# ST. MARY'S UVERSITY

## SCHOOL OF GRADUATE STUDIES

## MASTERS OF BUSINESS ADMINSTRATION

## THE EFFECTS OF COMPANY BRAND IMAGE ON CUSTOMER LOYALTY: THE CASE OF ETHIOPIAN AIRLINES

**BY**

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**JUNE, 2021**

**ADDIS ABABA, ETHIOPIA**

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**APPROVED BY BOARD OF EXAMINERS**

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# DECLARATION

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person or material which has been accepted for the award of any other degree or diploma of the university or other institute of higher learning, except where due acknowledgment has been made in the text.

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# Advisor's Approval

This Thesis has been submitted for examination with my approval as a University advisor.

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| Advisor's Name | Signature | Date |

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***Addis Ababa, Ethiopia***

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# List Acronyms /Abbreviations

| | |
|---|---|
| ERP | Enterprise Resource Planning |
| ERG | Existence, Relatedness, Growth |
| ET | Ethiopian Airlines |
| HRM | Human Resource Management |
| MRO | Maintenance, Repair and Overhaul |
| PMS | Performance Management System |
| SPSS | Statistical Package for Social Sciences |
| BSC | Balanced Scorecard |
| BA | Brand Awareness |
| BA | Brand Recognition |
| CL | Customer Loyalty |
| PQ | Perceived Quality |
| BAS | Brand Association |
| BT | Brand Trust |

## *ABSTRACT*

*Brand image is an important concept in customer loyalty and it is a crucial factor influencing the purchasing of product and service. In today's competitive business world central to relationship marketing is customer loyalty. Considering highly competitive, complex and dynamic environment of the aviation industry together with slight differences which exist in financial services, brands become a key differentiator to enable the airline to gain a competitive advantage in the industry. The main purpose of this study is to examine the effect of brand image on customer loyalty in case of Ethiopian airlines. The target populations of this research were Ethiopian airlines customers. The study adopted both qualitative and quantitative research approach with explanatory research design. To gather the relevant data for the study objective, the data collection process is done using self- administered questionnaire filled by international passengers of Ethiopian airlines. A three –page standardized survey questionnaire was employed. Questionnaires were designed based the reviewed literature and distributed to 384 customers who were selected using convenience sampling technique. Out of these, 297 were properly completed and returned. Both primary and secondary data are used in the study. Moreover, the data collection process is done using self- administered questionnaire filled by Ethiopian airline passengers and the data were analyzed by using descriptive, correlation, and regression analysis supported by SPSS (statistical package for social sciences). The study come up with brand image has a significant effect on customer loyalty. The study revealed that the five dimensions of brand image that is, brand awareness, brand association, brand recognition perceived quality and brand trust have positive and significant relation with customer loyalty. The study recommend that brand image is very vital to attract and retain customers; therefore, continuous improvement must be maintained at all times on brand awareness, brand association, brand recognition perceived quality as well las brand trust that meet customer loyalty.*



**Key Words*:*** Brand image, brand awareness, brand association, brand recognition perceived quality, brand trust and customer loyalty.

# CHAPTER ONE

## 1.1 Background of the Study

Travel requires image formulating and branding grounded in the place reality. Building a positive image and making it brand is necessary for the development of organization in the aviation industry. While building brand the information intended to deliver to customers must much with the reality of the place (Tamrat, 2007).

In the current competitive business environment, the brand image of a company is very important like products or services offered. Most of the business organizations consider a brand image as a powerful asset for their success. A trusted and recognized brand identity provides confidence for customers to use the products offered by that brand. Therefore, the successful organizations always work hard to build strong brand and represent it in a consistent and clear way (Egan, 2014). Customer loyalty and customer satisfaction are also widely accepted issues for all of the companies, which are applied as a marketing benchmark for the performance of the company (Bennett and Rundle -Thiele, 2004). It is important to illustrate that if a customer is happy with the product or services then he is interested to show loyal attitude towards the brand i.e. willing to pay more, willing to provide positive word of mouth and to display loyal behaviors (Bennett and Rundle -Thiele, 2004; Schultz, 2005). Changing the world's perception of a place is neither easy nor quick; after all, a brand image has often evolved over many countries, shaped by was, religion, diplomacy, international attics victories or disasters, famous, infamous sons and daughters of the country (Kotler, 2002).

Branding company is a complex process that goes beyond simply developing brand slogans and logos (kavaratzis and Hatch 2013, yusof et al, 2014). Developing slogans and logos is important but limited and not sufficient in terms of understanding the holistic approach to the company branding process. This process has successfully been used in policy formulation towards economic development, stakeholder involvement, community participation and political engagement (Ashworth page 2011; Oliveira 2014).

According to Hsieh, Pan, and Setiono (2004), "a successful brand image enables consumers to identify the needs that the brand satisfies and to differentiate the brand from its competitors, and consequently increases the likelihood that consumers will purchase the brand" (p. 252). A company or its product/ services which constantly holds a favorable image by the public, would definitely gain a better position in the market, sustainable competitive advantage, and increase market share or performance (Park, Jaworski, &MacInnis, 1986).

The psychological aspect, sometimes referred to as the brand image, is a symbolic construct created within the minds of people and consists of all the information and expectations associated with a product or service. The nicest approach to brand building considers the conceptual structure of brands, businesses and people. According to Kotler, (2014), a brand is a name, term, sign, symbol or design or a combination of all these, that identifies the maker or seller of a product or service. Consumers view a brand as an important part of a product and branding can add value to a product. Consumers attach meanings to brands and develop relationships.

Brand Image and Customer Loyalty constraint are considered as very powerful weapons in the field of marketing. This constraint has been studied previously also respectively in the abroad and within the nation also. The current study also focuses on Brand Image and Customer Loyalty. Customer Loyalty has been widely accepted as an important issue for many marketing managers. It is commonly used as a marketing benchmark of a company's performance (Bennett & Rundle -Thiele, 2004).

Concerning customer loyalty, Roundhill (2012) explained that customer loyalty is the matter of attitudinal and behavioral trend selecting one brand over all others due to either satisfaction with the service, or service performance, or experience with the brand. And according to Virtual University Brand Management handout, customer loyalty shows how consistent and how long customers are in buying a company’s brand. It also tells both the number of customers that the company lost and those customers who have been loyal. In favor of this idea, Cronin, Brady &Hult (2000) described that customer loyalty indicates continuous actions of customers buying a company’s products or services and it is also makes significant barriers to changing brands. Therefore, companies should strengthen their brand image by improving customer satisfaction and customer loyalty which lead to become market leaders.

The global airline industry operates in service industry complexities within a highly turbulent environment. The increased interconnectivity within the global airline markets has marked the airline with dynamism from both its external environment and internal operations. Unlike other industry airlines are subject to rapid change from customer expectations, competitor moves, supplier developments, government regulations and employee dynamics. Ethiopian Airlines takes the view that marketing helps to sustain, maintain and (in the medium to longer-term) develop customers' perceptions and thoughts about the airline by developing a series of brand values that keep the Airlines brand moving forward. This level of customer focus builds identity

and therefore as strong brand name as a carrier differentiates its products by using the available information on the customer profile and buying history to tailor-make products for its market (Tamrat, 2007).

The Ethiopian airline industry will need to build its customer base by increasing customer retention numbers to enhance the airlines' competitive advantage. The airline industry is extremely sensitive to costs, such as fuel, labor, and loans. Many studies have examined airline passenger loyalty in general, but limited literature exists regarding brand image effect on customer's loyalty (Sofia Arebo 2016).

Therefore, there is a need for practitioners and academicians to carry out more studies on customer loyalty in order to have a better understanding of this concept, to comprehend the role of brand image as the determinant of loyalty.

In this regard, the aim of this study is to examine the effect on brand image dimensions that influence customer loyalty intention in the context of Ethiopia airlines.

In order to do this, previous studies and models were reviewed to identify more factors that can be considered in aviation industry. Finally, the researcher decides to use brand image dimensions like band awareness, brand association, brand recognition, perceived quality, brand trust and also other variables. Therefore, the study is initiated to assess the effect of brand image and measure the determinant factors of customer loyalty through the use of those variables.

## 1.2. Organizational Background

Ethiopian Airlines was established in December 1946, It is Africa's largest airline by fleet size, annual number of passengers carried and destinations covered. More than 94 international and 20 domestic destinations. Ethiopian has city and airport office at locations in which it operates and three hubs, Addis Ababa being the major one, Lomé Togo and Lilongwe Malawi are the others. At other major international locations, it is served by accredited and designated General Sales Agent (GSA).

The company is a 100 percent state owned airlines and serves as the country's flag carrier. The carrier is considered the fastest growing airline company in Africa and is listed as second in the top ten safest airlines in Africa ranking. Ethiopian Airlines operates with a fleet of 42 passenger and 6 freighter planes and offers services to 62 international and 17 domestic destinations (Sheba miles manual 2011).

