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ST.MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES

**ASSESSMENT ON SERVICE QUALITY AND CUSTOMER
SATISFACTION: THE CASE OF ETHIOPIAN AIRLINES**

BY
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**Assessment on Service Quality and Customer Satisfaction
The Case of Ethiopian Airlines**

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Assessment on Service Quality and Customer Satisfaction
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DECLARATION

I, Tsedenia Garomsa, declare that this thesis is my original work, prepared under the guidance of Dr. Asfaw Yilma. All source of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

Tsedenia Garomsa

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Nov, 2019

ENDORSEMENT

This thesis has been submitted to St. Mary's university college, school of graduate studies for examination with my approval as a university advisor.

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ACRONYMS

EAL.....	Ethiopian Airlines
EMP.....	Empathy
REL.....	Reliability
TAN.....	Tangibility
RES.....	Responsiveness
ASS.....	Assurance
SERVQUAL.....	Service quality model

Abstract

The purpose of this study is to provide a valuable insight in to assessment on service quality and customer satisfaction the case of Ethiopian Airlines This study focus on service quality dimensions (reliability, responsiveness, assurance, empathy and, tangibility).Descriptive research deign was used and Mixed type of research approach. Convenience sampling technique was used in the study to take a sample from infinite population. A qualitative research approach is chosen in this research In order to collect primary data self-administered questionnaire (22 questions) were developed and distributed to 384 customers. To analyze the collected data correlation are used. The results revealed that passengers of Ethiopian airlines are not satisfied by the services of Ethiopian airlines because; passengers have highest level of expectation than perception in all five dimensions. The findings also showed that the dimensions of service quality such as, reliability, assurance and tangibility, are positively correlated to customer satisfaction. Responsiveness and empathy have insignificant relationship with customer satisfaction. major recommendation was EAL is advise work on tangibility and reliability by making them feel their privacy is protected while transacting, by Good appearance, gesture and uniforms of cabin crew, Modern and clean in-flight facilities and equipment's. And EAL should improve all the dimensions of service quality and by using other managerial activities which will increase the commitment of employees and other concerned bodies of Ethiopian airlines. Finally the study subjected future area of study in other dimensions of service quality.

Key words: Tangibility, Reliability, responsiveness, assurance, empathy, customer satisfaction, Ethiopian airline.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

For any kind of business organization which operates in competitive environment it is very important to pay due attention to the quality of service it provides (Lowndes and Dawes, 2001). According to Sachdev and Verma (2004), customers are demanding high quality service which pushes companies to compete each other and technological up gradation. In order to decrease the gap (negative gap) between customers' expectation and perception, an organization has to enhance its service quality.

Quality simply as suitability for use, product features meet the needs of consumers and free of deficiencies. Quality is the overall traits and characteristics of a product or service to the ability to meet the needs that have been determined or latent. Implies quality meets or exceeds expectations about the pace of time, work accuracy, speed of response, and performance (Parasuraman, et al., 1985). Quality of service is a comparison between services felt (perceived) customers with the quality service they expect.

Customer satisfaction is the customers evaluation of a product or service in terms of whether that product or service has meet their needs and expectations, failure to meet the needs and expectations is assumed to result in dissatisfaction with the product or service (Zeithaml, 2004).

The research related to service quality and customer satisfaction in the airline industry has been growing in interest. Because of the delivery of high service quality is essential for airlines survival and competitiveness. A number of researchers have applied service quality related theories and methods in the airline industry (Patterson et al, cited in Jin-Woo, Rodger and Cheng 2005). Airlines and airfreight companies that were formerly just domestic in scope now have extensive foreign route networks (Loveloke and Wright, 2001).

Aviation is one of the most fundamental aspects that affect the global development significantly in the new century. It is considered as the “global connectivity that ultimately strengthens productivity and economic growth as a whole” (Perovic, 2013). The Aviation industry can be

defined as those activities that are directly related to the transporting of people and goods by air from one location to another (Chikwendu, 2012).

In recent years, the air transportation market has become more challenging and airlines have turned to focus on service quality to increase service satisfaction. There is need for airlines to focus on service quality if the airlines aspire to improve on market share and further enhance financial Performance in domestic and international market (Albrecht and Zemke, 1995).

Ethiopian airline is exposed to a heavy competition against giant alliance in the international scene, regional alliance in Africa and the Middle East, and strong individual airlines from Europe, Middle East and Africa. Unless the airline prepare and develops strategy to counter the upcoming competitive pressure, the consequences could be unmerciful. Airline Service Quality is a key differentiator between the competing airlines. It is especially very critical in a highly competitive environment such as that of the Ethiopian Airlines operating environment. Therefore, Service Quality improvement is key issue that determines the very survival of the airline itself (Lidiya, 2016). Hence, the motivation behind this research is to measure the impact of service quality on customer satisfaction in relation to Ethiopian airlines in order to identify service quality impact on customer satisfaction and recommend possible strategies to maintain or increase satisfied customers to Ethiopian airlines.

1.2 Brief Background of Ethiopian Airlines

From a very humble beginning to a Leading African Aviation Group, Ethiopian Airlines has come along 70 plus years of successful journey. Of course, Ethiopian is aging beautifully. Throughout the past seven decades, the airline has established itself as adept in all facets of the aviation industry: technology leadership, network expansion and aviation mentoring (Ethiopian airlines, 2018).

Ethiopian started operation with the first 5 C-47 aircraft, scraps of 2nd World War, back in 1946 during its debut flight to Cairo via Asmara. Ever since, Ethiopian has been growing in leaps and bounds and has kept on introducing new aviation technology and systems, with so many firsts in the history of African aviation as an aircraft technology leader; providing the first jet service in the continent, availing the first African B767, the first African B777- 200LR in 2010 and the first African and second only to Japan B787 Dreamliner in 2012. In a continuation of that tradition,

Ethiopian was the first in Africa to acquire Airbus A350 XWB, introducing the extra effect to the African continent. Leading the way once again, Ethiopian was the first African Airline to operate the latest Boeing 787-9 in 2017. Below the industry average, Ethiopian currently operates 96 of the young and most modern fleet, with less than five years of age, and has 62 fleet on order (Ethiopian airlines, 2018).

Living its motto of Bringing Africa Together and Beyond, Ethiopian has created a missing link through its vast African network to 58 cities and more than 100 international passenger and cargo destinations, with daily and more flights, with a minimum layover in Addis Ababa. As a veteran African carrier, Ethiopian has positioned vast Intra-Africa network better than any Airline (Ethiopian airlines, 2018).

1.3 Statement of the Problem

In the world of competition, service quality is the most important parameter that needs critical attention for an organization to exceed its competitors. This is especially true in the service sector where there is frequent interaction with customers which hold the highest stake in ensuring the organization exceeds its competitors and excel in the service it provides. The position of a customer satisfaction of service quality depends on the nature of discrepancy between the expected service and the service perceived by the customer. When the expected service is more than the actual service, service quality is less than satisfactory (Sheetal and Harshu, 2004).

A company that wishes to satisfy and retain its customers should try to understand customers' needs and expectations Buttle (2009). Dissatisfied customer has bad publicity to the company Charles (1980). So, in today's competitive business world it become as an essential factor for the success or failure of business objectives. For this reason companies meeting their customers' needs and wants are enjoying the customer reliability and getting positive response for their service.

With the ever growing competition in the airline service industry, the delivery of high level of service quality by airline companies became a marketing requisite in recent decades in particular (Miller, 1993). As a consequence, most airlines began to offer various incentives such as frequent flyer programs, in an effort to build and maintain the loyalty of customers (Miller,

1993). Airline companies also attempted differentiate their service through use of computerized reservation system which was also designed to create customer loyalty in distribution channels (Lee and Cunningham, 1996).

In the contrary Ethiopian airlines is accused for poor customer service. Even customers mostly complain in different mass Medias for sub-standardized service of the airline /treatments they experienced with domestic service given by the airline (the Reporter, 2013).

Based on preliminary survey done in 2018 on customer of Ethiopian airlines they pointed out many problems they facing while traveling for instance, poor verity and quality of flight mean, unappealing interior, delay of flight, missing baggage, problem in checking process, felling unsafe when flying, impatience in resolving passengers problem, when there is complain there is no one to communicate and handle there complains.

Therefore, this study sought to measure the impact of service quality dimensions (tangibility, responsiveness, assurance, empathy, reliability) and its relationship with the customer satisfaction in the context of the Ethiopia Airlines.

1.4 Research Question

In this study, the researcher attempted to get answers for basic research questions by assess service quality on customer satisfaction in EAL. In this regard, the major research questions of the study include the following.

- Does tangibles aspect of the service quality of EAL have a positive relationship with customer satisfaction?
- Does reliability aspect of the service quality of EAL have a positive relationship with customer satisfaction?
- Does responsiveness aspect of the service quality of EAL have a positive relationship with customer satisfaction?
- Does assurance aspect of the service quality of EAL have a positive relationship with customer satisfaction?

- Does empathy aspect of the service quality of EAL have a positive relationship with customer satisfaction?
- Generally does a service quality dimension have relationship with customer satisfaction?

1.5 Objective of the Study

In line with the specified problems and research questions, the objective of this research has been categorized into general objective and specific objectives.

1.5.1 General Objective

- The general objective of this study was to assess service quality using the five dimensions of SERVQUAL model at Ethiopian airlines and its subsequent effect on customer satisfaction.

