependent variables:**

OI= Organizational image of Ethiopian Airlines

**Independent Variables:** AIRQUAL model of service quality dimension as follows;

AT= Airline tangible of service quality dimension in Ethiopian Airlines Group

TT= Terminal tangible of service quality dimension in Ethiopian Airlines Group

PS= Personnel services of service quality dimension in Ethiopian Airlines Group

EY= Empathy of service quality dimension in Ethiopian Airlines Group

IG= Image of service quality dimension in Ethiopian Airlines Group

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.535 <sup>a</sup>	.286	.273	.45801
a. Predictors: (Constant), IG, PS, TT,EY,AT				
b. Dependent Variable: OIG				

**Table 13 Model summary source own survey SPSS 26**

ANOVA <sup>a</sup>						
Model		Total of Squares	df	Mean Square	F	Sig.
1	Regression	23.676	5	4.735	22.574	.000 <sup>b</sup>
	Residual	59.156	282	.210		
	Total	82.832	287			
a. Dependent Variable: OIG						
b. Predictors: (Constant), IG, PS, TT, EY, AT						

**Table 14 ANOVA sources –own survey SPSS version 26**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.637	.272		13.380	.000
	TT	-.315	.062	-.283	-5.106	.000
	PS	-.306	.054	-.312	-5.659	.000
	AT	.085	.056	-.133	1.503	.134
	EY	.303	.067	.303	-.042	.967
	IG	.105	.060	.153	1.738	.083
a. Dependent Variable: OIG						

**Table 15 Coefficients- own survey SPSS version 26**

According to the R square adjustment, the alterations in the explanatory variables take into account 28% of the change in the organizational image over the observed period, as stated in Table 13.

### Hypothesis Testing

- ❖ H1: - Airline tangible has a positive and significant effect on the organizational image of Ethiopian Airlines

- The hypothesis is valid as the beta coefficient has a value of 0.085, which is higher than 0, and the P value is  $> 0.05$ . Based on this, it can be concluded that Airlines Tangible has a positive and significant impact on Ethiopian Airlines' organizational image. The beta coefficient of 0.085 and P value greater than 0.05 support this conclusion.
- ❖ H2: - Terminal tangible has a positive and significant effect on the organizational image of Ethiopian Airlines
  - (H3) has been rejected. This decision was taken due to the negative beta coefficient value of  $-0.315$  and a significant P value of less than 0.05. The negative beta coefficient suggests that the independent variable Terminal Tangible has a negative and insignificant effect on the dependent variable organizational image.
- ❖ H3: -Personnel services have a positive and significant effect on the organizational image of Ethiopian Airlines
  - H4 is rejected. This decision was made due to the negative beta coefficient value of  $-0.306$ , and the significant value of P is less than 0.05. The Personnel service has a negative and insignificant effect on the dependent variable organizational image.
- ❖ H4: - Empathy has a positive and significant effect on the organizational image of Ethiopian Airlines
  - The hypothesis is valid as the beta coefficient has a value of 0.303, which is higher than 0, and the P value is  $> 0.05$ . Based on this, it can be concluded that Empathy has a positive and significant impact on Ethiopian Airlines' organizational image.
- ❖ Hypothesis (H5): - Image has a positive and significant effect on the organizational image of Ethiopian Airlines
  - The hypothesis is valid as the beta coefficient has a value of 0.105, which is higher than 0, and the P value is  $> 0.05$ . Based on this, it can be concluded that Image has a positive and significant impact on Ethiopian Airlines' organizational image. The beta coefficient of 0.105 and P value greater than 0.05 support this conclusion.

Generally, service quality has a positive and significant impact on the image. The regression analysis shows that the Airline's tangible, empathy, and image have a strong and positive correlation with the dependent variable among the five independent variables. Conversely,

terminal tangible and personal services reveal a negative and insignificant correlation with the dependent variable throughout the investigation.