Ethiopian Airlines is since December 2011 a member of Star Alliance. it can take its customers over 1,000 destinations worldwide, beyond its own destinations by using partner/member airlines. Protective policies have helped the airline maintain holds a near-monopoly on domestic routes, where it competes with just one other Ethiopian-registered carrier, Trans Nation Airways, which has one aircraft in service and none on order. Although government-owned, the airline is well managed, and has been able to raise its own debt and finance its own expansion without government cash, this is unusual among state owned African airlines (Yared,2007).
The airline is in a better financial position than its rivals Kenya Airways and South Africa Airways. In 2012, Ethiopian Airlines became the first Africa-based airline to receive delivery of the brand new Boeing 787 Dream liner aircraft. In 2010, the airline launched ASKY Airlines, a Togo-based subsidiary, to take advantage of the fastest growing West Africa's regional air market and therefore increase its access to African air transport markets. Looking into the future, many pressing challenges still lie ahead of Ethiopian Airlines including airline competition both within and outside Africa, rising cost of fuel, security and insurance, slow liberalization of air transport in Africa, regional instability, poor aviation infrastructure in most parts of the continent and government ownership to the degree that government interference in commercial decisions may harm the airline (Yared,2007).

In Ethiopia and in Kenya, there has been over the last decade a steady increase in the year-on-year capacity growth trends, with average growth rates of 12 percent in Ethiopia and 9 percent in Kenya. Ethiopia has proven one of the least LCC-friendly markets. According to CAPA (2012), FSC accounts for 99.3 percent (0.7 percent for LCC) of capacity at the Bole International Airport, with fly Dubai being the only LCC to operate in Ethiopia, operating a three-time weekly service from Dubai (Ethiopian Airlines, 2016).

There are 61 airports in Ethiopia, of which two international and twelve regional/ domestic are being administered by the ECCA, a regulatory agency, and the Ethiopia Airports' Enterprise, a service rendering agency. Almost all airports are owned by the government which also is the main provider of air traffic and navigation services. The ECCA has developed a comprehensive National Airports Development Plan covering the period 1999-2017 including among others airport expansion, pilot training and aircraft maintenance. Bole International Airport is Ethiopia's major entry point by air and is currently serving more than 150 flights a day with Ethiopian Airlines accounting for more than 60 daily departures. It is the third busiest airport in Africa, handling over 3 million passengers per year. The airport has been upgraded in recent

years to quite high standards, and is now able to handle up to 17 aircraft simultaneously (Selamta Magazine, 2020).

## 1.3. Statement of the Problem

Customer loyalty is one of the most important issues organizations face today. Creating loyal customers has become more important due to significant increase in competition and concentrated markets. Brand image as concept affects the perception of the customers, it shapes their views and mindsets as far as products are concerned. Brand image has potential of arousing emotions of its key stakeholders who are the consumers. This will determine the tastes and preferences of the consumers and ultimately their purchasing patterns and whether they will be loyal to the brand or not (Aaker, 2016). As a consequence of the impact of branding the purchasing populace will tend to be driven by the emotional attachment towards brand rather than the intrinsic value the brand will offer. Trademarks and brand names arose and became critical factors in determining the consumers purchasing patterns and loyalty. Subsequently it is the brand or the name of a commodity that will be purchased rather than the underlying intrinsic value (Kapferer, 2014).

Some products emerge victorious and others losers as a result of branding. Those that reap the benefit of Brand image will continue to enhance the strong hold on the market via marketing campaigns and exceptional customer service. Loses can fix the problem by pursuing niche strategy that will ensure they are able to stand out in the market for the delivery of a particular service or provision of a particular product (Susan, 2015). The problem of branding will occur in the initial stage of a product life cycle. In this period a product is relatively new in the market and it is greatly discounted in value due to a lack of market knowledge of its existence and capabilities. It is imperative for every aviation industry to distinguish itself in the market through Brand image in order to gain brand loyalty by the consumers in the. Overall Brand image affects how consumers make the decision to purchase or not to purchase a product in the market which would lead to consumer loyalty of the brand and most consumers would purchase a product and service because of the brand name and not necessarily the benefit one would derive from the product.

In Ethiopia there are a few number of private airline companies have joined the sector anticipating the profitability and sustainability of the business. But most of them faced strongly challenged in getting credibility in the market. A strong brand image is the only asset a company can develop that cannot be copied. Companies must thus make serious commitment to

investing in developing a brand strategy for their products and services. Therefore, companies should aware of the fact that their brands are strong and that they enjoy consumer loyalty and they take advantage of that to maximize on their sales and profits. Customer satisfaction has indispensable role for customer loyalty and it is considered that if a customer is satisfied so customer would surely be loyal to the particular brand.

It is therefore important for the companies to focus on differentiating their product and service from their competitors. In order to attract new customers and retain the existing customers for any organization, the brand image is very important because of the fact that the customers always seek for branded products or services in this current competitive market environment. It is therefore, the companies are facing intense challenges in maintaining and enhancing customer satisfaction, brand image and customer loyalty. The impression of a brand's total personality is brand image which might be imaginary and real shortcomings and qualities in the mind of associated customers.

Airline companies as a service provider needs to provide services that really satisfies customers' expectations in ensuring that the company survives economically. In order to achieve this deed, they need to understand customer to be loyalty in order to help them evaluate the service being offered. In general Ethiopian airlines have their own branding strategies to win the heart of customers globally, but large numbers of consumers are initiated to purchase on some airlines brand. it is interesting to study how airlines customers has ended up selecting the airlines brand. This is depending upon customer's loyalty.
The Ethiopian Airlines passengers are lacks in a brand image to know how much difference for the airlines performance. Even though, the customers are decline time to time due to effective brand image. Most of the researches conducted previously on Ethiopian Airlines are on Service quality and customer satisfaction rather than brand image.

Therefore, this research will fill the literature gap by studying how effect of brand image on developing customer loyalty intention for Ethiopian airlines in the aviation industry. Consequently, conducting this project one can easily understand how brand image helps in the development of customer loyalty.

## 1.4 Research Questions

In order to achieve the objectives of the research, the study raises the following question:

- How does brand awareness influence customer loyalty?
- How does brand association influence customer loyalty?
- How does brand recognition influence customer loyalty?
- How does perceived quality influence customer loyalty?
- How can trust influence customer loyalty?

## 1.5 Objective of the Study

### 1.5.1 General Objectives

The general objective of this study is to examine the effects of Brand image on customer loyalty for the development of aviation industry of Ethiopian airlines.

### 1.5.2 Specific Objectives

The specific objectives of the research:

- To investigate whether brand awareness will influence customer loyalty.
- To examine whether the brand associations will influence customer loyalty.
- To investigate whether brand recognition will influence customer loyalty.
- To examine whether the perceived quality will influence customer loyalty.
- To describe whether brand trust can influence customer loyalty.

## 1.6. Scope of the Study

### 1.6.1. Geographical Scope

The study was carried out in Addis Ababa Ethiopia Airlines. The target populations are selected Ethiopian Airlines International passengers.

### 1.6.2. Conceptual Scope

Ethiopian airlines were used as a case study for this research. This research was focusing on the cross sectional scrutiny of impact of brand image on customer loyalty among Ethiopia airlines international passengers. In this line respondents were comprising from all customer categories at hand. Furthermore, primary and secondary data will employ to make the study reliable.

## 1.7. Significance of the Study

This study is carried out to show how Ethiopian airlines will be used its brand name to gain consumer loyalty in the world. This may also bring the need for companies to create consumer loyalty of their services in the market and this would mean they must first come up with strong brands that would result to consumer loyalty. The study also expected to add further theoretical, methodological and practical contributions to countries airlines related to the impact of brand.

The study may also stimulate future research papers on importance of branding to airlines apart from creating and gaining consumer loyalty in the travel industries.

### 1.8. Limitation of the Study

As the majority of the passengers are from non-English speaking countries, there was language barrier. The study was done using the data that was collected one time and in a short period of time due to time constraint and within the limited resources due to the pandemic attack of the COVID-19.

Besides that, shortage of time, money and limited number of respondents forced the researcher to focus on specific International passengers. Few supportive sources have leaded me to the research as a milestone. There is no enough compiled and organized data which tells about the information about the passengers and the company transparency at Ethiopia airlines. A few research has been done so far in relation to the topic so these are some of the things that limited my research proposal and the thesis in the future.

## 1.9. Definition of Terms

**Customer loyalty**: - It was defined by Oliver (1997, p.392) as "deeply held commitment to rebury or re patronize a preferred product or service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing.

**Brand Image: -** Brand image is a unique set of associations in the mind of customers regarding what a brand stand for and the implied promises the brand makes. According to Business Dictionary (2013), "the impression in the mind of customers of a brand's total personality which may be imaginary or real shortcomings and qualities is called brand image".

## 1.10. Organization of the study

This research is organized in to three main chapters, which are structured as follows:

The first chapter deals with introduction, background of the study, statement of the problem, objective of the study, significance and contribution of the study, scope of the study, Limitation of the study. The second chapter provides the review of related literature and conceptual frame work of the study. The third chapter, focused on methodology: Data Collection, questionnaires survey, interview survey, and Data Analysis. The fourth chapter focused on Data analysis, Interpretations and Presentations. The fifth chapter presents summary of findings/conclusion and recommendations.

# CHAPTER TWO

# LITERATURE REVIEW

This chapter deals with both theoretical as well as empirical review of the study. Theoretical review discusses the meaning of brand image, brand relationship theory, the benefits of brand, customer satisfaction, customer loyalty and measurements. Empirical review discusses the relationship between brand image with customer satisfaction and customer loyalty. Based on the literature review conceptual framework of the study will be discussed.