1.5.2 Specific Objective

- To assess the relationship between tangibility and customer satisfaction in EAL.
- To explain the relationship between reliability and customer satisfaction in EAL.
- To investigate the relationship between of responsiveness and customer satisfaction in EAL.
- To explore the relationship between assurance and customer satisfaction in EAL.
- To assess the relationship between empathy and customer satisfaction in EAL.

1.6 Significance of the Study

The results of this study are intended to indicate Ethiopian airline management some measures to improve its strategy towards customer satisfaction to retain and constantly delight their customers. The study would also be significant to the airline industry in its attempt to maintain service levels and implement international performance standards. It was hoped that scholars, academicians and researchers would find this study as a crucial contribution to the existing literature on customer satisfaction particularly in airline. Practically, it hopes that this study would provide a foundation upon which continuing research into the effect of customer satisfaction dimensions in the other service firms. In addition, the researcher will get more experience in doing research in a specific area.

1.7 Delimitation / Scope of the Study

The scope of the study focuses on three dimensions. These are Conceptual, Geographical and methodological scope.

Geographically, respondent only those passengers that are waiting their flight at bole domestic and international airport terminal were taken. Hence other customers of the airline those who have no flight at the time of the data collection are not considered. This may affect the effectiveness of the findings. And also the study was not including other services given by Ethiopian airlines like cargo service.

From conceptual scope In terms of the constructs showing in the research framework, only five dimensions of service quality underpinnings (tangibility, responsiveness, assurance, empathy, reliability) are focusing area. Other dimensions of relationship marketing measurement are beyond this study

Methodological scope, the sampling method that was used is convenience sampling. Using this sampling method may lead to under or over representation of a particular group within the sample. Since the sampling frame is not known the inherent bias in convenience sampling means that sample is unlikely to be representative of the population being studied.

1.8 Organization of the Study

This research paper is organized in to five main chapters. The first chapter deals with introductory issues of the paper which were classified into introduction, background of the study, statement of the problem, objectives, significance of the study.

The second chapter was composed of literature reviews organized in two major groups. First conceptual literatures collected and organized on ideas, theories and concepts from books, journals and other electronic sources. Second empirical literatures organized from papers released empirical evidences done on similar fields and business categories.

The third chapter focused on research methods and design on how the data sources determined, selected, analyzed and presented using different techniques. Chapter four is dealing with analysis of data collected using descriptive statistical techniques.

The fifth chapter composed of three major parts namely summaries of findings, conclusion and recommendations drawn from the study.

1.9 Limitation of the Research

Despite the useful findings of the study, this study has several limitations that need to be acknowledged. The limitation of this research is it only focuses on one sector the airlines sector particularly in Ethiopian airlines focusing only 5 service quality dimensions.

CHAPTER TWO

REVIEW OF RELATED LITERATURES

Introduction

This chapter reviews the literatures that are related to the subject of this study. The review was relay greatly on data obtained from published reference materials such as books, articles and journals.

2.1 Theoretical Review

2.1.1 Definition of Terms

Customer satisfaction: - The extent to which a product/a service perceived performance matches a buyer's expectation.

Service quality:- Parasumaran et al. (1985) state that service quality is defined by the customer evaluation of service outcome and service process as well as a comparison of customer expectations with service performance.

SERVQUL: instrument: is a service quality measurement instrument proposed by Parasuraman et al (1985).

The Dimensions of SERVQUAL scale are

Reliability – the ability to perform the promised service dependably and accurately. It is regarded as the most important determinant of perceptions of service quality.

Responsiveness – the willingness to help customers and to provide prompt service. This dimension is particularly prevalent where customers have requests, questions, Complaints and problems.

Assurance – the employee’s knowledge and courtesy, and the ability of the service to inspire trust and confidence.

Empathy – the caring, individualized attention the service provides its customers.

Tangibles– the appearance of physical facilities, equipment, personnel image that will find favor with consumers (Peter and Angela, 2006)

2.1.2 Concept Briefing

I. Service

A service is any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product (Keller and Kotler, 2006). Similarly, Zeithaml and Bitner (2004) also defined service as deeds, processes and performances. Both definitions and also other scholar’s definitions agree on the intangibility, inseparability, perishable, and variability nature of a service.

A service is the delivery of an intangible output i.e. the provision of something which cannot be touched. Instead it may be felt, experienced, heard, smelt or appreciated (Michel, 2010). Johns (1999) argues that services are mostly described as “intangible” and their output viewed as an activity rather than a tangible object, but also admits that some service outputs have some substantial tangible components like physical facilities, equipment’s and personnel.

According to Kotler and Armstrong (2012), Service can be defined as economic activities that produce time, place, form, or psychological utilities. Many service firms have become successful by identifying a previously unrecognized or unsatisfied customer wants.

II. Characteristics of Service

According to Mudie and Pirrie (2006) Services are intangibles, perishable, inseparable from the provider, and highly variable each time it is delivered. These characteristic of services have to be thoroughly understood so that appropriate operations and marketing structures are created to be able to produce and sell services profitably. A company must consider five main service

characteristics when designing marketing programs: intangibility, inseparability, variability, perishability and lack of ownership (kotler, 1999).

A- Intangibility

This is the most basic and often quoted difference between goods and services. Unlike tangible goods, services cannot generally be seen, tasted, felt, heard or smelled before being consumed. The potential customer is often unable to perceive the service before (and sometimes during and after) the service delivery.

B- Inseparability

There is a marked distinction between physical goods and services in terms of the sequence of production and consumption: Whereas goods are first produced, then stored and finally sold and consumed, services are first sold, then produced and consumed simultaneously. The involvement of the customer in the production and delivery of the service means that the service provider must exercise care in what is being produced and how it is produced. The latter task will be of particular significance.

Service inseparability means that services cannot be separated from their providers, whether the providers are people or machines. If; a person provides the service, then the person is a part of the service. The other feature of the inseparability of services is that other customers are also present or involved. The implication for management would be to ensure at all times that customers involved in the service do not interfere with each other's satisfaction.

C- Variability (heterogeneity)

Refer to the difficulties in applying quality standards for identical services. It is closely linked to inseparability. It is difficult to standardize quality. An unavoidable consequence of simultaneous production and consumption is variability in performance of a service. The quality of the service may vary depending on who provides it, as well as when and how it is provided. One hotel provides a fast efficient service and another, a short distance away, delivers a slow, inefficient service. Within a particular hotel, one employee is courteous and helpful while another is arrogant and obstructive. Even within one employee there can be variations in performance over the course of a day.

D- Perishability

Service perishability means that services cannot be stored for later sale or use. The perishability of services is not a problem when demand is steady. However, when demand fluctuates, service firms often have difficult problems. Service firms can use several strategies for producing a better match between demand and supply. On the demand side, differential pricing that is, charging different prices at different times - will shift some demand from peak periods to off peak periods. On the supply side, firms can hire part-time employees to serve peak demand. Peak-time demand can be handled more efficiently by rescheduling work so that employees do only essential tasks during peak periods.

Hotel rooms not occupied, airline seats not purchased and college places not filled cannot be reclaimed. As services are performances they cannot be stored. If demand far exceeds supply it cannot be met, as in manufacturing, by taking goods from a warehouse. Equally, if capacity far exceeds demand, the revenue and/or value of that service is lost. Fluctuations in demand characterize service organizations and may pose problems where these fluctuations are unpredictable. Strategies need to be developed for producing a better match between supply and demand (Mudie and Pirrie, 2006).

E-Lack of Ownership

Service products lack that quality of ownership. The service consumer often has access to the service for a limited time. Because of the lack of ownership, service providers must make a special effort to reinforce their brand identity and affinity with the consumer by offering incentives to consumers to use their service again.

The 7- P's of Service

Marketing activity is usually structured approximately the 4 Ps – product, price, promotion and place. However, the unique characteristics of services require the addition of three Ps – people, physical evidence and process.

- People: - the appearance and behavior of service personnel.
- Physical evidence: - everything from the appearance, design, layout of the service setting, to brochures, signage, and equipment.

- Process: - how the service is transferred or delivered, the actual procedures and flow of activities. Each of the three extra Ps is of central importance in services as each represents cues that customers rely on in judging quality and overall image (Mudie and Pirrie, 2006).

III. Quality

Quality has many different definitions and there is no universally acceptable definition of quality. Some definitions of quality are; Quality is the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs” (Naresh, 2005).

“Quality is defined the summation of affective evaluations by each customer of each attitude object that creates customer satisfaction” (wicks & Roethlein, 2009). Quality is the totality of features and characteristics in a product or service that bear upon its ability to satisfy needs (Haider, 2001). Defining quality for service organization is difficult because of the intangible nature of the product. Since a service is experienced, perceptions can be highly subjective. In addition to tangible factors, quality of services is often defined by perceptual factors. In most cases, defining quality in services can be especially challenging. Some of the terms used to define quality in the service industry according to Reid and Sanders (2003) are:-

- Consistency: ability to provide same level of good quality repeatedly.
- Responsiveness: to customer needs: willingness of service providers to help customers in unusual situations and to deal with problems.
- Courtesy: the way employees treat customers.
- Time: the amount of time a customer has to wait for the service.
- Reliability: the ability to perform dependably, consistently and accurately. Convenience: the accessibility of service provider to its customer.

IV. Service Quality

Service quality is a form of attitude and results from a comparison of expectations to perception of performance received (Mosahab, Mahamad and Ramayah, 2010). (Gronroos, 1984) also

defined service quality as the end result that can be found when consumers assessing of processes where consumers compares their expectation with their perceived performance.