## **4.5. Interpretation of Results**

According to the findings, three factors - airline tangibles, Empathy, and Image are positively and significantly related to Ethiopian Airlines' organizational image. On the other hand, Terminal Tangibles and Personnel Services show a negative and insignificant relationship with the same dependent variable.

The survey data provides insights into Ethiopian Airlines' performance in various service areas. In terms of airline tangibles, the airline received high ratings for several aspects, such as aircraft cleanliness, safety, onboard meal service quality, airplane seat comfort, cleanliness of the restrooms, in-flight entertainment, and airplane equipment. However, the passenger check-in process and the airport's terminal tangibles did not receive positive feedback from most respondents.

The survey also highlighted a lack of consensus among respondents regarding employee empathy, understanding, courteousness, willingness, attentiveness, patience, self-assuredness, capability, and professionalism. While Ethiopian Airlines performed well in some areas of empathy services, there is still room for improvement in others.

Finally, most of the respondents believe that Ethiopian Airlines has a good reputation and offers high-quality services at a reasonable cost. However, some respondents disagree with the price of the ticket compared to the value of the service they get.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

The chapter is divided into four parts. Firstly, the first section presents a summary of the findings." The second section includes the conclusions drawn from the study's findings. The third section lists the recommendations based on the results and conclusions. Lastly, the fourth section sets the direction for future studies.

#### **5.1 Summary of Findings**

This research aims to examine the factors that impact Ethiopian Airlines' image and its current level of service quality. These factors include airline tangibles, empathy, terminal tangibles, personnel, and image. In this section, we summarize the study's findings. We distributed a total of 384 questionnaires to the sample respondents. Out of these, 288 were properly filled, resulting in a response rate of 75 %.

According to the survey data, 62% of the respondents were female, while 38% or 109 respondents were male. The majority of the respondents (51 %) belonged to the age group of 26-33 years, while the lowest numbers of participants (34-41 % of the total) were aged between 34 and 41 years. The remaining respondents were either below 25 years or above 50 years, with 20 % and only four individuals aged 42-49, respectively. This analysis indicates that the majority of the respondents were young adults.

Regarding educational background, 214 individuals (74 %) held a Bachelor's Degree, while only four individuals (1 %) held a PhD. Twenty-five individuals (9 %) had a high school education, and 45 individuals (16 %) had a Master's Degree.

Out of the total respondents, 131 individuals (45 %) were business travelers, while 112 individuals (39 %) were leisure travelers. Nineteen individuals (7 %) were education travelers, and 26 individuals (9 %) were other travelers.

Regarding travel frequency, most of the respondents (67 %) had traveled between 1-5 times, while 49 individuals (17 %) had traveled between 6-10 times. Twenty-three individuals (8 %) had traveled between 11-15 times, and 24 individuals (8 %) had traveled more than 20 times.

Out of the total respondents, 22% earn less than \$5000 annually, while 22% earn more than an unspecified amount. 32% earn between \$5001-10000, 7% earn between \$10001-15000, and 16% earn between \$15001 and the previously mentioned amount.

Regarding flights, 89% of the respondents flew in economy class, whereas only 11% flew in business class. Furthermore, 58% bought their tickets online, whereas 16% purchased them from Ethiopian Airlines ticket offices, 25.8% from travel agencies, and the remaining 4 individuals bought them from other platforms.

In terms of airlines, Ethiopian Airlines was the choice of 82% of the respondents. Turkish Airlines was chosen by 7%, Emirates by 2%, and other airlines by the remaining 9%. Ethiopian Airlines received high ratings for aircraft cleanliness, safety, onboard meal service quality, airplane seat comfort, cleanliness of the restrooms, in-flight entertainment, and airplane equipment. The majority of the respondents strongly approved or approved of these criteria, indicating that Ethiopian Airlines seems to have satisfied most of its customers.