## 2. Theoretical Literature

Today, the concepts of brand and branding are not limited to commodities and services; they also cover subjects such as an individual, idea, phenomenon and place (country, region, city etc.). Therefore, not only products or services but also cities, nations and countries need branding, and accordingly, various strategies are developed. Globalization and the spread of mass media have gradually increased the importance of various communication strategies and promotion activities. company carry out various promotion activities, addressing both their citizens and individuals of other companies and build their company brand using the communication strategies they implement, aiming to build a positive image about them. (Kurtulus, 2008).

### 2.1. Brand Image

"A brand is a term, design, name, symbol or any other features that distinguish one company's product to the others" (American Marketing Association, 2013). Branding procedures was initially adopted to differentiate one individual's cattle from other's by means of distinct sign burned into the cattle's skin with a hot stamp made by iron and was subsequently applied in marketing, business as well as advertising. One of the well-known examples of a brand is which belonging to Apple Company. Similarly, as mentioned by Keller (2003), it is a set of mental associations in customers' perceptions which increase the value of products or services. The brand is an intangible and conditional asset for a company which has a capability to generate profitability of the firm and compromise the functional and emotional value (Martisiute *et al*., 2010).

Moreover, Nandan (2005) stated that brand is a symbol in every people's mind and it can be illustrated as visible name or symbol which can distinguish the products from the competitors' products. A brand is as well negotiation of product, packaging, promotion, advertisements and its whole presentation besides to a particular name (Pepe *et al.*,2011). From customer

perspectives, brand is a guarantor of reliability and equity in consumer products (Roman *et al.*, 2005). Moreover, Fennis and Pruyn (2006) asserted that customer would desire to buy and use products from reputed brand name to draw attention to their behaviors in different situational perspectives.

Brand image is a unique set of associations in the mind of customers regarding what a brand stand for and the implied promises the brand makes. According to Business Dictionary (2013), "the impression in the mind of customers of a brand's total personality which may be imaginary or real shortcomings and qualities is called brand image". It is developed through advertising campaigns with consistent theme over time, and is validated through the direct experiences by the customers. The reputable brand image enables the customers to distinguish their needs that the brand fulfils and it differentiates the company from others and enhances the customer performance over the brand (Hess and Story, 2006). The favorable brand image in the mass market is very important in order to enhance market share of the company. According to Keller (2003), "brand image is the set of beliefs, ideas and impression that a person holds regarding to an object" (p. 23). In addition, Koo (2003) added that brand image is useful to drive loyalty, brand equity, brand performance and purchasing habits of customers.

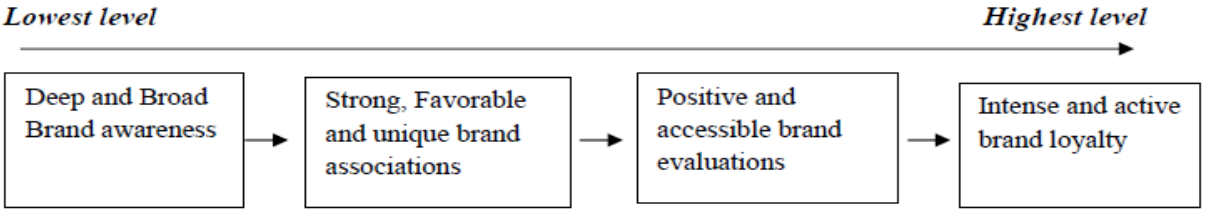
According to Faircloth *et al.* (2001), brand image has been conceptualized and operational in many ways. It has been assessed based on brand values/benefits (Hsieh *et al.*,2004; Bhat and Reddy, 1998), and attributes (Koo, 2003; Kandampully and Suhartano, 2000) or using brand image scale proposed by Malhotra (1981). Currently, there is an extensive range of options for the customers to choose the particular service or product while entering to shopping complex or via online. It is observed that emotion of customers is one of the major factors which influence the purchasing behaviors of customers (Berry, 2000). A study by Dick and Basu (1994) asserted that the success of brand could generate customers' awareness regarding dignity of the brand and so optimize the profitability of the company due to their purchase of products and services from the company. Conclusively, brand image can produce values in terms of assisting consumers to precede information, generating reasons to purchase, differentiating the brand from the competitors, provides positive feelings, and offers a basis of extensions. Generating and maintaining a successful brand image is an important role of a company's marketing strategy and branding strategy.

### 2.1.1. Importance of brand image

Brand image is an important determinant in developing customer loyalty (Gronroos, 2000). Oliver (1999) advocated that loyalty is not only about product superiority and satisfying customers; loyalty is also about having customers who can be defenders of the brand. If the firm cannot develop, support, and maintain brand uniqueness and perceived brand equity, then it is not possible to expect the development of customer loyalty. Thus, having a strong and positive brand image will strengthen perceived quality and assist in the development of customer loyalty (Cretu & Brodie, 2007; Oliver, 1999). Fredericks and Salter (1995) suggest that image is an ingredient of the customer value package that, together with brand trust, perceived quality, service quality and brand association, determines customer loyalty. Although brand image is conceptually recognized as an important determinant of customer loyalty, few studies have integrated this important variable in examinations of customer loyalty in the aviation industry context (Chitty et al., 2007; Faullant et al., 2008; Kandampully & Hu, 2007). Extending the model of customer loyalty to include brand image as one of its determinant in the aviation industry context is inevitable.

### 2.1.2. Brand Knowledge

There is confusion on the concept of brand knowledge and brand image. Brand knowledge includes brand awareness and brand image meaning that brand image is part of brand knowledge. According to Chandon (2003: 1) brand knowledge refers to brand awareness (whether, and when, consumers know the brand) and brand image (what are the associations that consumers have with the brand (Keller, 2001). The different dimensions of brand knowledge can be classified in a pyramid in which each lower-level element provides the foundations of the higher element. In this regard, (Keller, 2001) depicted brand knowledge from the lowest level to the highest level with figure which is found below.




### 2.1.3. Brand Image and Measurement

There are several definitions have been given for brand image. Kotler (2001) defined image as "the set of beliefs, ideas, and impression that a person holds regarding an object". Keller (1993) considered brand image as "a set of perceptions about a brand as reflected by brand associations

in consumer's memory". Keller's &Aaker (1991), unveiled a brand image is referred to as "a set of associations, usually organized in some meaningful way". Biel (1992) however defined brand image as "a cluster of attributes and associations that consumers connect to the brand name". Hsieh, Pan, and Section (2004), Reveled “A successful brand image makes consumer enables to understand their needs, wants & desires which can be satisfied through using specific or particular brand and to differentiate the brand from its competitors, and consequently increase.

According to Driesener, C & Romaniuk, J (2006:683) the three brand image measurement techniques are: 1. Likert rating technique (Scaling), 2. Ranking technique (Scaling), and 3. Pick-any technique (sorting). When rating brands, respondents are typically asked to respond one 5- or 7-ponit scale, which ranges from strongly agree to strongly disagree (Likert, 1932). These core gauges the extent to which the respondents feel the brand is associated with a certain attribute. The second type of measure (ranking) is where brands are ranked relative to competitors according to their association with an attribute meaning that if brand ranked ‘first’ the brand is most associated with/ strongest on the attribute of the choice set. The key different between rating and ranking approaches is that while two brands cannot be afforded the same rank, they can be afforded the same rating. Third measure is the ‘pick-any’ measure, where respondents are asked which brands, if any, they associate with each attribute. Respondents can name any, all or none of the brands. As with the other techniques, brand names can be provided in a list or recalled from memory.

The main variance between this measure and the others is that the pick-any measure is a response indicating association with the brand, rather than the degree of association. With this technique, therefore, multiple brands can be associated with the same attribute, but there is no discrimination between those brands as to the degree of association with the attribute by that individual. These measures thus differ on three criteria. The first is whether the technique is scaling or sorting (Joyce 1963). Rating and ranking measures require the respondent not only to show whether or not there is an association but also to indicate the strength of that association.

## 2.2. Brand Relationship Theory

This theory was advanced by Gummesson, (2015) and piercing that that there exist relationships among human beings. Consequently, consumers define the brand relationship from their own individual perspectives and the brand relationship and relational value are very much personalized in the minds of consumers. Customers generate individual relationships based on their individual perception of brand value, brand meaning and their experiences. That is,

customers seem to personally create the brand through their communications across multiple contexts (Lindberg, 2015). Prior research has also explored the personal component of the relationship between a brand and its customers. Fornell, (2016) examined the nature of relationships that customers have as well as want to have with companies. Fournier views brand relationship quality as multifaceted and consisting of six dimensions beyond loyalty or commitment along which consumer brand relationships vary: self-concept connection, commitment or nostalgic attachment, behavioral interdependence, love/passion, intimacy, and brand-partner quality. She suggests the following typology of metaphors to represent common customer- brand relationships: arranged marriages, casual friends/buddies, marriages of convenience, committed partnerships, best friendships, compartmentalized friendships, kinships, rebounds/avoidance-driven relationships, childhood friendships, courtships, dependencies, flings, enmities, secret affairs, and enslavements. While this typology contains most positive relationships, it may overlook a range of possible negative (e.g., adversary) and neutral (e.g., trading partner) ones. Aaker, (2016) conducted a two-month longitudinal investigation of the development and evolution of relationships between consumers and brands. They found that two factors experiencing a transgression and the personality of the brand had a significant influence on developmental form and dynamics.