On the other hand service quality can be defined as customer's personal experience with the service provider. And it is playing vital role in the present competitive environment where there is no other way for the service companies to differentiate themselves other than the quality of the service provided by them (Irulappan and Roseline , 2014).

Service quality is considered an important tool for a firm's struggle to differentiate itself from its competitors (Ladhari, 2008). The relevance of service quality to companies is emphasized here especially the fact that it offers a competitive advantage to companies that strive to improve it and hence bring customer satisfaction. It has received a great deal of attention from both academicians and practitioners (Negi, 2009). By defining service quality companies will be able to deliver services with higher quality level seemingly resulting in increased customer satisfaction (Ghylin et al., 2008). Understanding service quality must involve acknowledging the characteristics of service which are intangibility, heterogeneity and inseparability, (Parasuraman et al., 1985).

Researchers argue that the distinctive nature of services requires a distinctive approach to defining and measuring service quality. As a result of the intangible multifaceted nature of many services, it may be harder to evaluate the quality of a service than of a good. Because customers are often involved in service production particularly in people processing services, distinction needs to be drawn between the process of service delivery and the actual output of the service. Perceived quality of service is the result of an evaluation process in which customers compare their perception of service delivery and its outcome against what they expect.

Parasuraman et al. (1985) proposed a scale called SERVQUAL and it is a generic measurement tool that has been utilized extensively in assessing service quality in a wide variety of service settings. The scale contains with 22 items for evaluating both consumer's perception and expectation of service quality. Initially identified 10 dimensions used by consumers in evaluating service quality and finally consolidated them into five broad dimensions. SERVQUAL refers to five service quality dimensions (Parasuraman et al., 1988):

Tangibles: the appearance of physical facilities, equipment, personnel and communication materials. The customer perceives that all the tangible aspects of the service are fit for the task and is customer friendly.

Reliability: the ability to perform the promised service dependably and accurately.

Responsiveness: the willingness to help customers and provide prompt service. The customer perception is that the service provider responds quickly and accurately to his or her specific needs and demands.

Assurance: the knowledge and courtesy of employees and their ability to convey trust and confidence so that the customer feels he or she is in courteous, able and competent hands.

Empathy: providing caring and individualized attention for customers to make them feel they are receiving caring services and individualized attention.

Though SERVQUAL has been utilized widely by practitioners it has been criticized on various conceptual and operational grounds. Some of the criticisms regarding SERVQUAL were the universality of the scale (Cronin and Taylor, 1992), appropriateness of utilizing it in different cultural context (Carman, 1990; Cui et al., 2003), focusing mainly on the service delivery process (Mangold and Babakus, 1991), and the questionnaire length due to measuring perception and expectation separately as different scores (Carman, 1990). Cronin and Taylor (1992) developed a performance based only measurement called SERVPERF for assessing service quality as a way of overcoming some criticisms encountered by SERVQUAL. SERVPERF only evaluates customer's perception of the service delivered while SERVQUAL evaluates both customer's expectation and perception of the service offer. SERVPERF assumes that it is unnecessary to measure expectations directly from customers as they automatically provide their ratings by comparing performance perceptions with expectations (Culiberg and Rojšek, 2010).

SERVPERF scale is identical to the SERVQUAL scale in its dimensions and structure. Empirically SERVPERF has found superior to SERVQUAL scale (Jain and Gupta, 2004; Wang and Shieh, 2006) and it has been favored over the SERVQUAL (Babakus and Boller, 1992; Gotlieb, et al., 1994).

V. The Importance of Service Quality in the Airline Industry

Quality has become a significant concern for those in the service industry, specifically the airline industry. According to Gaddene et al. (2009), Flight safety, good appearance of flight crew and offering highest possible quality services to customers 24 hours a day are the most important airline service quality factors in the eyes of customers. Gustafsson et al. (1999) in their study noted that many airline companies had lost track of the true needs of their passengers and were trapped in outdated views of what airline services were all about. In a highly competitive environment, where all airlines have comparable fares and matching frequent flyer programs, airline's competitive advantages lie in the service quality perceived by customers (Chan and Yeh, 2002).

Perceived quality is a prerequisite for customer satisfaction (Parasuraman et al., 1988). Therefore, the delivery of high quality service becomes a marketing requirement as competitive pressures increase on air carriers. Continuing to provide high quality service would help airlines acquire and retain customer loyalty (Ostrowski et al., 1993).

Continuous quality improvement strategies are one of the methods employed by service providers in order to obtain service quality standards and deliver on their promises (James, 2014). The measurement and testing quality signifies the organization's commitment of quality to the customer. An integral part of any organization's attempt to install a "quality culture" is a commitment to a process of "continuous improvement" (Witt and Muhlemann, 1995). In order to remain competitive in the marketplace and to be recognized as a leader in service quality, an organization must continue to utilize different forms of formal and informal measurements (James, 2014). With regards to the airline industry service quality is contemplated as a composite of different interactions between customers and airlines, with employees seeking to influence customer's perceptions and the image of the carriers (Gursoy et al., 2005).

i. Frequency and Timings

In short-haul markets, frequency and timings are all important for the business traveler. Because this is so, on almost all routes there will be a very strong correlation between the share of the frequency that an airline holds, and the share of the market it will obtain. Alongside the question of flight frequency, the timing of flights will also be a vital consideration. A high frequency of

flights will be of no value if all the flights are concentrated at the weekend or during middle of the day periods (Shwan, 2007).

ii. Punctuality

On the other hand Shwan (2007) described Punctuality of flights is of obvious, crucial, importance to the business traveler, with flight delays meaning inconvenience, missed appointments and, perhaps, the loss of customers. No airline can hope to obtain a large share of the available business travel market if it is saddled with the handicap of a poor punctuality reputation.

iii. Airport Location and Access

The other factor described by Shwan (2007) is on short-haul routes, passengers will prefer service from a local, easily accessible airport, rather than from a more distant hub.

iv. Seat Accessibility/Ticket Flexibility

“Seat Accessibility” is a piece of aviation jargon which refers to the probability of a passenger being able to book a seat on a flight shortly before it is due to depart. It is an important product need for the business traveler. Some business travel is undertaken in response to a sudden crisis, which requires someone to travel on a “next flight out” basis. In other situations, a flight may be booked well in advance, but at the last minute a change of plan means that the booking must be cancelled and a new one made on an earlier or later flight. This requires that the ticket held by the passenger should be a flexible one, and that seats should be available near to flight departure time on the alternative service. Clearly, an airline can be giving a very high frequency on a route, but this frequency will be of no value to the business traveler if all the flights are fully booked days or weeks in advance. A further aspect of ticket flexibility is that many business travelers expect the right to no-show for a flight, and then to be re-booked on a later one, without any penalty being charged (Shwan, 2007).

VI. Measurement and Dimensions of Service Quality

According to Fabnoun and Chaker (2003), measuring service quality is an important task since it allows the service provider to appraise (evaluate) and compare what things were like prior to changes set in and what they are after changes were made.

Parasuraman et al. (1988) argued that the customers perception of service quality offering is a function of five dimensions categorized as reliability, Assurance, Tangibles, Empathy, and Responsiveness and suggested SERVQUAL (a service quality measurement tool).

Cronin and Taylor (1992) argued for “Performance only” measurement of service quality and proposed a service quality measurement tool called SERVPERF. Parasuraman’s SERVQUAL model is widely used to measure perceived service quality. Parasuraman et al. (1985), also found that the customer’s perception of service quality depends upon the size and direction of the gap between the service the customer expects to receive and what he or she perceive to have been received. Thus, service quality is defined as the gap between customer’s expectation of service and their perception of the service experience. The gap theory is the method for calculating the service quality that involves subtracting a customer’s perceived level of service received from what was expected (Clow and Kurtz, 2003).

A. Gronroos’s Model

Grönroos (1984) developed the first service quality model and measured perceived service quality based on the test of qualitative methods. Technical quality, functional quality, and corporate image were used in the model as the dimensions of service quality. Technical quality is about customer evaluations about the service. Functional quality which is more important variable for consumer perceptions and service differentiation than technical quality refers how consumers take the service. Technical quality is interested in what was delivered whereas functional quality is interested in how the service was delivered. Corporate image has a positive impact on customer perceptions.

B. SERVQUAL Model

For the purpose of measuring customer satisfaction with respect to different aspects of service quality and to overcome gap which is created as a result of the gap between management and

customers, a survey instrument was developed by Parasuraman, Zeithaml and Berry in 1988. The instrument is called SERVQUAL. The basic assumption of the measurement was that customers can evaluate a firm's service quality by comparing their perceptions with their experience. It is designed to measure service quality as perceived by the customer.

“Based on the information from focus group interviews, Parasuraman et al. (1985) identified basic dimensions that reflect service attributes used by consumers in evaluating the quality of service provided by service businesses.” Parasuraman et al. (1985; 1988) measured the quality of services provided by retail banks, a long-distance telephone company, a securities broker, an appliance repair and maintenance firm, and credit card companies.

Some researchers have used SERVQUAL entirely to investigate different services while others have chosen to use a smaller number of attributes to represent each of the five dimensions. The pioneer study of Parasuraman et al. (1985) has been a major driving force in developing an increased understanding of and knowledge about service quality. They defined service quality as the gap between customer's expectation of service and their perception of the service experience. The various gaps visualized in the gap model are:

- Gap 1: Difference between consumer's expectation and management's perceptions of those expectations, i.e. not knowing what consumers expect.
- Gap 2: Difference between management's perceptions of consumer's expectations and service quality specifications, i.e. improper service-quality standards.
- Gap 3: Difference between service quality specifications and service actually delivered i.e. the service performance gap.
- Gap 4: Difference between service delivery and the communications to consumers about service delivery, i.e. whether promises match delivery.
- Gap 5: Difference between consumer's expectation and perceived service. This gap depends on size and direction of the four gaps associated with the delivery of service quality on the marketer's side.