The data provided indicates that the majority of respondents did not give positive feedback on the passenger check-in process, as well as the availability of ample space to accommodate all passengers. Most respondents also did not rate positively the cleanliness of the airport's restrooms, the airport's air conditioning system, the availability of multiple trolleys throughout the airport, and the baggage handling system. However, some respondents rated positively the airport's signage system, security system, inclusivity towards people with impairments, employee attire, and availability of stores within the airport premises, but not all respondents agreed on these criteria.

Regarding personnel services, the survey analysis indicates a lack of consensus among respondents regarding alternative responses to a given problem. The survey also highlighted the lack of agreement on the standard of employee empathy and understanding, the courteousness and willingness of employees, whether everyone receives an equal amount of attentive care from employees, whether employees are patient, self-assured, and capable, and whether employees are professional and go above and beyond to resolve concerns. The majority of respondents expressed negative views on these criteria, with only a few expressing satisfactions, while others remained neutral.

The report presents the analysis of a survey aimed at understanding passengers' perception of airline services, particularly on empathy services. The survey results were analyzed based on various parameters, including flight schedules, transport system, luggage handling, frequency of flights, offices of the airline, online ticket purchasing, and compensation possibilities. The survey results suggest that while Ethiopian Airlines has performed well in some areas, there is still room for improvement in other areas.

According to the survey, a majority of respondents believe that the airline has a good reputation and offers high-quality services at a reasonable cost. However, some respondents disagree with the cost of the ticket compared to the value of the service, and some believe that the airline doesn't offer tickets at an affordable cost.

The study examined the correlations between the dependent variable and independent variables in detail. The independent variable "Airlines tangible" showed positive and significant correlations with the dependent variable and all four of its components. The correlation was 95% significant for financial performance and 99% for the rest of the components - Terminal Tangible, Personnel Services, Empathy, and Image. However, the independent variable "Terminal tangible" showed a negative and insignificant correlation with the dependent variable. On the other hand, the independent variable "Personnel" showed a negative correlation with all components of the dependent variable, with a 95% significance level for all components. The independent variable "Image" showed positive and significant correlations with the dependent variable and other components except for Personal Service and Terminal Tangible, with a positive sign.

The researcher used a linearity scatter plot diagram with a line of fit and found that the condition was met based on the analysis results. The normality test was also conducted, and it was observed that all variables fell within the ranges for both positive skewness and kurtosis. This indicates that the variables are normally distributed and skewed.

In the analysis, multicollinearity was conducted and found not to be a potential issue. Upon testing for Homoscedasticity, the data was found to be evenly distributed standardized residuals, indicating that there was no heteroscedasticity issue with the data. The Autocorrelation assumption resulted in a value of 2.113, which falls within the acceptable range of this test.

The adjusted request indicates that 28% of changes in the observation period are explained by changes in the explanatory variables. A hypothesis test was conducted using the beta coefficient value. As a result, service quality has a positive and significant effect on organizational image. Specifically, the regression result shows that among the five independent variables, Airline's tangible, Empathy, and Image have positive and significant correlations with the dependent variable. Meanwhile, Terminal Tangible and Personal Services have negative and insignificant correlations with the dependent variable during the study period.

## 5.2 CONCLUSIONS

An analysis has been conducted to evaluate the current state of customer service quality and determine the factors that have affected the organization's image. To accomplish the research goals and address the research inquiries, a quantitative research methodology, specifically the descripto-explanatory design, was employed. The research team gathered and analyzed surveys from Ethiopian Airlines passengers. The study's results lead to the following conclusions.