### 2.2.1. Relationship among Brand Awareness, Perceived Quality, Brand association and Customer Loyalty

Keller (1993, 1998) argues that brand awareness does create impact on buyer decision making process via brand association that embedded in the buyer memory. There is a correlation between brand awareness and brand association (Atigan et al. 2005; Pappu, 2005; Pappu & Katsanis, 1995). Brand awareness is the first and fundamental attribute of customer brand equity (Aaker, 1991; Aaker, 1996; Tong & Hawley, 2009). Grewal, Krishnan, Baker and Borin (1998) conclude that brand awareness and perceived quality have a positive and significant relationship in a bicycle brand study. Many researches also maintain that the higher the brand awareness is, the higher perceived quality is (Monore, 1990; Dodds and Grewal, 1991; Wall, Liefeld, and Heslop, 1991; Lo, 2002; Lin, 2006). Kan (2002) further suggest that the higher the brand awareness is, the higher the consumers' quality evaluation is. Furthermore, Aaker and Keller (1990) pointed out that a high-awareness brand and a good image could promote loyalty to consumers, and the higher the brand awareness is, the higher brand trust and purchase intention for consumers. Peng (2006) noted that brand awareness has the greatest impact on brand loyalty. When a business expands a new product or a new market, they need to raise

awareness of their brand in order to get the best result, since brand awareness is positively related to brand loyalty (Aaker & Keller, 1990; Peng, 2006; Wu, 2002; Chou, 2005). Chang and Wildt (1994) express the idea that value can facilitate loyalty. Customer's positive transaction perceptions is more positive, customer loyalty is stronger) Parasuraman and Grewal, 2000). Sirdeshmukh, Sigh and Sabol (2002) also propose that the value will have a positive impact on customers. Wu (2007) points out that the consumer's perception will increase or decrease brand loyalty. Judith and Richard (2002) further indicate that perceived quality and brand loyalty are high and in particular affect the intent to buy. Other scholars will come up with a new perspective and evidence of a brand loyalty survey that customer perceived quality will affect brand trust and brand affect and in addition influence brand attitude and purchase behaviour increase (Chi, Yeh and Chiou, 2009). hence, perceived quality and brand loyalty are positively related, if perceived quality increases, brand loyalty would increase. So Consumers will have a higher purchase intention with a familiar brand (Kamins & Marks, 1991). Likewise, if a product has higher brand awareness it will have a higher market share and a better quality evaluation (Dodds, et al., 1991; Grewal, et al., 1998). A well-known brand will have a higher purchase intention than a less well-known brand (Hsu, 2000). Garretson and Clow (1999) suggest that perceived quality will influence consumer purchase intention, and Monore (1990) indicates that perceived quality would positively influence purchase intention through perceived value.

### 2.2.2. Brand Image and Brand Awareness

Many hypothetical and the applied indications from the recent learning show the direct connection between the image of the brand and brand awareness. According to (Aaker& Equity, 1991) that the brand image and awareness about the brand have a solid connection among each other as awareness about the brand is an important matter that supports a brand to persist in the awareness of the consumer. Whereas, according to (Aaker, 1996) that from the study is found that brand image and brand awareness have to get in the justification. By the study to (Tong & Hawley, 2009), brand awareness is the basic part of a consumer brand. Awareness of the brand is tended to build the image of the brand in the approach to the consumer awareness of the brand has some impact on the observation and behavior of the consumer. Many researchers show that the awareness of the brand can build the image of the brand. When a customer is aware of the features and characteristics of the brand he/she feels no reluctance to purchase that brand. Because he is known about the brand and purchases it because he is satisfied it will help to improve the image of the brand. Brand awareness is necessary to maintain the brand image in buyer’s perception of the brand is already known in the market and the buyers know about the

brand it will create the easy association in the minds of customers. If the awareness about the brand is high the buyers will adopt the brand easily with less time.

### 2.2.3. Brand Awareness and Customer loyalty

From the satisfaction of the consumer, we can predict the future purchase of the consumer. The consumers that are more satisfied with the product will purchase more next time according to the (Zeithaml, Berry, &Parasuraman, 1996) are recommended that the customers try to have the satisfaction about the services and the goods and also give the less response towards the competitors' products that they are offering in the market. Mostly, loyalty has been found as an important part of brand awareness according to (Zeithaml, Berry, &Parasuraman, 1996). At the same time, awareness and loyalty about the product are most of the time linked by many of the researchers' study. Many of the others have considered it as the relation between the competitors' products whereas some of the others even did not get any of the direction and are unidirectional. Brand awareness tends to the customers that are product satisfied or is not complete without the other variables that are mediating. They mostly tend to be used as the most important purpose of the repurchase and to devote the name of the brand for their connection (Zeithaml, Berry, &Parasuraman, 1996).

***H1:*** There is a significant effect of brand awareness on customer loyalty.

### 2.2.4. Brand Recognition and customer loyalty

Brand Recognition is the amount to which a brand is recognized for acknowledged brand attributes or communications among consumer. Brand recognition will help consumer lean toward our product when given the choice between our product and one they have never heard of. According to Samiee, Shimp, and Sharma, (2005) lower level of brand recognition negotiates inconsequential in choice process of the consumer and high level of brand recognition shows the saliency of brand origin. Brand recognition is one of the main sources to distinguish our service with our competitor. Freeling, Leiter, and Person, (1997) argues that "it is the recognition (brand or product name) which hangs over the company door, the name of the product, or the name that describe a service." The perception of consumer about the quality of the product is also linked with the brand recognition, as argued by Kim, and Chung, (1997), that brand recognition can be used as an exterior indication for product quality, which can be voluntarily offered to buyers and can therefore instantly control their assessment of alternatives. Singh, Rothschild, and Churchill. Jr, (1988) found that for recognition (brand or product) to be acknowledged as generally, it should have positive attractive qualities. Brand recognition has

usually been prepared as either consumer knowledge level, current market share, or penetration level calculated during growing sales Kim et al, (1997), and once an organization established brand recognition, it utilized it to provide to all market segments. Savins (1995) cited Brand recognition or popularity is an important asset to a firm but sometimes the firm's used it in a negative sense. According to Savins et al, (1995) Present firms take benefit of their brand recognition and continue offering their older models. In Pakistan people are high brand conscious and recognition of brands is more.

***H3:*** There is a positive effect of brand recognition on customer loyalty.

### 2.2.5. Brand association and customer loyalty

Aaker (1991) believes that brand association and customer loyalty are strongly interrelated to each other because brand association enhances the memorable of a particular brand. According to Keller (1998), brand association could be created the association with attitudes, attributes and benefits respectively. Brand association also acts as an information-collecting tool (van Osselaer and Janiszewski, 2001) to execute brand differentiation and brand extension (Aaker, 1996). James (2005) also discusses that highly effective association helps to boost brand and equity. In addition, Yoo et al. (2000) and Atilgan et al. (2005) have stated that strong brand association leads to higher brand loyalty. Moreover, brand association would provide consumers with a purchasing reason, because most brand associations are linked to brand attributes, the target consumer market, and the benefits that consumers need, so that they form the foundation of brand loyalty and consumers' purchasing decisions (Len, CindandLynn, 2007).

***H2:*** There is a positive effect of brand association on customer loyalty.

### 2.2.6. Perceived Quality and Customer Loyalty

According to Aaker (1996), one of the main elements of brand image is perceived quality and perceived quality itself is an essential part of study in evaluating customer loyality. According to Aaker (1991, p. 85-86), perceived quality can be defined as the overall perception of customers about brilliance and quality of products or services in comparing with the rivalry offering. Zeithaml (1988) and Erenkol and Duygun (2010) state that quality of product is different from perceived quality because the perceived quality is the buyer's subjective appraisal of the product. Kan (2002) points out that objective quality is that consumers will use their experience and knowledge to evaluate overall product benefit, function, durability, technology and reliability when consumers purchase a product.

Perceived quality is a consumer judgment on the accumulative product benefits and a subjective feeling on product quality (Zeithaml, 1988; Dodds et al., 1991). The reason why perceived quality is different to real quality is because (a) a previous bad image of a product will influence consumers' judgment on product quality in the future. Moreover, even the perceived quality has been changed, consumers will not trust that product because of their unpleasant experience in previous (Aaker, 1996), (b) manufacturers and consumers have different views on the judgment of the quality dimensions (Morgan, 1985; Aaker, 1996), (c) consumers seldom hold enough information to evaluate a product objectively. Studies have reported that perceived quality would affect the trust and satisfaction with the brand, which in turn leads to develop brand loyalty. In addition, Yee and Sidek (2008) concludes that the percived quality is the most important factor that contributes to brand loyalty. However, Jones et al. (2002) argue that there is a positive relationship between perceived quality and purchase intention.

### 2.2.7. Brand Trust and Customer Loyalty

According to Rousseau, Sitkin, Burt, & Camerer (1998) trust is a psychological state in which individuals are willing to accept vulnerability due to their positive expectations of the intentions or behavior of another. A trust violation occurs when someone demonstrates a lack of skills required for a role, or fails to uphold important ethical principles (Mayer, Davis, & Schoorman, 1995). These are pointers that development and sustainability of brand trust in organizational setting is built upon the fulfillment of promises made to customers. Morgan & Hunt (1994) define brand trust as a condition that exists when one group has the confidence to engage in a relationship with another trustworthy and honest party. Drawing inference from this definition, it is arguable to concur that such elements as confidence and reliability are crucial in building brand trust. Mayer, Davis and Schoorman (1995) in their own view provided one general definition of this construct by saying that it is the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control the other party.