C. SERVPREF Model

SERVPREF model is an instrument to measure service quality and customer satisfaction. It contains the same domains used in the SERVQUAL model. Cronin & Taylor (1992) developed this model to study four service sectors: banking, pest control, dry cleaning, and fast food. Its framework is based upon the performance theory and is a modification of the SERVQUAL model. The only difference between SERVQUAL and SERVPREF is that the SERVPREF does not take into account customer expectations. It brings into play only customer perceptions of service performance. Therefore, this model does not have a disconfirmation scale, which is the gap between expectations and perceived performance of service. It has only one part, which is the perceived performance of service. In this instrument, customers rate their perceptions of performance of the same attributes that are covered in the SERVQUAL model. The five domains tangibles, reliability, responsiveness, assurance and empathy identified in the SERVQUAL model are equally applicable to the SERVPREF model. According to Cronin and Taylor (1994), SERVPREF can provide managers with a summary of overall service quality score, which can then be plotted in relation to time and specific customer segmentations related to consumer characteristics, for example, demographic subcategories and individual constituencies. The SERVPREF scale thus provides a useful tool for measuring the overall service quality attitudes of service managers. However, they suggest that great care should be exercised by managers of service organizations in attempting to derive more specific information from data captured by the SERVPREF scale for strategic decision making (Cronin & Taylor 1994). SERVPREF is less complicated, more concise, more precise and easier to administer than SERVQUAL. However the SERVQUAL model is the more attractive model because it is more comprehensive and provides better diagnostic information.

VII. Customer Satisfaction

Customer satisfaction is defined as customers' needs and goals when a service is providing a pleasurable level of fulfillment and emotional response (Oliver, 1997). Customer satisfaction is an important factor to understand customers about what they need and want. Pleasurable means that fulfillment increases pleasure or reduces displeasure or anxiety. Fulfillment is determined by the customers' expectations. Moreover, if the perceived service performance does not meet customer expectations; the likely result is dissatisfaction (Churchill and Surprenant, 1982; Oliver, 1980; Yi, 1990). The level of satisfaction or dissatisfaction is reflected from perceptions

and attitudes from previous service experiences, and may also influence repurchase intentions (McGuire, 1999).

Customer satisfaction is the outcome of customer's assessment of a service based on the expectation of customers before the service is delivered and their perceived performances of service delivery (Johnston and Clark, 2005). One of the main reasons that firms give more attention to the issues such as customer satisfaction and loyalty is because customers are the reason for their survival. But the major challenge that companies face these days is how to provide best service which can enhance customer satisfaction to make their customers happy and stay with them, which is the only way service providers differentiate themselves from their rivals (Torbica and Stroh, 2000).

Customers heard about the service by different means such as previous experience, recommendations from others who know the service or advertising these all help them to develop expectation of the service in the mind. Once customers experience a service they compare their perceived performances of that they experience to their expectations. If their perception performances meet or exceed their expectations they are satisfied on the other hand if perceived performances do not meet expectations, they are dissatisfied (Waters, 2010).

VIII. Managing Customer Satisfaction

Chen and Chang (2005) suggested that service process is a descriptive service process from a customer's perspective, a process that converts inputs to outputs through service steps that each customer takes when using air transportation. To measure customer satisfaction, Airlines should use each service process step to measure customer satisfaction. Consequently, it will help them to measure customer satisfaction as well as service process improvement. When it comes to airline transportation, it is important to remember that the services are provided not by only carrier itself, but also by a number of other service companies. The airline provides actual transportation as well as tickets sales (although not in all cases) and on board services, an airport offers shopping services, check-in services (not in all cases) as well as baggage handling services. A subcontractor chosen by the airport often provides baggage handling, catering and technical services. In this environment, so heavily relying on outsourcing the services, it is often hard for an airline to keep service quality in control.

IX. The Relationship between Service Quality and Customer Satisfaction

Kotler and Armstrong (2012), advocate that satisfaction is the post-purchase evaluation of products or services taking into consideration the expectations. Researchers are divided over the antecedents of service quality and satisfaction. Whilst some believe service quality leads to satisfaction, others think otherwise. The studies of many researchers suggest service quality leads to customer satisfaction. To achieve a high level of customer satisfaction, they suggest that a high level of service quality should be delivered by the service provider as service quality is normally considered an antecedent of customer satisfaction (Mesay, 2012). As service quality improves, the probability of customer satisfaction increases. Quality was only one of many dimensions on which satisfaction was based; satisfaction was also one potential influence on future quality perceptions (Clemes, 2008). Cronin and Taylor (1992) asserted that consumer satisfaction appeared to exert a stronger influence on purchase intention than service quality, and concluded that the strategic emphasis of service organizations should focus on total customer satisfaction programs.

Based on the survey result Siddiqi (2011) described that all the service quality attributes are positively related to customer satisfaction and customer satisfaction is positively related to customer loyalty. Kumar et al (2009) also stated that high quality of service will result in high customer satisfaction and increase loyalty. Furthermore Parasuraman et al (1988) found that customer satisfaction is the outcome of service quality.

X. Customer Expectations

Customer's expectation is what the customers wish to receive from the service providers. The diversity of expectation definitions can be concluded that expectation is uncontrollable factors which including past experience, advertising, and customers perceived performance at the time of purchase, background, attitude and products image. Furthermore, the influences of customer's expectation are pre-purchase beliefs, word of mouth communications, individual needs, customer's experiences, and other personal attitudes. Different customers have different expectation based on the customer's knowledge of a product or service (Nabi, 2012).

Many services require personal interactions between customers and the firm's employees, and these interactions can strongly influence customer's perceived performance of services quality. As a result, service organizations face a tremendous challenge in selecting and training all of

their employees to do their jobs well, and, more importantly, to motivating those to care about doing their jobs and to make an extra effort to serve their customers well (Rust and Zahorik, 1993).

XI. Factors that Affect Customer Expectation

i. Personal Needs

Any customer will have what they regard as a set of key personal needs which they expect the service to address. Clearly these will vary from service to service and importantly from customer to customer. An inadequate understanding by the service of these personal needs will make it difficult to design an appropriate service (wisniewski, 1999).

ii. Previous Experience

Some customers many for some services will be ‘repeat’ customers in the sense that they have used this service before. Their previous experience as a customer will in part influence their expectations of future service. One customer for example may have low expectations because of previous poor service. Another may have high expectations because the service quality last time was high. However customers may also use their previous experience of other organizations in this context (wisniewski, 1999).

iii. Word of Mouth Communications

Customers will have their expectations shaped in part by word-of-mouth communications about the service and the service provider. Effectively this relates to communication from sources other than the service provider itself. Friends, family, colleagues etc. are obvious sources in this context. Equally, the media may be a source of such communication (wisniewski, 1999).

iv. Explicit Service Communications

Explicit service communications relate to statements about the service made by the service itself. Such statements may come from service staff or from the service in the form of leaflets, publicity and marketing material (wisniewski, 1999).

v. Implicit Service Communication

Implicit service communication may lead the customer to make inferences about service quality. From a service management perspective, it is clearly important to understand what the key influences on your customers' expectations are. Equally, it is important to identify how the service might influence customer expectations of service through its formal and informal communications (wisniewski, 1999).

XII. Customer Perceptions

Perceived quality is an attitude, which is related to satisfaction, and results from a consumption of expectations with perception therefore the more companies understand customers attitude the more they get the chance to know how customers perceive their service (Parasuraman et al, 1988). Gronroos (1984) suggests that perceived service is the result of a consumer's view of a bundle of service dimensions, some of which are technical in nature and some of which are functional in nature. Technical quality answers the question as to what the consumer actually receives. Functional quality answers the question as to how the consumer receives the service.

Customer perception is totally subjective and is based on the customer's interaction with the product or service. Perception is derived from the customer's satisfaction of the specific product or service and the quality of service delivery. Perceptions are always considered in relation to expectations (Zeithaml, Bitner and Gremler 2009). Perceptions are formed through customers' assessment of the quality of service provided by a company and whether they are satisfied with the overall service (Zeithaml and Bitner, 2003).

2.2 Empirical Review

Numerous the effect of service quality on customer satisfactions studies have been investigated by various scholars. The studies were collected from various journals and research papers. A total of 10 articles are included in this review

Table 2.1: Empirical Literature on service quality dimensions affecting customer satisfaction

Author	Title	Summary of findings
Ali et al. (2013)	an assessment of service quality and resulting customer satisfaction in Pakistan International Airlines	recommend the company should be able to create high perceptions using tangible cues such as aircrafts exterior and interior appearance and terminal appearance, and should also recruit and train human resources to provide a personalized service and ensure empathy, which seem to be highly important to customers
Trimbaetal. (2013)	service quality and customer satisfaction at Kenya airways	The study findings indicate that among the key determinants of customer satisfaction with passengers were luggage security and safety, proper communication with customers to update them on status of their flights, provision of food variety and ability of the airline to communicate to passengers about the weather on arrival destinations. Weather conditions prevailing at the destination, compassion by airline crew toward any disabled persons onboard were particularly noted to increase significantly the level of customer satisfaction.