- Ethiopian Airlines has received high ratings for several aspects of its service, including aircraft cleanliness, safety, onboard meal quality, seat comfort, restroom cleanliness, in-flight entertainment, and airplane equipment, according to a survey. The majority of respondents approved or strongly approved of these criteria. Overall, Ethiopian Airlines seems to have satisfied most of its customers with these tangible aspects of the airline experience.
- However, the passenger check-in process did not receive positive feedback from respondents. Most respondents did not confirm the availability of ample space to accommodate all passengers. Similarly, the airport's restroom cleanliness, air conditioning system, availability of multiple trolleys throughout the airport, and baggage handling system were not rated positively by the majority of respondents. While the airport's signage system, security system, inclusivity towards people with impairments, employee attire, and availability of stores within the airport premises were positively rated by some respondents, not all shared the same opinion.
- The survey analysis revealed a lack of consensus among respondents regarding alternative responses to a given problem about personnel services. The standard of employee empathy and understanding, courteousness and willingness of employees, whether everyone receives an equal amount of attentive care from employees, employee patience, self-assurance, and capability, and whether employees are professional and go above and beyond to resolve concerns were among the criteria that received negative feedback from the majority of respondents. Only a few expressed approvals, while others remained neutral.

- The report analyzed survey responses on various aspects of airline services such as flight schedules, transport systems, luggage handling, frequency of flights, airline offices, online ticket purchasing, and compensation possibilities. The purpose of the survey was to understand the perception of passengers towards airline services. The results indicate that Ethiopian Airlines has performed well in some of these areas, but there is still room for improvement in other areas, particularly in empathy services.
- Based on the survey results, the majority of the respondents have positive views about Ethiopian Airlines. They believe that the airline has a good reputation and provides high-quality services at a reasonable price. However, some respondents are not happy with the cost of the ticket, as they think it is not worth the service. Some respondents also feel that the airline does not provide tickets at an affordable cost.
- In terms of the tangible aspects of the airline experience, Ethiopian Airlines received high scores for aircraft cleanliness, safety, onboard meal service quality, airplane seat comfort, restroom cleanliness, in-flight entertainment, and airplane equipment. The majority of respondents approved or strongly approved of these criteria. Overall, Ethiopian Airlines appears to have satisfied most of its customers when it comes to these concrete aspects of the airline experience.
- Although most respondents had negative feedback about the passenger check-in process, the availability of ample space to accommodate all passengers was not confirmed. Similarly, the majority of respondents did not rate positively the airport's restroom cleanliness, air conditioning system, availability of multiple trolleys throughout the airport, and baggage handling system. While some respondents positively rated the airport's signage system, security system, inclusivity towards people with impairments, employee attire, and availability of stores within the airport premises, not everyone shared the same opinion.
- The survey analysis revealed a lack of consensus among respondents regarding alternative responses to a given problem about personnel services. The standard of employee empathy and understanding, courteousness and willingness of employees, whether everyone receives an equal amount of attentive care from employees, employee patience, self-assurance, and capability, and whether employees are professional and go above and beyond to resolve concerns were among the criteria that received negative feedback from

the majority of respondents. Only a few expressed satisfactions, while others remained neutral.

- The report analyzed survey responses on flight schedules, transport systems, luggage handling, frequency of flights, airline offices, online ticket purchasing, and compensation possibilities to understand passengers' perceptions of airline services. The survey results show that Ethiopian Airlines has performed well in some areas, but there is still room for improvement in other areas when it comes to empathy services.
- According to the survey, most respondents believe that the airline has a good reputation and offers high-quality services at a reasonable cost. However, some respondents disagree with the cost of the ticket compared to the value of the service, and some believe that the airline doesn't offer tickets at an affordable cost.

Based on the results of the beta coefficient, it has been concluded that Airline Tangibility (AT), Empathy (EY), and Image (IG) all exhibit a strong positive and statistically significant association with the dependent variable Organizational Image. However, Terminal Tangibility (TT) and Personnel (PS) have a statistically insignificant association with the dependent variable Organizational Image and a negative association, respectively.