According to Dithan (2011) theories of social psychology assert that brand trust consists of two essential elements: trust in the partner's honesty and trust in the partner's benevolence. He maintained that honesty is the belief that one's partner stands by its word, while benevolence, in his opinion is the belief that one's partner is interested in the company's welfare and will not take unexpected actions which will negatively impact the company.

***H4*:** There is a positive effect of perceived quality on customer loyalty.

As noted by Ruyter, Wetzel & Bloemer (1998) if partners in business relationship trust each other more, they are more emotionally involved and less consciously weighing the benefits against the costs of that relationship. In other words, customers would tend to be more emotionally involved with a brand in the face of increased sincerity and honesty that is being exhibited by the brand even when they perceive the costs/benefits outcome of such relationship as not much favorable.

Ian (2011) posits that if customers trust a company, there is high tendency that they will make recommendations about its products and services to their friends.

Furthermore, Liang & Wang (2008) maintains that trust or distrust often takes place with a relationship built up. they declare that as a supplier of product/service actively and consistently makes sincere relationship efforts, such efforts provides evidence to customers that the supplier can be trusted, is concerned about customers' interests and is willing to make sacrifices for satisfying customers' needs in the relationship. An act, which they suggest will lead to an increment of customer's trust in the supplier. By implying from this, it will be reasonable to posit that companies willing to secure customer trust to their brand must be those who are consistent in the exhibition of concern and sincerity to their customers, vice versa.

## 2.3. Customer Loyalty

Customer loyalty shows how consistent customers are in buying the given brand, how long they have been buying and how long they may buy? This tells the company that the customers who did not leave its brand are loyal customers, why they stuck to the brand after considering competition and then discarding it, and gaining another testimony to the product's/service quality and branding strategies (Amooee, 2012).

Customer loyalty also encourages consumers to shop more consistently, spend a greater share of wallet, and feel positive about a shopping experience, helping attract consumers to familiar brands in the face of a competitive environment. In this regard, Ranade (2012) explained that customer loyalty is when customers continuing to believe that organization's product/service offer is their best option and fulfills their value proposition whatever that may be. They take that offer whenever faced with that purchasing decision. Besides, (Roundhill, 2012) explained that customer loyalty is both an attitudinal and behavioral tendency to favor one brand over all others, whether due to satisfaction with the product or service, its convenience or performance, or simply familiarity and comfort with the brand. Some researchers also tried to explain customer loyalty by dividing into levels.

According to Oliver (1999) he has proposed four ascending brand-loyalty stages according to the cognition affect conation pattern. The first stage is cognitive loyalty. Customers are loyal to a brand based on their information on that brand. The next phase is affective loyalty, which refers to customer liking or positive attitudes toward a brand. The third step is conative loyalty or behavioral intention. This is a deeply held commitment to buy a "good intention" This desire may result in unrealized action. The last stage is action loyalty, where customers convert intentions into actions. Customers at this stage experience action inertia, coupled with a desire to overcome obstacles to make a purchase. Although action loyalty is ideal, it is difficult to observe and is often equally difficult to measure. And marketing efforts that may have the potential to cause switching behavior. On reaching the action phase, the customer possesses a deep commitment to repurchase but also is active in blocking the influence of alternative brands. Action level loyalty will be created when consumers intentionally immerse themselves in a social system that rewards brand patronage.

Despite substantial disagreement about the exact definition or nature of the loyalty concept, common elements among many of the loyalty definitions are that there is a relationship of some sort (i.e., ranging from very shallow to very strong) between an actor and another entity and that the actor displays behavioral or psychological allegiance to that entity in the presence of alternative entities (Melnyk Van Osselaer and Bijmolt, 2008).

By following this line of reasoning a loyal customer within the framework of this study is one that rebuys, repartronize, and have declared allegiance to their mobile phone service providers both in terms of behavioral and attitudinal even in the presence of competing alternative providers. In the observation of Jahanzeb, Fatima & Khan (2011) there are evidences from research to prove that customers who exhibit loyalty not only reduce the marketing costs of doing business but also, lessen the need to incur customer acquisition costs. It is in their opinion that it is possible to increase organizational profits by 60 per cent by averting potential migration of 5 per cent. This position was further strengthened by Dithan (2011) who is of the view that transforming indifferent customers into loyal ones, and establishing a long term relationship with them is critical to organizational success.

In other words, a viable measure of organizational performance can be in terms of its ability to retain existing customers at a faster rate, against the acquisition of new ones. Similarly, if anything truthful is to be drawn from the observation by Shoemaker and Lewis (1999) then repeat or behaviorally loyal customers will also act as information channels in addition to

informally linking networks of friends, relatives and other potential customers to the organization. Thus, since the development and sustenance of a viable customer loyalty base has been highlighted as a critical organizational success factor, researchers and industry leaders have consistently tried to unravel the mysteries that surround some of its important antecedents. In this study, our attention shall be principally focused on brand trust.

### 2.3.1. Customer Loyalty and its Measurement

As per Haves (2013), there are two general approaches to measuring customer loyalty: objective approach and subjective (self-reported) approach. Objective measurement approach includes system captured metrics that involve 'hard' numbers regarding customers' behaviors that are beneficial to company. Data can be obtained from historical records and other objective sources, including purchase records (captured in a CRM system) and other online behavior. On the other hand, subjective measurement approach involves 'soft' numbers regarding customer loyalty. Subjective loyalty metrics include customers' self-reports of their feelings about the company and behavior toward the company. How customers recommend 'company' to friends/ colleagues? How customers continue using 'company'/ brand? Overall, how customers are satisfied 21 with the company are some of the questions to measure customer loyalty through subjective approach. Moreover, according to Pascal (2016) (online) there are six effective methods for measuring customer loyalty. (1) Net Promoter Score (NPS): this metric indicates when customer 100% support a company/brand, he/she will refer the company/ brand to his/her friends. Customer satisfaction leads to favorable word-of-mouth publicly that provides valuable indirect advertising for an organization (Fornell, 1996).

## 2.4. Empirical Review

In the past few decades several researches have been conducted on the impact of brand image on customers and loyalty. In this regard, the following part discusses about findings the issue.

The concept of brand is vital and draws synergy between organizational resources (human, fixed resources, tangibles and intangibles) and the strategic objectives of the organization to achieve success among competitors. In this regard, after achieving success through branding, maintaining and managing the brands reputation becomes integral to be the market leader.

Bickerton, (2003) considered the emerging focus in both academic and practitioner literatures on the concept of the corporate brand and argues that the underlying generative mechanisms and processes that enable successful corporate brand management are not clearly understood. Alizadeh, et al., (2014) determined Comparison of Product and Corporate Branding Strategy: a conceptual framework and concluded that competition with in the free market environment has

grown to become a throat cutting one and hence calls for distinctive branding in order to be easily noticed by consumers.

An Empirical Study of Starbucks Coffee in Taiwan Tu et al. (2012) indicated that organizational branding directly affects customer Loyalty. In addition, the study found that adequately influences customer loyalty which was supported by the findings of (EakuruandMat2008; analyzed and discuss the strategic positioning of associations that can be established between a corporate brand and entities in its surrounding network such as brands, product categories, persons, places and institutions.

Moghadam et al. (2014) has investigated the impact of brand awareness on customer loyalty by distributing self-administered questionnaires to 500 passengers at Mehrabad and Imam Khomeini airport. Structural equation modeling analyzed that brand awareness affect the customer loyalty in the passengers significantly.

Madjid (2013), 150 questionnaires were distributed to Bank Raykat customers in Indonesia in order to examine the impact of brand association on customer loyalty at Bank Rakyat Indonesia. Structural Equation Modeling of Partial Least Square showed that customers brand association has positive and significant impact on customers' loyalty.

Kishada and Wahad (2013), investigated whether perceived quality is significant in influencing customer loyalty in India Islamic Banking. 250 Islamic bank customers in India have filled the self-reported questionnaires. Multiple regression analysis was used and the result showed that perceived quality has positive and significant influence towards customer loyalty.

In Liang (2008) research investigated the impact of brand trust on customer loyalty towards U.S. hotel Industry. Email questionnaire was used and only 308 emails have been collected from customers who are the members of "Leading hotel of the world" in the United States. Multiple Regression Statistical method revealed that customers with higher level of trust over service provider will lead to longer customers' loyalty. It can be confirmed that brand trust is a positive and significant associated with customer loyalty.

Jumaev and Hanaysha (2012) also determined the impact of brand recognition to customer loyalty in the perspective of retail banking in Northern Malaysia. A total of 100 university lecturers and students who ever visit to different commercial banks were requested to complete a self-administered questionnaire. The findings are same with previous past studies.

Rewards can and do build customers' loyalty and most companies now appreciate how valuable that loyalty can be. As Frederick F, Reich held and W. Earl Sasser Jr. documented in "Quality Comes to Services" (HBR September–October 1990), a company's most loyal customers are also its most profitable. With each additional year of a relationship, customers become less costly to serve. Over time, as the loyalty life cycle plays out, loyal customers even become business builders: buying more, paying premium prices, and bringing in new customers through referrals.