<p>Ekiz and Hussain (2006)</p>	<p>perception of service quality in North Cyprus airline industry: a path analysis application</p>	<p>to the results of the study recommended that in order to better satisfy their customers National airline should give importance to physical equipment's such as aircraft's exterior and interior appearance, efficient cargo handling procedures, technical maintenance of aircraft at regular intervals. Personnel should be trained and highly qualified in order to better understand and serve the customers. Moreover they should update their catering service facilities</p>
<p>Manssour et al, 2013</p>	<p>investigation service quality of local airline companies in Libya</p>	<p>This implies that, policy makers and industry regulators such as, the Ministry of Transport, as well as the Board of Directors for Air transport in Libya need to be alerted with this empirical fact, and take pragmatic steps to ensure that the domestic airlines and local airports improve their efficiency and effectiveness to provide air services that meet and exceed customer needs</p>
<p>Archana and Subha (2012)</p>	<p>Service quality and passenger satisfaction on Indian airlines.</p>	<p>The study revealed that the passengers are satisfied with the services quality delivered in in-flight service, in-flight digital service and back office operations. These findings imply that Airline Company's in-flight service quality depends upon the different delivery strategies deployed.</p>

2.3 Conceptual Framework

Previous studies clearly indicated that various factors affected on the customer satisfaction. Considering this, several models and structures of these factors have been studied. An overview of this study is presented in the conceptual framework which is given in Figure below is adapted from SERVQUAL model presented by (Parasuraman et al, 1991). This model comprised five distinct dimensions, namely tangibles, reliability, responsiveness, assurance, and empathy.

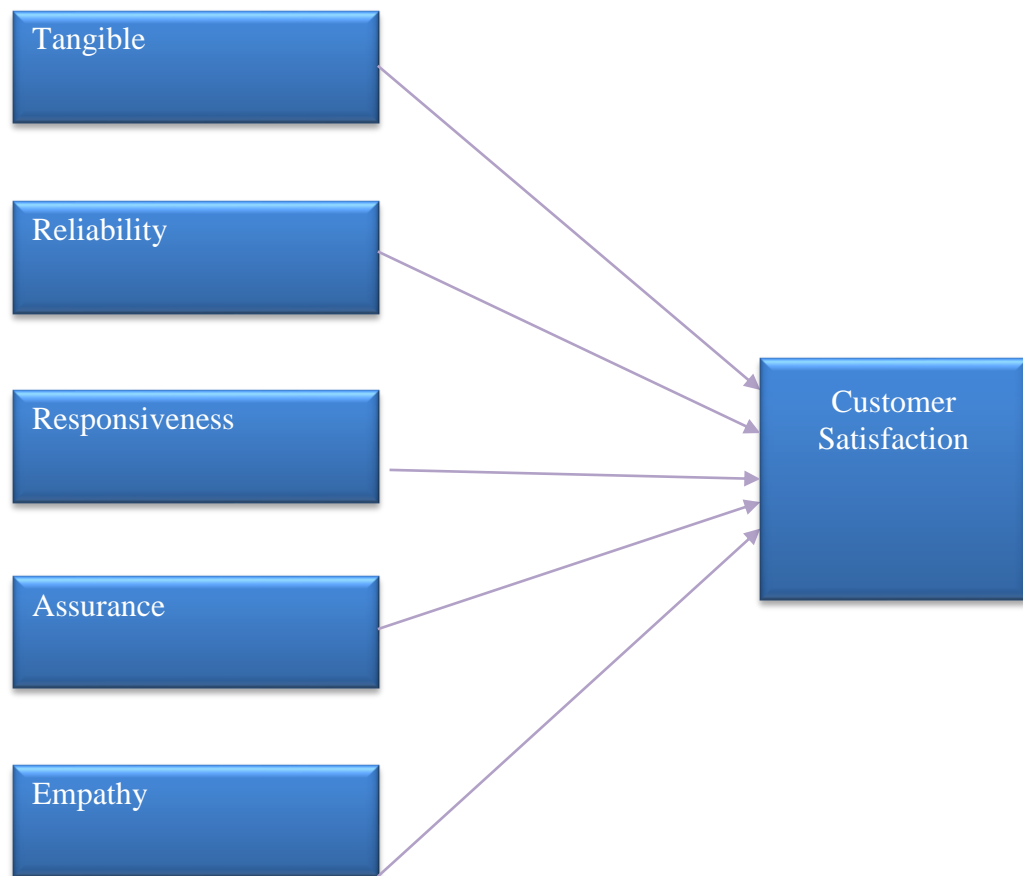


Fig 2.1 conceptual framework

Source Parasuraman et.al, 1991

CHAPTER THREE

RESEARCH METHODOLOGY

3. Introduction

This section of the research assesses the procedures used in conducting the research under study. It discusses the research design, population, sample and sampling technique, data collection tools, and data analysis procedure.

Research methodology defines the systematic and scientific procedures used to arrive at the results and findings for a study against which claims for knowledge are evaluated (Nachamias et al., 1996). A methodology is therefore shaped by the perspective the researcher chooses to approach the study.

3.1 Research Design

Research design specifies the methods and procedures for collecting and analyzing the needed information. It indicates a framework or blueprint for the research as well as the research methods chosen to determine the information needed. It defines the sampling method, sample size, measurement and data analysis processes (Cooper & Schindler, 1998).

The study used a descriptive research design. According to Mugenda and Mugenda (2003), descriptive research is used to obtain information concerning the current status of the phenomena to describe what exists, with respect to variables or conditions in a situation. Descriptive study design enables the researcher to collect data easily and timely by way of interviews, and administering of questionnaires to the selected sample. Therefore, descriptive research design is adopted in this study since the researcher was intended to describe the effect of service quality on customer satisfaction.

3.2 Research Approach

This study has used mixed research approach. Therefore, to have a better insight and gain a richer understanding, the quantitative method was supplemented by the qualitative method of inquiry in which quantitative type of data were collected through structured questionnaire from the selected passengers and also unstructured interview was conducted with the particular

passengers of Ethiopian airlines in order to mitigate the bias in adopting only either quantitative or qualitative approach.

(Creswell, 1994) Qualitative research is fundamentally interpretive; this means that the researcher makes an interpretation of the data. This includes developing a description of an individual or setting, analyzing data for themes or categories, and finally making an interpretation or drawing conclusions about its meaning. The task of the qualitative approach is to identify a theory that explains the dimension of service quality and customer satisfaction.

3.3 Target Population

The target population for this study are passengers of Ethiopian airlines those who uses both on domestic and international flights. Both domestic and international passengers were included. Both genders who uses the service of Ethiopian airline for different reasons. Ethiopian airlines have 127 destinations in total. Because of the large number of passenger and route Ethiopian airline is serving, five densest routes was the target population of this research.

The carrier's five densest routes were

Table 3.1 Densest Routes

Starting point	Destination
Addis Ababa	Dubai
Addis Ababa	Guangzhou
Addis Ababa	Nairobi
Addis Ababa	Johannesburg,
Addis Ababa	Beijing
Addis Ababa	Bahir Dar

Source: CAPA. 2013

3.4 Sampling methods and sample size

Sampling methods

Non- Probability technique was used in this research namely convenience sampling.. The reason Ethiopian airlines selected because Ethiopian is Africa's largest airline in terms of passengers carried destinations served, fleet size, and revenue. Ethiopian is also the world's 4th largest airline by the number of countries served. Judgmental sampling method was used to select which route customers to select. The questionnaires were distributed by using convenience sampling this method involves collecting units that are the easiest to access questionnaires were distributed to passenger's on-board Ethiopian Airlines flying in the first week of December 2019 on flight segments between Addis and the densest routes. According to Kothari (2004) when the population element were selected for inclusion in the sample based on the easiest of access, it can be called convenience sampling .This is a technique in which a sample is drawn from that part of the population that is close to hand, readily available ,or convenient (Bhattacharjee, 2012).

Sample Size

The research population was passengers of Ethiopian airlines those who uses both on domestic and international flights. As per data obtained from the ticket offices, there is no clear figure that shows the total number of passengers, because once the passengers are used the service they may not be come again.

Determining a sample size for this study is very crucial, because the researcher cannot cover the entire population. Although using large sample size is better, if the researcher uses very large as large as the entire population, it could led to wastage of time, resources and money. Therefore, the researcher decided to use the Cochran (1963, 1975) sample size determination formula to determine the sample size of the target population.

The population was sampled in to a sample size of 384 respondents using the equation developed by Cochran (1963, 1975) to yield a representative sample for population of large sample size.

$$N = z^2 t^* (1-t) / e^2$$

Z-standardization value indicating a confidence level

E-acceptable magnitude of error

T-sample standard deviation or an estimate of the population

N-sample size

$$N=1.96^2 \times 0.5 \times 0.5 / 0.05^2$$

$$N= 384$$

Table 3.2 sample distributed for each route

Starting point	Destination	Questionnaire to distribute
Addis Ababa	Dubai	64
Addis Ababa	Guangzhou	64
Addis Ababa	Nairobi	64
Addis Ababa	Johannesburg,	64
Addis Ababa	Beijing	64
Addis Ababa	Bahir Dar	64
	Total	384

Source: CAPA. 2013

3.5 Type of data tools/ Instrument of Data Collection

Both primary and secondary data were used in this study. Primary data was collected by using a questionnaire. Questions about the dimension of service quality were developed with reference to the theoretical studies reviewed. That can reveal the relationship of service quality on customer satisfaction was distributed directly to the participants selected as a study sample (passengers of Ethiopian airlines those who use both on domestic and international flights) Secondary data was obtained from journals, websites, and annual reports.