## **5.3 RECOMMENDATIONS**

The study's conclusions and findings lead to the submission of the following recommendations:

- ❖ Ethiopian Airlines shall be committed to improving the check-in process by implementing innovative systems, creating comfortable spaces with excellent air conditioning, and acquiring multiple trolleys to enhance security and improve baggage handling.
- ❖ Moreover, the airline shall provide comprehensive training to its personnel, focusing on vital indicators such as empathy, understanding, courtesy, willingness to assist, and equal and attentive care for all passengers. The employees will be highly professional, self-assured, capable, and always go above and beyond to address concerns.
- ❖ To gain the respect and admiration of its valued customers, Ethiopian Airlines' employees must be prepared to handle various issues. Passengers can also help by providing feedback, assisting in resolving any problems, as well as spreading the word about the airline's outstanding services to the global community.

## **5.4 Suggestion for Future Research**

The researcher opines that the study that was conducted does not meet the required standards for the Perceived Customer Service Quality and Organizational Image of Ethiopian Airlines. This is particularly true concerning airline tangibles, terminal tangibles, personnel, empathy, and image factors. The author did not provide a detailed analysis of the negative correlation between variables, as it was not the objective of the study. Therefore, other similar research efforts may prove more helpful in addressing inquiries and requirements in this field. As a result, this topic presents an intriguing opportunity for future researchers to investigate the connection between customer service quality and organizational image.

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# ANNEX

**Addis Ababa University**  
**Post Graduate Programs**  
**Department of Management**

**QUESTIONNAIRE**

Dear respondent,

Cordially, this survey study is regarding the customer service quality and its effect on organizational image. The researcher hereby confirms that the purpose of this questionnaire is purely academic. Accordingly, privacy is strictly maintained and the respondent is encouraged to remain anonymous.

The questionnaire has three parts,

Part I

General questions on demographic backgrounds of passenger related information.

Part II

General questions related to customer service quality of Ethiopian Airlines Group.

Part III

General questions related to performance of customer service quality and its effect on organizational image.

***With Very Best Regards!***

**Part I: General information**

Instruction: Please mark one of the options next to the predetermined alternative question to indicate your response.

**1. Sex**

- A. Male  B. Female  C. Other  D. prefer not to say

**2. Age**

- A. 18-25  B. 26-33  C. 34-41  D. 42-49  E. Above 50

**3. Education Qualification**

- A. High school complete  B. Diploma  C. Degree  D. Masters  E. PHD   
F. Other

**4. How would you categorize yourself in terms of air travel?**

- A. Business  B. Leisure  C. Medical  D. Education  E. Other

**5. In the previous year, how many round-trip flights did you take?**

- A. 1-5  B. 6-10  C. 11-15  D. 16-20  E. More than 20

**6. Yearly Income \$**

- A. <5000  B. 5001-10,000  C. 10,001-15,000  D. 15,001-20,000   
E. Above 20,000

**7. Which class do you often travel in while you're flying?**

- A. Economic Class  B. Business Class

**8. How do you purchase airline tickets?**

- A. Online  B. Ethiopian Airline Ticket office  C. Travel Agency   
D. Call center  E. Other

**9. Which airline do you fly with on a regular basis?**

- A. Ethiopian  B. Turkish  C. Lufthansa  D. Emirates  E. Other

**Part II**

**Questions related to Customer Service Quality**

**A. Question on Airlines Tangible**

**In part two, the Likert scale adopted to answer the respective questions is indicated here.**

(1)Strongly Disagree(2)Disagree(3)Neutral(4)Agree(5)Strongly Agree

Indicate your reaction to the degree to which you concur with the statement below regarding Ethiopian Airlines Group's customer service quality?	1	2	3	4	5
1. Ethiopian Airlines' aircrafts are clean and safe					
2. The onboard meal service is highly standard.					
3. The airplane's seats are in excellent condition and are very comfy.					
4. The restrooms on airplanes are spotless.					
5. During the flight, there is in-flight entertainment available (up to date magazine, newspapers, videos and films)					
6. The airplane is equipped with top-notch air conditioning.					