## 2.5. Conceptual Framework

Conceptual framework is the system of concepts, assumptions, expectations, beliefs, and theories that supports and informs your research is a key part of your design. The most important thing to understand about conceptual framework is that it is primarily a conception or model of what is out there that you plan to study, and of what is going on with these things and why a tentative Theory of the phenomena that you are investigating. Therefore, the author will adopt the relevant theories for the conceptual framework model to match with the problem and purpose of this research.

Based on the above reviewed literatures on brand image, customer loyalty, and their relationships, the following conceptual framework is developed which demonstrates the relationships between brand image elements and customer loyalty intention.

The researcher has proposed that the framework to examine the major determinants of customer loyalty in Ethiopian airlines.

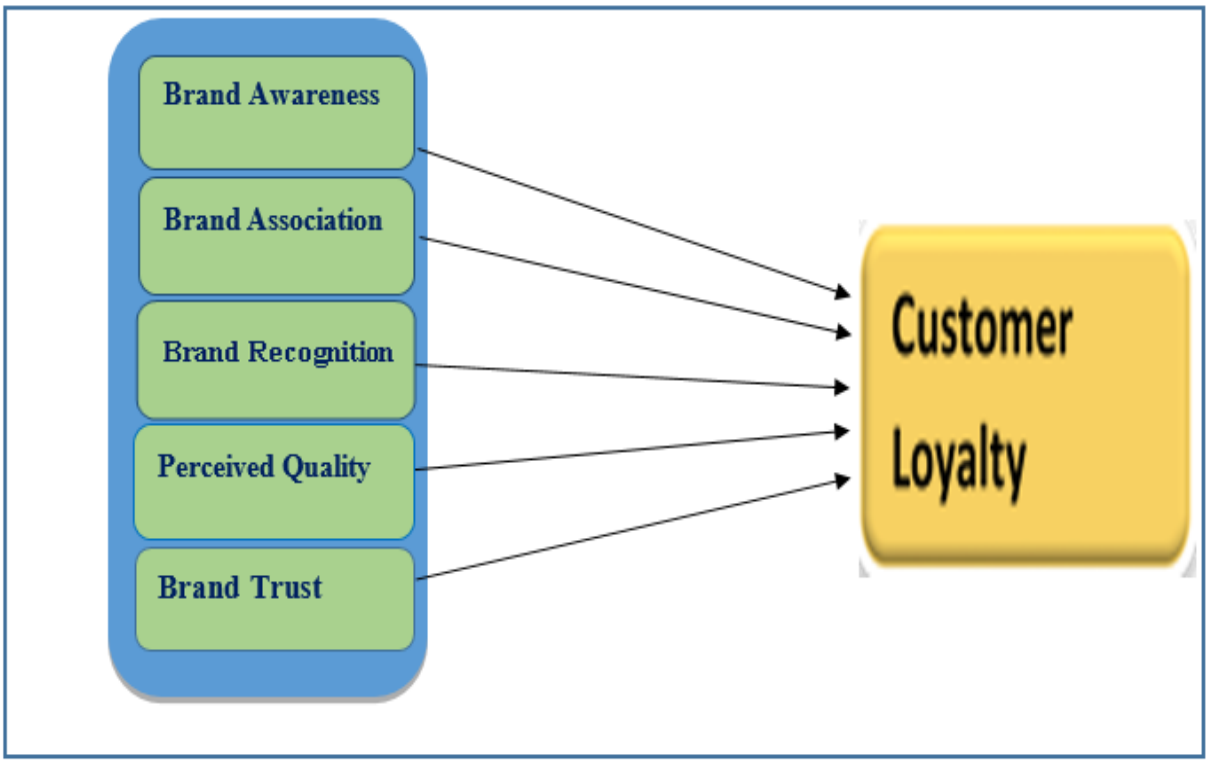



*Fig 2.1. Conceptual Framework adopted from pervious literature*

From the figure above model shows that, brand image dimensions are the independent variable that influence the outcome of customer loyalty that is dependent variable. Dependent variable is being influenced by brand image dimensions that show relationship between them. Representatives of brand image dimensions in the above model are brand awareness, brand association, brand recognition, perceived quality and brand trust. That is, the existence of brand image representatives measures the outcome of dependent variable.

The author also was adopting the relevant theories for the conceptual frame work model to match with the problem and purpose of this research. That is, as figure 2.1 explains the theories review on the interrelation between brand image dimensions and reference group influence on the customer loyalty. From the above conceptual framework, the authors were developed the following hypothesis.

***H1:*** There is a significant effect of brand awareness on customer loyalty.
***H2:*** There is a positive effect of brand association on customer loyalty.
***H3:*** There is a positive effect of brand recognition on customer loyalty.
***H4*:** There is a positive effect of perceived quality on customer loyalty.
***H5:*** There is a positive effect of brand trust on customer loyalty.

# CHAPTER THREE

# RESEARCH METHODOLOGY

Research methodology refers to how and where the research is going to be conducted. Is the way to systematically solve of the research problem, (Kothari,2004). This chapter presents the background of the study area and the selected research methods. In the study various research methodologies were used in the whole process of under taking research around the area occupied consumers. The research methodologies include research design, population of the study, sampling techniques and sample size, data collection procedures, the reliability and validity precautions taken. Finally, it explains the ethical considerations that the researcher takes into account.

## 3. Description of the Study Area

The study is focused on assessing the effect of brand image on customer loyalty and the contribution for the development of aviation industry for country branding. It will be conducted in Ethiopian Airlines, a fully government-owned 'flag carrier' corporation headquartered at Bole International Airport in Addis Ababa, Ethiopia. While the Airline operates in 5 continents and has employed more than 14,000 Ethiopians and citizens of other countries, the study has focused on the passengers currently use to travel by Ethiopian airlines.

***Fig. 3.1: Map of Study Area***

*Source: Google map 2021*

### 3.1. Research Design

Research designs are plans and the procedures for research that span the decisions from broad assumptions to detailed methods of data collection and analysis (Kothari, 2001). According to Bryman and Bell (2007), a research design provides a framework for the collection and analysis of data. A choice of research design reflects decisions about the priority being given to a range of dimensions of the research process.

In this study the researcher used explanatory research design to enable the researcher accomplishes the objectives of the study. The main aim of explanatory research is to identify any causal links between the factors or variables that pertain to the research problem.

## 3.2. Research Approach

Selecting the right research approach is important for the research as it has an effect on the relevant information extract from the data. There are two types of method researchers use to collect data: qualitative and quantitative method. Qualitative research method is more intrusive and less structured than quantitative research techniques and, thus, are appropriate when the research is exploratory in nature, when the area for examination is unfamiliar to the researcher.

While quantitative research method is aimed to classify features, count them, and contrast statistical models in an attempt to explain what is observed and the data collected are in form of number and statistics. According to McDaniel and Roger (2002), to study the meaning of involving variables statistically, quantitative research is considered useful.

According to the above discussion, the researcher employing both qualitative and quantitative types of data.

### 3.3 Target Population, Sample Size and Sampling Technique

#### 3.3.1. Target Population

Due to the extreme lack of data and the inefficiency of the relevant organizations to provide it, the researcher is unable to determine the population size for the study and is forced to use convenience plus random probability sampling methods. As per the information obtained from the Addis Ababa Bole International airport, the total of passengers that entered to Ethiopia and logical to use is that constitute the population size for this study.

#### 3.3.2. Sample Size Determination

The populations of the study are International passengers who are customers of Ethiopia Airlines. The specific number of this population is unknown. A representative sample size would be taken from the population using the formula:

n = z2 (pq)/e2;

where n = the sample size

z = standard error associated with the chosen level of confidence (typically, 1.96)

p = estimated percent in the population q = 100 – p

e = acceptable margin of sample error

The sample size was determined by the standard sample size formula (Burns and Bush, 2014) would expected variability (p = 50%, q = 50%) at the 95% level of confidence (z = 1.96) and at acceptable margin of sample error, e ±5% n = z2 (pq)/e2 n=1.962(50*50)/52

=3.84(2,500)/25

=9,600/25

= 9,600/25

=384

### 3.3.3. Sampling Technique

Questionnaire survey was performed on 384 passengers who stopped at Bole international airport using purposive sampling method.

Purposive non-probabilistic sampling technique was employed due to two main reasons:

The first reason is target population of the study is already known, i.e. passengers who are customers of Ethiopian Airlines; and data collection sites for the study were determined by suggestion from customer service office during pre-test data collection i.e. the most frequently travels in Ethiopian airlines.

## 3.4 Sources of Data and Methods of Data Collection

### 3.4.1. Sources of Data

For the purpose of this research and in order to achieve the objectives, data were collected and used both primary and secondary data. Primary data was collected through structured close-ended questionnaire survey from international passengers of Ethiopian airlines. And also the study employees five point Likert scaled questions.

The secondary data is used from some documents such as articles on branding and academic books as a source of data, academic journals, statistical complication, trade publication, newspapers and magazines. These data were contributing toward the formation of background

information, needed by the researcher in order to build constructively the study and the reader to comprehend more thoroughly the survey outcome.

### 3.5.2. Methodology of Data Collection

The researcher considered several data collection methods and finally the researcher chose structured questionnaires. This was because questionnaires have the tendency to cover a wider area within a short time.

The researcher used self-administrated survey on the target respondents and data were collected face-to-face. At the target locations, the target respondents were approached and the researcher asked if they would like to participate in the survey or not and if they would, the questionnaire have been given to them with a clear explanation on how to complete it.