3.6 Procedures of Data Collection

For the primary data collection 384 self-administered Questionnaires were distributed to the selected sample of the passengers at Bole international airport. In addition to the English version

of questionnaire Amharic version was also developed and distributed so it facilitates easy understanding of the questions for respondents who are not able to read the English version and data collectors were paid to distribute the questionnaire first the distributor communicated respondents to get their consent. Once their consent was known, the questionnaires were distributed by the researcher to each participant by appreciating their participation and devoting their precious time for the research in addition to assist the customers and was collected carefully from the respondents.

3.7 Methods of Data Analysis

After collecting all the necessary data, they were coded and edited, analyzed to eliminate errors and ensure consistency. This is intended to ease the tabulation work. The data would be entered into a computer and analyzed with the use of statistical packages for social science (SPSS) version 20 and the result is going to be presented in tables for easy interpretation. Finally, a research report would write from the analyzed data in which conclusions and recommendations are made.

3.8 Validity & Reliability

Validity in research refers to how accurate an instrument is at measuring what it is trying to measure. Reliability is conducted to assess data quality. A reliability test is used to assess consistency in measurement items (Cerri, 2012). Cronbach Alpha was used to test the reliability of multi-Items.

3.8.1 Reliability Analysis

Reliability analysis was computed to test whether the scale used in the study is internally consistent and consistently measures the criterion variable using the reliability procedure in SPSS (version 20.0). From data analysis the cronbach's alpha for this study is 0.986 which is excellent according to the standard set by George and Mallery (2003) and it is over the acceptable limit of >0.70 . For all individual dimensions, cronbach's alpha is greater than 0.70, which is shown below, that signifies greater internal consistency between the items and measures the intended dimension of the variables.

Table 3.3 Reliability test

No	Dimensions	No of items	Cronbach's Alpha
1	Tangibility	4	.971
2	Responsiveness	4	.982
3	Empathy	5	.978
4	Assurance	4	.970
5	Reliability	5	.976
	Average Cronbach's alpha	22	.986

Source: Own survey and SPSS output, (2019)

3.7.2 Validity Analysis

Validity is concerned with whether the findings are really about what they appear to be about (Sounders et. al., 2003). Numbers of different steps are taken to ensure the validity of the study are Data collected from the reliable sources, from passengers of Ethiopian airlines those who use both on domestic and international flights and Survey question was made based on literature review and frame of reference to ensure result To secure the content validity of the instrument, the researcher also referred previous researcher's questionnaires that fit the purpose and let different staff of Ethiopian airline in the work place to review the instrument before distributing to the respondents and they had critically examined and forwarded some modifications on the instrument; therefore, their expertise feedback has been incorporated.

3.9 Ethical Consideration

A letter written from the university was taken to the respective bodies to undertake a pre survey and to assure that the study is meant to be used for academic purpose. Confidentiality and anonymity of the respondents was ensured throughout the execution of the study for participants were not expected to disclose their personal information.

The purpose and the benefit of the study and the voluntary nature of participation were discussed with each study participants, and informed verbal consent was obtained. The right of the respondents to refuse to answer for few or all questions was respected.

CHAPTER 4

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

Questionnaires were successfully delivered to 384 for customers of Ethiopian airlines who use both on domestic and international flights at the Bole international airport with in a period of 10 consecutive days. A total of 340 valid responses with 44 missing questionnaires were returned back with 83.2 % response rate. The questionnaires were personally handed to the respondents with close follow up and guide in filling the questioners.

The data collected are presented by frequency tables and to analyze the results Statistical Package for the Social Science (SPSS) vision 20 was used. Correlation was used to measure the relationship between the service quality dominations and customer satisfaction and interpretations were made in accordance with the results of the testing. Hence, the research results that were collected through the survey questionnaires were analyzed using descriptive statistics and correlation statistics with the help of SPSS software and the results are presented and discussed in the following sections.

4.1 General Information

The general information is organized in the following areas: gender, Age, level of education, frequency of flight. The purpose of the general information was to find out the characteristics of the respondents and to show the distribution of the population in the study.

Table 4.1 General Information

		Frequency	Percent
Gender	Male	194	57.1
	Female	146	42.9
	Total	340	100

Age group	18-30	56	16.5
	31-45	140	41.2
	46-55	131	38.5
	56 and above	13	3.8
	Total	340	100
Educational Level	Certificate	25	14.1
	Degree and above	177	52.1
	Diploma	92	27.1
	High school	23	6.8
	Total	340	100
Frequency of flight	Once	48	14.1
	Twice	128	37.6
	Three times	67	19.7
	Four times	20	5.9
	Five and More times	77	22.6
Total	Total	340	100.0

Source: analysis of survey data 2019, using SPSS 20

The above table shows that distribution of respondent's gender. 57.1% of the respondents was male, while 42.9 % of the respondents were female. This implies that majority of the participants in the research were male. The age assortment of the respondents were 41.2% aged from 31-45, 38.5% were from 46-55, as well as 16.5% were ranged from 18-30, the rest of the respondents age were 56 and above having 3.8% of the respondents. The education qualifications of respondents are shown in table 4.1 as it indicated in the table, 52.1% holds a first degree and more, 27.1% were college diploma holders, while 6.8% are high school graduates and 14.1% of the respondents have certificate. The result from the table 4.1 shows that 14.1% of the

respondents had flew with Ethiopian airlines and 37.6% of the respondent have used Ethiopian airlines twice, 19.7% of the respondents travel by EAL three times, 5.9% of the respondents said they had flight experience with Ethiopian airlines four times, the rest of the respondents responded they used Ethiopian airlines to travel abroad more than five and more times holding 22.6%

4.2 Descriptive Analysis

The below descriptive analysis tables demonstrates in detail about the mean and the standard deviation of the Ethiopian airlines customer response, the interpretation is depended on the table proposed by (Andrich and David, 1978)

Table 4.2 Descriptive interpretation

Rating scale		
Mean Range	Interpretation	Response Made
1.0 - 1.7	strongly disagree	Very low
1.8 - 2.5	Disagree	Low
2.6 - 3.3	Not Sure	Neutral
3.4 - 4.1	Agree	High
4.2 - 5.0	Strongly Agree	Very High

Source: (Andrich and David, 1978)

Table 4.3 Tangibility

Code	Descriptive		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean
TAN1	Good appearance, gesture and uniforms of cabin crew.	Frequency	0	35	51	171	83	3.89
		Percent	0	10.3	15.0	50.3	24.4	
TAN2	Modern and clean in-flight facilities and equipment's.	Frequency	35	17	30	184	74	3.72
		Percent	10.3	5.0	8.8	54.1	21.8	
TAN3	Varity and quality of in-flight meals.	Frequency	27	93	60	92	68	3.24
		Percent	7.9	27.4	17.6	27.1	20.0	
TAN4	Providing visually appealing equipment, like interiors, seats and seat covers etc.	Frequency	20	89	66	80	85	3.36
		Percent	5.9	26.2	19.4	23.5	25.0	
Total mean								

Source: analysis of survey data 2019, using SPSS 20

According to table 4.2.1, four question which deals about tangibility feature of EAL service quality of EAL customer were asked, the mean of each of the above statement are; 3.89 for TAN1, 3.72 for TAN2, 3.24 for TAN3 and 3.36 for TAN4. The mean response of each statement in the above table except R1TAN3 and TAN4 is above 3.4. This implies that majority of the respondents are agree (74.4%) on the Good appearance, gesture and uniforms of cabin crew and Modern and clean in-flight facilities and equipment's with 75.9% agreed respondents. However, the tangibility statement shown in TAN3 and 4 indicates that the respondents don't have a positive attitude towards Varity and quality of in-flight meals 35.3% or 120 of the respondent disagreed and finally Providing visually appealing equipment, like interiors, seats and seat covers etc. 32.9% or 109 respondent this the interior of the airline as unappealing and cold seats and seat covers.

Table 4.4 Reliability

No.	Descriptive		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean
REL1	On time performance of schedule flights.	Frequency	12	67	72	144	45	3.42
		Percent	3.5	19.7	21.2	42.4	13.2	
REL2	Remedial procedures for deployed or missing baggage.	Frequency	14	85	61	124	56	3.36
		Percent	4.1	25.0	17.9	36.5	16.5	
REL3	Efficiency of the check in process.	Frequency	18	0	29	154	139	4.16
		Percent	5.3	0	8.5	45.3	40.9	
REL4	Transfer service and efficiency at departure.	Frequency	7	33	79	152	69	3.71
		Percent	2.1	9.7	23.2	44.7	20.3	
REL5	Performing the services right the first time.	Frequency	18	23	23	187	89	3.90
		Percent	5.3	6.8	6.8	55.0	26.2	
Total mean								

Source: analysis of survey data 2019, using SPSS 20

As we can see from Table 4.2.2 above, respondents rate each reliability questions as follows. Out of 340 respondents, 189 respondents agree on time performance of schedule flights. However, a substantial number of customers (91) disagree and they believe there are many delays of flight. 293 respondents agree on the Remedial procedures deployed for missing baggage but 99 respondents disagree on the corrective measure the airlines take while there is missing luggage by seeing this figure the airline should assign a specific department to take appropriate and timely response when there is a missing luggage. Most of the respondents (293) agreed on the Efficiency of the check in process and 18 respondents disagree. 221 respondents agree on Transfer service and efficiency at departure nevertheless 40 respondents disagree. 276 respondents agree on EAL Performing the services right the first time though 41 respondents do not agree on EAL performed serve right the first time.