**B. Questions on Terminal Tangible**

(1)Strongly Disagree(2)Disagree(3)Neutral(4)Agree (5)Strongly Agree

Specify your reaction to the degree to which you concur with the statement below regarding Ethiopian Airlines Group's customer service quality?	1	2	3	4	5
1. Passenger check-in easy					
2. The airport has ample space to hold all the passengers.					
3. The airport's restrooms are spotless.					

4. The airport has excellent air conditioning systems.					
5. The airport's signage system is well-designed.					
6. There are multiple trolleys available for selection throughout the airport.					
7. The security system is adequate.					
8. People with impairments are welcome at the airport.					
9. Baggage handling is well handled					
10. Employee attire is usually appealing					
11. There is an adequate number of stores available within the airport premises.					

**C. Questions on Personnel Service**

(1)Strongly Disagree(2)Disagree(3)Neutral(4)Agree (5)Strongly Agree

Indicate your reaction to the degree to which you concur with the statement below regarding Ethiopian Airlines Group's customer service quality?	1	2	3	4	5
1. The personnel has an alternative response to the problem at hand.					
2. employees are empathy and understanding					
3. The employees are courteous and willing to assist.					
4. Everyone obtains the same amount of attentive care from the employees.					
5. Employees are patient, self-assured, and capable					
6. The employees are professional and go above and beyond to resolve concerns.					

**D. Questions on Empathy**

(1)Strongly Disagree(2)Disagree(3)Neutral(4)Agree (5)Strongly Agree

Specify your reaction to the degree to which you concur with the statement below regarding Ethiopian Airlines Group’s customer service quality?	1	2	3	4	5
1. The flight takes off and lands on schedule.					
2. There is an efficient transport system that connects the city and the airport.					
3. The airline takes superb care of its passengers' luggage					
4. Convenient flying services are offered with enough frequency.					
5. There are many different places where airlines have offices.					
6. There are enough flights to accommodate the demand from passengers.					
7. It is simple to purchase tickets online					
8. Ethiopian Airlines will make up for wrongdoing or injuries.					

**E. Questions on Image**

(1)Strongly Disagree(2)Disagree(3)Neutral(4)Agree (5)Strongly Agree

Indicate your reaction to the degree to which you concur with the statement below regarding Ethiopian Airlines Group’s customer service quality?	1	2	3	4	5
1. The airline has a good reputation.					
2. The airline offers a cost-effective, high-quality experience.					
3. The cost of the ticket is fair considering the value of the service.					
4. Offering openly affordable ticket costs					

<b>Part II</b>					
<b>Questions related to Customer service quality effect on Organizational Image</b>					
<b>A. Questions Customer service quality effect on Organizational Image</b>					
(1)Strongly Disagree(2)Disagree(3)Neutral(4)Agree (5)Strongly Agree					
Based on your experience with Ethiopian Airlines customer services how do you rate Ethiopian Airlines Group’s organizational Image?	1	2	3	4	5
1. Ethiopian Airlines is honest and ethical in its dealings with its customers.					
2. Ethiopian Airlines treats its customers with respect and dignity.					
3. Ethiopian Airlines is fair in its treatment of its customers					
4. Ethiopian Airlines takes responsibility for its actions and decisions.					
5. Ethiopian Airlines is a trustworthy organization.					
6. Ethiopian Airlines is a respected organization					
7. Ethiopian Airlines is a well-managed organization.					
8. Ethiopian Airlines is an innovative organization.					
9. Ethiopian Airlines is a leader in its industry.					
10. Ethiopian Airlines customer service representatives are knowledgeable and helpful.					
11. Ethiopian Airlines customer service representatives are responsive to my needs.					
12. Ethiopian Airlines customer service representatives go extra mile to make me happy.					
13. I would recommend this organization to my friends and family.					