## 3.6. Data Collection Procedure

The data collection process was done using self-administered questionnaire filled by international passenger of Ethiopian airlines customers. In total, 384 fully completed questionnaires were coded into SPSS for data analysis. Out of the 384 hard copies self-administered questionnaire distributed, 297 copies were returned equivalent to a 78% response rate.

A cross validation on the questionnaire was checked to avoid any missing values. A data screening process consists of checking, finding and correcting the error was conducted to ensure that all data entered fall within the range of possible values for a variable. The questionnaire contained questions pertaining to different parts of the study. It was divided into three sections which were presented in the following order:

Section I: Demographic and general information of the respondents;

Section II: Passengers travel behavior and information sources about Ethiopia airlines.

Section III: The respondent was to rate the level of agreement towards each statement on the various factors influencing customer loyalty.

The questionnaire consisted 32 questions rated on a 5-point scale where indicates (1) “Strongly disagree”; (2) “Disagree”; (3) “Neutral”; (4) “Agree”; (5) “Strongly Agree”. The questions focused on the five dimension or variables that influence customer loyalty.

The factors or variables which had higher mean value greater than four would be considered to have more influence on customer loyalty. If the mean value was between 1 and 3, they were

considered to have weak influence on customer loyalty. The factors or variables were considered to exert an average influence if the mean was 4.

### 3.7. Methods of Data Analysis

The data were analyzed, by using statistical tool-SPSS where correlation and regression would be employed. Fisher (2007) claimed that correlation analysis is a measure of association between two or more variables.

A correlation is used as the method to analyze relationship between the independent variables and dependent variable. In this research the correlation relationship between brand image dimensions and customer loyalty will be studied. Wagner (2007) states that regression analysis helps to predict one variable from information that is about other variables. Therefore, in the study, multiple regressions are considered practical and applied as well.

### 3.8. Validity and Reliability

#### 3.8.1. Validity

Validity was concerned with whether the findings are really about what appear to be (Saunderset.al;2003), validity defined as the extent to which data collection methods accurately measures what they were intended to measure (Saunder,et.al,2003). The researcher was carried out a pre-test and did some revision before setting out the questionnaire. Therefore, the questionnaire as a measuring tool used in this study will meet the requirement of content validity.

#### 3.8.2. Reliability

According to Saunder et al (2003), reliability refers to the degree to which data collection method will yield consistent findings, similar observations would be made or conclusions reached by other researchers or there is transparency in how sense was made from source. The purpose of reliability is to examine the level of non-error in measurement, which means to examine the consistency of measurement.

This study was adopted Cronbach's alpha test or the reliability coefficient have been used to measure the internal consistency between the multiple measurements of a variable in a questionnaire. According to Hairetal.2006(p.137), this test is the most widely used to assess the consistency of the entire scale. Cronbach's alpha ranges in value from 0 to1and used to describe the reliability of factors extract from questionnaires.

According to Gliem and Gliem (2003), the closer Cronbach's alpha coefficient is to 1.0 the

greater the internal consistency of the items in the scale. The following rules of thumb indicated acceptable of Cronbach's alpha coefficient: "_>.9 – Excellent, _ >.8 – Good, _>.7 – Acceptable, _ >.6 – Questionable, _>.5 – Poor and_<.5–Unacceptable" In this paper, the authors were applied Cronbach's alpha test to measure the internal consistency of questionnaires to test its reliability.

### 3.9. Ethical Consideration

Research ethics relating to rights of human subjects in field work, notably the right to informed consent; right to privacy and confidentiality; and right not to be deceived or harmed as a result of participation in the research should be emphasized (Bryman, 2007).

In order to make the research ethical acceptance, attempt was made to first explain the objective, significance and contribution of the research. The subject was also assuring that their response used only for the purpose of the research and therefore will be confidential. Moreover, they will be assured that their identity and that of their organization will be anonymous. These will be done with an opening letter accompanying the questionnaire. In the opening letter, the respondents will be aware of their participation was voluntary and so they will be asked to fill and return the questionnaire only if they decided to take part in the research.

# CHAPTER FOUR

# DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter presents the major results of the study with discussion. The study has presented analysis of data and research findings have been interpreted in relation to the objectives of the study and with respect to the research questions developed to guide the study. A total of 384 questionnaires were distributed to passenger who are travel by Ethiopian airlines from 5 MAY 2021 to 25 MAY 2021. From the total population needed to conduct the research which was 384 questionnaires, these 297 (78%) participants filled the questionnaires satisfactory, which has a higher response rate (>78%). Whereas 87 questionnaires were discarded due to incompleteness or inappropriate response.

The data collected through questionnaire, were analyzed and interpreted by using the SPSS software. Also for data analysis descriptive statistics, correlation, and regression data analyze techniques were employed. Demographic characteristics of respondents are summarized by using frequencies and percentages for all variables including age, sex and educational attainment.

**4. Reliability of Data Analysis**

The researchers were checking the reliability of the brand dimension made up of five Likert scale and Cronbach's alpha was computed for each brand image dimension.

Cronbach's alpha reliability analysis was conducted on the independent variables in order to determine the reliability of the instrument or theoretical assurance of each question in the data set used. According to Gliem and Gliem (2003), has suggested 0.70 as the acceptable level for reliability measure. Alpha values ranged from 0.832 to 0.929, thus indicating an acceptable level of reliability. The following rules of thumb indicated acceptable of Cronbach's alpha coefficient: "_ > .9 – Excellent, _ > .8 – Good, _ > .7 – Acceptable, _ > .6 – Questionable, _ > .5 – Poor and _ < .5 – Unacceptable.

***Table 4.1 Cronbach's Alpha Data Analysis:***

| **Reliability Statistics** | |
|---|---|
| ***Cronbach's Alpha*** | ***Total number of Items*** |
| **0.763** | **5** |

*Source: Researcher's Survey finding (2021)*

As stipulated on table 5 above, the SPSS result the internal consistency of the brand image items was assessed by computing the total reliability scale. The total reliability scale for the

study was 0.763, indicating an overall reliability factor was an acceptable. That is, the results show internal consistency between variables.

According to table 4.1, the reliability scale for all four dimensions of branding and also, there liability scale for each dimension was calculated. Looking at the reliability coefficients of all fiver dimensions on table, all dimensions have coefficients slightly below the total reliability, and this could as a result that some items under each dimension seemed too similar.

## 4.1. Demographic Profile of Respondents

**Personal Information**

The following table summarizes the demographic characteristics of respondents based on sex, age and educational level.

| Characteristics | | Frequency | Percentage |
|---|---|---|---|
| **Gender** | Male | **158** | **53.0%** |
| | Female | **139** | **47.0%** |
| **Age** | 18 - 30 years | **97** | **32.55%** |
| | 31 - 40 years | **160** | **54.03%** |
| | 41 - 50 years | **22** | **7.3%** |
| | 51 - 60 years | **8** | **2.68%** |
| **Educational level** | primary level | **–** | – |
| | secondary level | **190** | **50.9%** |
| | university/ college | **277** | **74.3%** |
| | masters/post graduate | **96** | **25.7%** |

***Table 4.2. Demographic characteristics of respondents***

*Source: Researcher's Survey finding (2021)*

Based on the above table 4.2, regarding the gender of respondents 158(53.0%), the majority of them were male while the remaining 124(47.0%) were females. This showed the respondents of this study are largely composed of male passengers.

The majority (90%) of the respondents are between the age of 20 and 40 years. this may show that the majority of the passengers were relatively young individuals. Another significant percentage which is 10 % of the respondents is above 51 years.

Similarly, the education level of the respondents, there were no primary or secondary level tourists. The majority of the tourists 277(74.3%) were have attended some college or university. The remaining 96(25.7%) were post graduates or masters holders and above.

**Information of Passengers decision to travel by Ethiopian airlines.**

In order to fully determine the structure of the passengers, the researcher decided to dedicate the second section of the questionnaire to investigating what kind of source of information on Ethiopia determined their decision to travel by Ethiopian airline.

***Table 4.3 Passengers sources information and decision travel by Ethiopia airlines.***

| Characteristics | | Frequency | Percentage |
|---|---|---|---|
| Traveling | Alone | **24** | **8.0%** |
| | with a partner | **48** | **16.4%** |
| | with family | **88** | **29.8%** |
| | with friends | **125** | **41.8%** |
| | Other | **12** | **4.0%** |
| Your decision to travel Ethiopia was based on | printer brochure | **0** | **0.0%** |
| | internet source | **147** | **49.6%** |
| | Recommendation | **114** | **38.3%** |
| | TV and radio commercials | **24** | **8.0%** |
| | fairs and or exhibitions | **12** | **4.0%** |

*Source: Researcher's Survey finding (2021)*

Based on table 4.3 the largest group of passengers 125(41.8%) were traveling with their friends while 88(29.8%) of them were traveling with their family. The rest 48(16.4%), 24(8.0%) of them were traveling with their partner and alone respectively.

The table also showed that there are four potential sources of information about their decision travel to Ethiopia that one can base his or her decision on. Furthermore, in order to determine why they decided to use Ethiopian airline, passengers were asked to choose between a printed brochure, an Internet source, a recommendation or a TV or radio commercial as a base for their decision to visit. The results have shown that the passengers' get information sources and decision travel by Ethiopia airlines was largely internet source which composed 147(49.6%) of the tourists, recommendation which consists of 114(38.3%) and TV and radio

commercials and fairs and or exhibitions which make up 24(8.0%) and 12(4.0%) of passengers respectively.