Table 4.5 Responsiveness

No.	Descriptive		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean
RES1	Capable to response to emergency situations.	Frequency	31	19	46	153	91	3.75
		Percent	9.1	5.6	13.5	45.0	26.8	
RES2	Understanding the specific needs of individual.	Frequency	18	40	52	137	93	3.73
		Percent	5.3	11.8	15.3	40.3	27.4	
RES3	Prompt respond of employees of the airline to your request or complaint.	Frequency	13	22	27	128	150	4.12
		Percent	3.8	6.5	7.9	37.6	44.1	
RES4	Keeping customers informed about when services will be performed.	Frequency	18	10	33	164	115	4.02
		Percent	5.3	2.9	9.7	48.2	33.8	
Total mean								

Source: analysis of survey data 2019, using SPSS 20

The majority of the customers were given positive answers on Capable to response to emergency situations (71.8%) but 14.7 % of the respondents have concerns towards on how EAL handle emergency situations. 67.7 % of the respondents think and agree on employees of EAL Understanding the specific needs of individual on the contrary 17.1 % of the respondents does not agree on the employees understanding of the customers need in general this might be an import for the airline to prepare survey to find out the customers need and what this they want to be changed. Prompt respond of employees of the airline to your request or complaint 81.7% of the respondents agree on the quick response the employees give when complain arrives and 10.3% of the respondents didn't agree on the sense of the employees quick response on resolving there complains. 82 % of the respondents agreed on EAL Keeps customers informed about when services will be performed and 8.2% disagrees that.

Table 4.6 Assurance

No.	Descriptive		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean
ASS1	I feel safe with my flight in Ethiopian airlines.	Frequency	37	30	15	143	115	3.79
		Percent	10.9	8.8	4.4	42.1	33.8	
ASS2	Employees are consistently courteous.	Frequency	24	18	25	145	128	3.99
		Percent	7.1	5.3	7.4	42.6	37.6	
ASS3	Sincerity and patience in resolving passengers Problems.	Frequency	20	17	32	174	97	3.91
		Percent	5.9	5.0	9.4	51.2	25.5	
ASS4	Employees have enough knowledge to answer customer's questions.	Frequency	27	48	26	165	74	3.69
		Percent	7.9	14.1	7.6	48.5	21.8	
Total mean								

Source: analysis of survey data 2019, using SPSS 20

258 respondents feel safe when flying in Ethiopian airlines the rest 65 respondents don't feel safe. 273 (80.2%) of the respondent believe the Employees of Ethiopian airline are consistently courteous and few (42) respondents fee the reverence about the employees. 271 respondents are happy and did not obtain what they have desired from employees on Sincerity and patience of in resolving passengers Problems. 10.9 Percent or 37 of customers did not trust employees in the patience of the employee on resolving problems they are facing. Employees have enough knowledge to answer customer's questions 239 respondent agree .However substantial no of customers (75) are not satisfied with level of employee knowledge This shows that company did not give attention to improve the skills of its employees by providing adequate training to update their knowledge with regard to how to serve customer.

Table 4.7 Empathy

No.	Descriptive		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean
EMP1	Numerous, easy to use ticketing channels.	Frequency	8	17	38	154	123	4.08
		Percent	2.4	5.0	11.2	45.3	36.2	
EMP2	Spontaneous care and concern for passenger's needs.	Frequency	8	9	35	173	115	4.11
		Percent	2.4	2.6	10.3	50.9	33.8	
EMP3	Having other travel related partner e.g. car rental, hotels, travel insurance.	Frequency	4	34	24	180	98	3.98
		Percent	1.2	10.0	7.1	52.9	28.8	
EMP4	Having a sound loyalty program to recognize you as a frequent customer.	Frequency	18	53	38	153	78	3.65
		Percent	5.3	15.6	11.2	45.0	22.9	
EMP5	The service providers have operating hours convenient to the customers.	Frequency	11	46	14	179	90	3.86
		Percent	3.2	13.5	4.1	52.6	26.5	
Total mean								

Source: analysis of survey data 2019, using SPSS 20

On the empathy aspect 154 (45.3%) and 123(36.2) respondents agree and strongly agree on numerous and easy to use ticketing channels via website booking, 25 (7.4%) respondents were given negative reply and 38 customers replied with no response. for Spontaneous care and concern for passenger's needs the customer response were 288 respondent agreed on the level of EAL employees worry about the passengers needs and give appropriate care for the problem but 17 respondent feel the reverse and disagree and 35 respondent have neutral feeling about the issue.180(52.9%) and 98 (28.8%) of respondents agree and strongly agree on Having other travel

related partner e.g. car rental, hotels, travel insurance even though 38 respondent feel different way . 153 (45.0%) and 78(22.9%) of the respondent agree and strongly agree on EAL having loyalty program to recognize the frequent use of the serve e.g. Sheba miles but then again 71 respondent disagree on the loyalty program Ethiopian airlines provide. The service providers (EAL) have operating hours convenient to the customers 269 respondents agree on the convince hours the airline operates and 57 respondent disagree on the convenient hours EAL is operating.

Table 4.8 Customer satisfaction

No.	Descriptive		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean
CS1	Overall I am satisfied with the airline.	Frequency	18	17	44	176	85	3.86
		Percent	5.3	5.0	12.9	51.8	25.0	
CS2	The airline services always meet my expectations.	Frequency	6	52	10	193	79	3.84
		Percent	1.8	15.3	2.9	56.8	23.2	
CS3	I am satisfied with the performance of services provided by the airline.	Frequency	33	17	32	193	65	3.71
		Percent	9.7	5.0	9.4	56.8	19.1	
CS4	I'm satisfied by the customer handling service of the company.	Frequency	11	48	17	194	70	3.78
		Percent	3.2	14.1	5.0	57.1	20.6	
CS5	I 'will continue using Ethiopian airline in the future.	Frequency	5	33	25	210	67	3.88
		Percent	1.5	9.7	7.4	61.8	19.6	
Total mean								

Source: analysis of survey data 2019, using SPSS 20

261 respondents are overall satisfied with EAL however 35 respondents are dissatisfied with EAL. 272 respondents agreed on EAL services always meet my expectations and 58 respondents disagree and the airline service is below their expectation. 264 respondents are satisfied with the performance of services provided by the airline. But 50 respondents are satisfied the performance

of service provided. 277 respondents are sure and wanted to continue using Ethiopian airline in the future however 38 respondents are not satisfied and wanted to use other airline service other than Ethiopian airlines.

Table 4.9 the mean of five Ethiopian airline service quality dimensions

Descriptive Statistics						
	N	Minimum	Maximum	Mean	Std. Deviation	N
Tangibility	340	1.50	5.00	3.5507	.78248	340
Reliability	340	1.20	5.00	3.7124	.65713	340
Assurance	340	1.00	5.00	3.8441	.77998	340
Responsiveness	340	1.00	5.00	3.9037	.89970	340
Empathy	340	1.60	5.00	3.9353	.64907	340
customersatisfaction	340	1.80	5.00	3.8124	.68972	340
Valid N (listwise)	340					

The result of the descriptive table 4.2.7 shows that the mean of tangibility is 3.55 the perception of customer in tangible aspect EAL have clean flight facilities and equipment's and material aspect of the airline is noble in general. The perception of customer towards responsiveness for their needs and wants is high having a mean score of 3.9. Assurance mean of customer responses was 3.84 meaning the respondent agree on the method and practice of assurance (the way it makes the passengers to feel safe, courteous employees, their ability to answer customers question). Reliability similarly the response is high having a mean score of 3.72 meaning the customer think the EAL reliable or dependable on flight schedule and check in process. Most of the respondent get high rating by agreeing on they are satisfied on the service they get from CBE having a mean score of 3.8564. Finally the respondent answers Customer satisfaction testing questions by agreeing on most of the question having a mean score of 3.8124.

4.3 Correlation Analysis

Different authors suggest different interpretations; however, (Cohen, 1988) suggests the following guidelines for interpreting correlation coefficients:-

Small	.10 to .29
Medium	.30 to .49
Large	.50 to 1

These guidelines apply whether or not there is a negative sign out the front of your r value.

Table 4.10 correlation result between the dependent and independent variable

		Customer Satisfaction
Tangibility	Pearson Correlation	.630**
	Sig. (2-tailed)	.000
	N	340
Reliability	Pearson Correlation	.596**
	Sig. (2-tailed)	.000
	N	340
Responsiveness	Pearson Correlation	.682**
	Sig. (2-tailed)	.000
	N	340
Assurance	Pearson Correlation	.629**
	Sig. (2-tailed)	.000
	N	340
Empathy	Pearson Correlation	.550**
	Sig. (2-tailed)	.000
	N	340
Customer Satisfaction	Pearson Correlation	1
	Sig. (2-tailed)	
	N	340

Source: analysis of survey data 2019, using SPSS 20.

The above table 4.3 shows, the relationship between the independent variables which is Service quality (Tangibility, Reliability, Responsiveness, Assurance, Empathy) and the dependent

variable customer satisfaction was investigated using Pearson correlation coefficient. The results of correlation analysis in the table 4.3, shows that all the independent variables were positively and significantly correlated with the dependent variable. The correlation coefficient between Tangibility and customer satisfaction is 0.63 with $p < 5$. This means if the airline focus on tangibility aspect of the airline, the customer's level of satisfaction will be improved. Therefore, conflict handling has power to determine the customer loyalty.