# ANNEX 2

## Regression Diagnosis Results

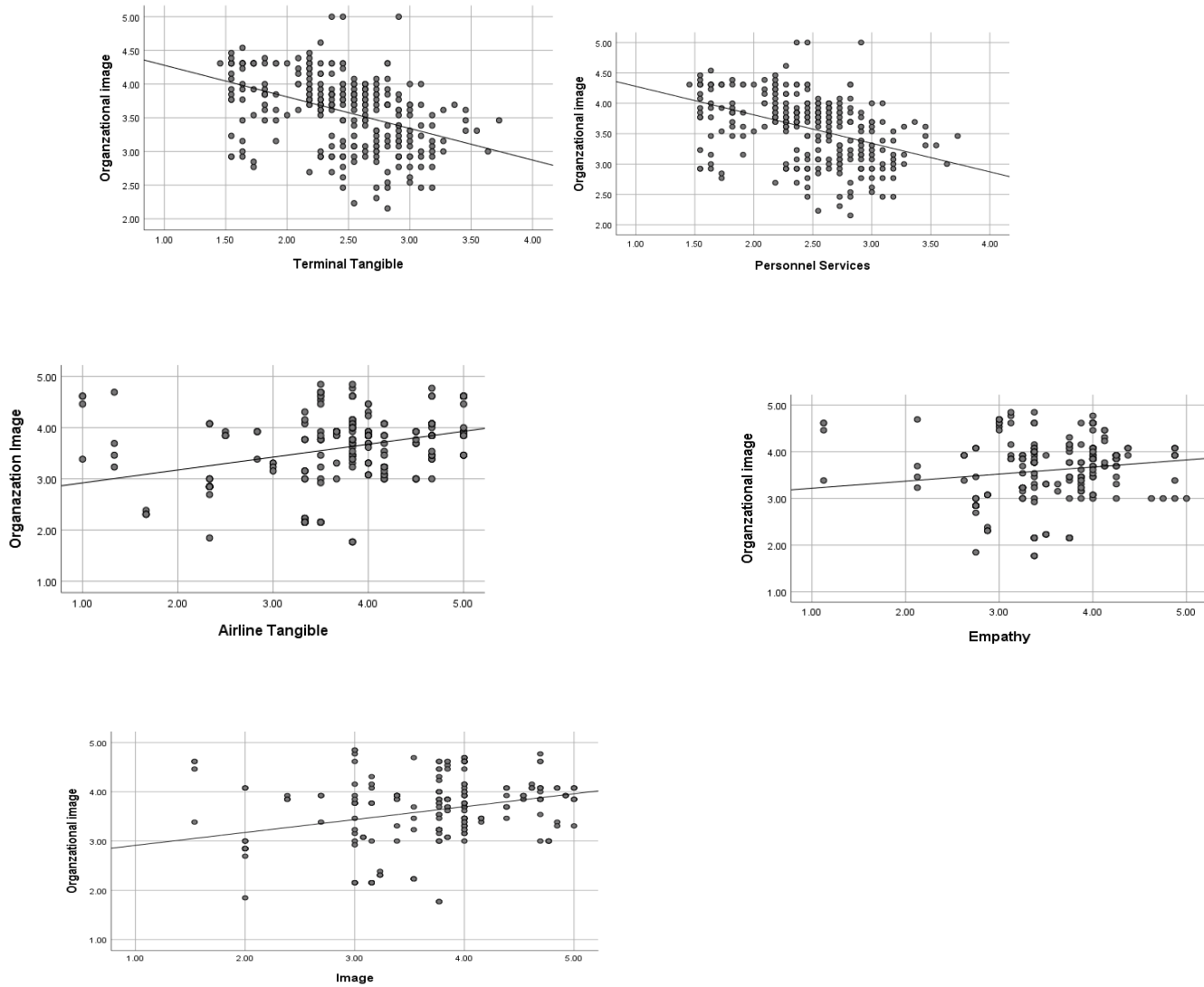


Figure 3 Linearity Sources: SPSS version 26

Normality test

**Table 16 Normality test sources SPSS own survey**

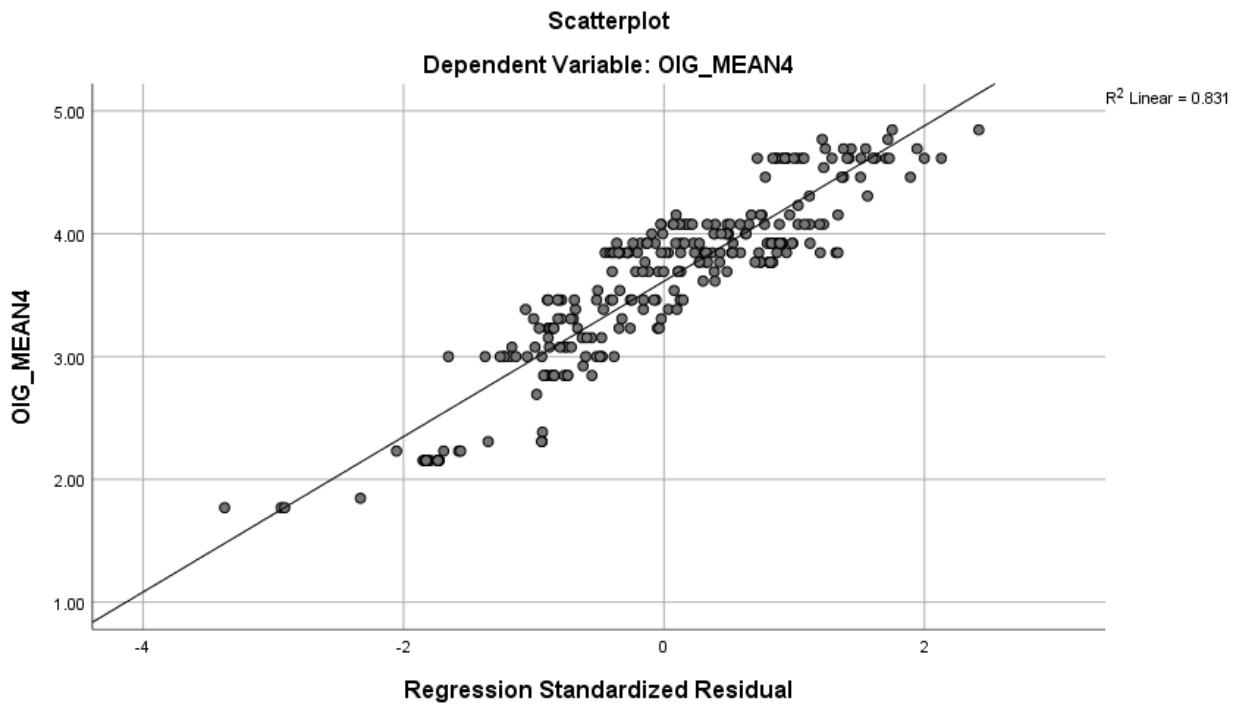
Variables	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Airlines Tangible	288	-.702	.134	-.134	.256
Terminal Tangible	288	.520	.134	-.460	.256
Personal Services	288	-.278	.134	.299	.256
Empathy	288	-.695	.134	.809	.256
Image	288	-.716	.134	.489	.256
Organizational image	288	.134	.134	.569	.256

**Multicollineratiy**

		Coefficients <sup>a</sup>	
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	AT	.294	3.396
	TT	.597	1.675
	PS	.377	2.650
	EY	.410	2.438
	IG	.278	3.598

**Table 17 Multicollineratiy**

## Homoscedasticity



**Figure 4 Homoscedasticity**

## Autocorrelation

<b>Model Summary<sup>b</sup></b>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.782 a	.611	.575	.36600	2.113
A. Predictors: (Constant), IG, TT, EY, PS, AT					
B. Dependent Variable: OIG					

**Table 18 Autocorrelation: sources own survey SPSS version 26**