Based on the correlation result as it is shown in the table 4.3 Responsiveness have large/ high relationship with customer satisfaction having 0.682 this means that if the airline can improve the responsiveness, EAL customer's level of satisfaction will be improved side by side. Therefore, responsiveness of the airline has power to determine its customer's satisfaction.

Based on the table 4.3 of correlation results, reliability has a positive correlation with customer satisfaction with 0.596 in other words if EAL can improve its reliability, the customer will be satisfied with the services the airline is providing otherwise they will be dissatisfied consequently will move to competitors. As a result; EAL should be able to improve its reliability to ask if satisfied with their service or not, customize its service and should put the customer concern first, to establish strong relationship. Therefore, reliability has power to determine the satisfaction of customers. Assurance is another dimension of service quality that is taken into account to explain customer's satisfaction. Based on the correlation result from table 4.3 shown by Pearson Correlation test, assurance dimension is positively and largely correlated with customer's satisfaction. The correlation coefficient between assurance and customers' satisfaction is 0.629. This shows that assurance dimension can be consider as major determinant of customers' satisfaction and customer's satisfaction is highly influenced by the assurance to airline to serve the customer better without fear and comfort.

The other factor that is included as dimension of service quality is empathy; as indicated in the table 4.3 correlation results it has positive and large relationship with customer loyalty having 0.55. The airline should work to satisfy the need and want of the customers. ensure if the customers need are satisfied and if not by discussing to making changes that will satisfied there need will create good relation with customers and increase satisfied customers which later on lead to loyal customers.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Finding

The main purpose of the study was to assess perceived service quality and satisfaction of customers, particularly in Ethiopian airlines. Customers satisfying customers by refining customer experience as well as by exceeding their expectation is the first prerequisite to survive in a competitive environment and to generate profit. The service quality dimensions that were included in this research are tangibility, responsiveness, reliability, assurance, and empathy.

As the findings of this study indicated in table 4.2.7 the descriptive statistics of the respondents shows that agreed with the five dimensions of service quality. Moreover, the respondents agreed with the five dimensions of service quality by giving the higher rate scale to empathy, followed by responsiveness, assurance, reliability and tangibility are with average mean of 3.93, 3.90, 3.84, 3.71, and 3.55 respectively.

With regard to the Pearson correlation analysis, it can be clearly seen as that the five service quality dimensions namely tangibility, responsiveness, reliability, assurance, and empathy are positively related to customer satisfaction in Ethiopian airlines. The relationship looks like the following:-

This paper question was is tangibility aspect of the service quality of EAL have a positive relationship with customer satisfaction and the result agree that tangibility and customer satisfaction have a high relationship with 0.63 this implies the company could be benefited by improving the tangible aspect since it have a good relationship with satisfaction of the customers. the other aspect this paper ties to examine was does reliability of EAL have a positive relationship with customer satisfaction and the result support this and reliability have a positive relationship with customer satisfaction with 0.59 or 59% this can clearly show if EAL improve the reliability aspect it can benefit from it because it have a positive relation with satisfaction of its customers. the other dimension of service quality responsive ness also have a positive relationship with customer satisfaction with 0.68 or 68% basing the result the improvement of

responsiveness of EAL could increase number of satisfied customer's. Assurances also have high and positive relationship with customer satisfaction having 0.62 or 62% this means the airline have to improve the assurance to make its customer satisfied. The last dimension empathy also has a high and positive relationship with 0.67 or 67% from the result EAL could be beneficial by improving empathy aspect because it can affect customer satisfaction. Generally service quality dimension have positive relationship with customer satisfaction.

5.2 Conclusion

Service quality is the process that organizations have to understand and work on the customer's preference and serve the customers according to their desire by customizing the product and service they deliver according to their customers' needs to secure them for a continuous relationship. These result to build customer satisfaction in the long run. Dimensions of service quality that pose this positive service quality that in turn brings about customer satisfaction. The service quality dimensions namely tangibility, responsiveness, reliability, assurance, and empathy are believed to build customer satisfaction.

This study has investigated the relationship between which these service quality dimensions have effects on building customer satisfaction by taking EAL as a case study. The study, as presented in above summary, found that tangibility and reliability have positive and strong effect on customer satisfaction. Responsiveness, assurance, and empathy have also a significant effect.

Based on the findings of the study, it is very important that EAL should understand the service quality dimensions (tangibility, responsiveness, reliability, assurance, and empathy) are very importance to build satisfied customers.

Therefore it is reasonable to conclude that customer satisfaction can be created, reinforced and retained by marketing plans aimed at building assurance, demonstrating reliable service, improving tangible aspect of the airline improving Providing visually appealing equipment, like interiors, seats and seat covers and developing empathy to create strong bonds between EAL staffs and its customers.

Finally, this study concludes that service quality dimensions are contributing to customer satisfaction. Service giving companies like Ethiopian airlines, need to implement well designed service quality enhancing strategies and structure.

5.3 Recommendations

Based on the conclusions drawn above the following recommendations are forwarded for the concerned bodies:

- EAL is advise work on tangibility and reliability by making them feel their privacy is protected while transacting, by Good appearance, gesture and uniforms of cabin crew, Modern and clean in-flight facilities and equipment's, by providing Variety and quality of in-flight meals, by Providing visually appealing equipment, like interiors, seats and seat covers and from reliability perspective by On time performance of schedule flights, Transfer service and efficiency at departure and Remedial procedures for deployed or missing baggage, by making it easy for customers to how where and when to report their complains that will eliminate unnecessary inconvenience to customers lead to being dissatisfied.
- EAL should increase its performance according to the expectation of passengers by improving all the dimensions of service quality and by using other managerial activities which will increase the commitment of employees and other concerned bodies of Ethiopian airlines.
- Reliability, Assurance and Tangibility dimensions should be given due attention by the airline because they are the dimensions which have a positive and moderate relationship with Ethiopian airlines and which have significant impact on customer satisfaction.
- For the future, the researcher recommends assessing customer satisfaction using other dimension of service quality such as efficiency, security and privacy and convince. and test service quality in other service sectors other than airline sectors.

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APPENDIX A

ST. MARY'S UNIVERSITY POST GRADUATE STUDY IN MARKETING MANAGEMENT

Dear respondent,

First of all I would like to thank you for giving your precious time to fill this questionnaire. The purpose of this questionnaire is to gather information for research to be conducted on the perceived service quality and satisfaction of customers of Ethiopian airlines.

The information you provide will help me to better understand the situation and will be used as an input for completing my MBA Thesis in St Mary's University.

Therefore, I kindly request you to complete the following questions to reflect your opinions as accurately as possible and give factual information to the best of your knowledge. The information that I will get from you will be treated confidentially and will not be disclosed for third party.

PART ONE: - GENERAL INFORMATION ABOUT THE RESPONDENTS

1. Gender

Male Female

3. Age group?

18-30 31-45 46-55 56 and above

3. Educational Level

Certificate High school Diploma Degree/Masters and above

Other (please specify) _____

4. How many flights you made with Ethiopian Airlines?

- a) Once
- b) Twice
- c) Three times
- d) Four times
- e) Five and More times

PART TWO: SERVICE QUALITY DIMENSIONS

Please tick a number that shows your level of agreement with the following statements where (1 – Strongly disagree, 2 - Disagree, 3 - Neutral, 4 - Agree, and 5 – Strongly agree).

Code	SERVICE QUALITY DIMENSIONS	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I	TANGIBLE					
TAN1	Good appearance, gesture and uniforms of cabin crew.					
TAN2	Modern and clean in-flight facilities and equipment's.					
TAN3	Variety and quality of in-flight meals.					
TAN4	Providing visually appealing equipment, like interiors, seats and seat covers etc.					
II.	RELIABILITY					
REL1	On time performance of schedule flights.					
REL2	Remedial procedures for deployed or missing baggage.					
REL3	Efficiency of the check in process.					
REL4	Transfer service and efficiency at departure					
REL5	Performing the services right the first time.					
III.	RESPONSIVENESS					
RES1	Capable to response to emergency situations.					

RES2	Understanding the specific needs of individual.					
RES3	Prompt respond of employees of the airline to your request or complaint					
RES4	Keeping customers informed about when services will be performed.					
IV.	ASSURANCE					
ASS1	I feel safe with my flight in Ethiopian airlines.					
ASS2	Employees are consistently courteous.					
ASS3	Sincerity and patience in resolving passengers Problems					
ASS4	Employees have enough knowledge to answer customer's questions.					
V.	EMPATHY					
EMP1	Numerous, easy to use ticketing channels.					
EMP2	Spontaneous care and concern for passenger's needs.					
EMP3	Having other travel related partner e.g. car rental, hotels, travel insurance.					
EMP4	Having a sound loyalty program to recognize you as a frequent customer					
EMP5	The service providers have operating hours convenient to the customers.					

PART THREE: customer satisfaction

Please tick a number that shows your overall service quality perception and your level of satisfaction with respect to the following statements.

Code		Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
I.	Customer Satisfaction					

CS1	Overall I am satisfied with the airline.					
CS2	The airline services always meet my expectations.					
CS3	I am satisfied with the performance of services provided by the airline.					
CS4	I'm satisfied by the customer handling service of the company.					
CS5	i will continue using Ethiopian airline in the future.					

THANK YOU VERY MUCH!