***Table 4.4. Passengers purpose of travel and frequency of travel by Ethiopia airlines.***

| Characteristics | | Frequency | Percentage |
|---|---|---|---|
| What is your purpose of travel? | Business reason | 124 | 41.8% |
| | Visitor/Tourist | 76 | 25.7% |
| | Visiting friends and relatives | 23 | 7.6% |
| | Rest and relaxation | 49 | 16.5% |
| | Other | 25 | 8.4% |
| How frequently use to travel by Ethiopian airlines? | 1st | 224 | 75.3% |
| | 2nd | 50 | 16.6% |
| | 3rd and above | 23 | 8.0% |

*Source: Researcher's Survey finding (2021)*

Concerning, reasons for travel are also an important factor when it comes to describing the structure of the passengers. The major reasons were Business reason 124(41.8%), visiting reason 76(25.7%), rest and relaxation 49(16.1%), visiting relatives and friends 17(4.6%)and finally other reasons 25(3.8%).

The average number of times passengers frequently use to travel by Ethiopian airlines was 1st time 224(75.3%), 2nd time 50(16.6%) and 3rd and above 23(8.0%).

## 4.2. Descriptive Analysis

### 4.2.1. Statistics Indicating the Impact of Brand image on customer loyalty

This sub section of the analysis provides on how brand image dimensions that is; brand awareness, brand loyalty, perceived quality and brand association affect the customer loyalty. After the collection of the questionnaires from the respondents, the researcher explored the effect of brand image on the customers' loyalty of Ethiopian airlines services in the study area. For brand image dimensions' analysis mean score, standard deviation and one-sample t-test decision was made, in the analysis. That is, average mean greater than 4 highs, average mean equal to 4 medium and average mean less than 4 low throughout the study; and standard deviation were used to interpret each responses disparity from the mean.

### 4.2.2. Customer Response on Brand Awareness

Brand awareness plays an important role in customer loyalty. If customer had already heard the brand name, the customers would have idea about the service this makes them feel more comfortable at the time of buying which is not the case with an unknown brand.

***Table 4.5: Customer Response Concerning about Brand Awareness***

| ***Brand Awareness*** | ***Sample (N)*** | ***Mean*** | ***SD*** |
|---|---|---|---|
| 1.I have heard of the Ethiopian airlines brand before. | 297 | 4.09 | **1.133** |
| 2.When choosing an airline, I would consider the brand. | 297 | 4.17 | **0.831** |
| 3.I testified to friends and relatives about ET services. | 297 | 3.99 | **0.926** |
| 4.The company represent the idea I have of a perfect airline. | 297 | 4.13 | **0.884** |
| 5.The company promotes its brand though various measurement such as quick and efficient service. | 297 | 4.18 | **0.961** |
| **Overall Mean** | | **4.11** | **0.556** |

*Source: Researcher's Survey Finding (2021)*

Table 4.5: shows that overall mean brand awareness concerning about customer loyalty is high (4.11); this implies that customers of the total mean of respondents were high view regarding brand awareness, that when they go for purchasing they choose the well- known brands product because they have good information about the service. In addition to this, the standard deviation value (SD=0.556) also shows the response of all respondents was around the mean value. This shows that the respondents were not much more dispersed.

### 4.2.3. Customer Response On Brand Association

The brand association creates a positive attitude and feeling that makes a connection of the customer with the brand, especially when it comes to decision making.

*Table 4.6: Customer Response Concerning about Brand Association*

| *Brand Association* | *Sample(N)* | *Mean* | *SD* |
|---|---|---|---|
| 1.I can have many connections or association between experience in my life and the Ethiopian airline service. | 297 | 4.00 | **1.141** |
| 2.I usually trust the Ethiopian airline brand because of the advertisement with celebrity and famous medias. | 297 | 4.07 | **0.972** |
| 3.I like the Ethiopian airline brand due to its place of origin. | 297 | 3.95 | **1.085** |
| 4.I tend to notice the Ethiopian airline brand with Celebrity and sports endorsement, Well-known and admired people to promote the service. | 297 | 3.14 | **0.969** |
| 5.I use the Ethiopian airline brand to define and express the I and me Within myself. | 297 | 4.08 | **1.001** |
| **Overall Mean** | | **4.05** | **0.670** |

*Source: Researcher's Survey Finding (2021)*

In the above table 4.6; the respondents' response about the brand association was rated as overallmean4.05. This implies that customers also pay much attention to the preferred airline brands as a significant asset to their characters and personality. The value of the standard deviation, (SD=0.670) implies that the standard deviation value also shown the response of both respondents was around the mean value. This shows that not much more dispersed between the respondents.

### 4.2.4. Customer Response on Brand Recognition

Brand recognition show how quickly a customer recognizes and discriminates the brand when any of its elements.

*Table 4.7: Customer Response Concerning about Brand Recognition*

| *Brand Recognition* | *Sample(N)* | *Mean* | *SD* |
|---|---|---|---|
| 1.When choosing to travel the Ethiopian airlines brand was coming to my mind. | 297 | 4.03 | **1.035** |
| 2.I can easily recognize the Ethiopian airline brand among other competing airlines brands. | 297 | 4.17 | **0.972** |
| 3.I have seen the Ethiopian airlines brand several times in recent months. | 297 | 4.06 | **1.085** |
| 4. I can quickly recall the symbol or logo of Ethiopian airlines brand. | 297 | 3.84 | **0.969** |
| 5. I recognize the brand help to choose and purchase the service that offers. | 297 | 4.09 | **1.001** |
| **Overall Mean** | | **4.04** | **0.630** |

*Source: Researcher's Survey Finding (2021)*

As we can see in Table 4.7, the overall mean (4.04) showing the similar opinion towards brands and they expected brand recognition. In addition to this the standard deviation (SD=0.630) implies that the standard deviation value is not different from the mean value.

### 4.2.5. Customer Response on Perceived Quality

Perceived quality shows customer's perception and the service quality or superiority which provides the fundamental reason to the customers to purchase. Mostly customers prefer to purchase services from a well-known and familiar brand, rather than opting and taking a chance by going for the unknown or new brand.

*Table 4.8: Customer Response Concerning about Perceived Quality*

| Perceived Quality | *Sample(N)* | *Mean* | *SD* |
|---|---|---|---|
| 1.I consider the Ethiopian airline staffs have high integrity. | 297 | 4.20 | **0.925** |
| 2.The Ethiopian airline brand perfectly fits my expectation. | 297 | 4.12 | **0.930** |
| 3.TheEthiopian airline brand provides good service quality with affordable price. | 297 | 4.21 | **0.883** |
| 4.The Ethiopian airline brand makes a positive contribution to my business/myself. | 297 | 4.03 | **0.969** |
| 5.The company staffs are knowledgeable to introduce and explain all services that I want. | 297 | 3.99 | **0.963** |
| 6. Overall I am satisfied with the service of Ethiopian airlines. | 297 | 4.07 | **0.670** |
| **Overall Mean** | | **4.10** | **0.580** |

*Source: Researcher's Survey Finding (2021)*

As we can see in Table 4.8, the overall mean (4.10) showing the similar opinion towards brands and they expected perceived quality. In addition to this the standard deviation (SD=0.580) implies that the standard deviation value is not different from the mean value.

**4.2.6. Customer Response on Brand Trust**

The percentages of responses for the questions under the factor Trust are summarized below in table 4.9. along with their respective mean values.

*Table 4.9 Customer Response Concerning about Brand Trust*

| Brand Trust | *Sample(N)* | *Mean* | *SD* |
|---|---|---|---|
| 1. I have confidence and willing to rely on the ET airline services. | 297 | 4.03 | **0.963** |
| 2.I consider the airline staffs are concerned for my wellbeing. | 297 | 4.21 | **0.972** |
| 3.The airline is consistent in providing quality services. | 297 | 4.07 | **1.085** |
| 4.I feel secured and comfortable with the airline. | 297 | 4.13 | **0.969** |
| 5.The airline service give me a feeling of trust. | 297 | 4.19 | **1.001** |
| **Overall Mean** | | **4. 13** | **0.570** |

*Source: Researcher's Survey Finding (2021)*

The overall mean of brand trust of Ethiopian airlines customers have is ranking from 4.21to 4.03 which is considered high. This represents the target customer tend to attach to brands of their preference. The value of the standard deviation (SD=0.570) implies that the standard deviation value also shown the response of respondents was around the mean value. This indicates most of the passengers was trust to their specific Ethiopian airlines brand and over time they buy and they satisfied gained the trust in the brand.

### 4.2.7. Customer Response on Loyalty

Brand loyalty shows customer preferences to purchase a particular brand; customers believe that the brand offers the enjoyable features, images, or standard of quality at the right price. Brand loyalty represents an encouraging approach towards a brand resulting in regular purchase of the brand over time. Brand loyalty is shape of continue purchasing a conscious to regular buying the same brand.

***Table 4.10 Customer Response Concerning about Customer Loyalty***

| *Customer loyalty* | *Sample(N)* | *Mean* | *SD* |
|---|---|---|---|
| 1.I will give priority to this brand of an airline in the future. | 297 | 4.15 | **0.940** |
| 2I encourage my friends and relatives to fly with this airline transport. | 297 | 4.10 | **0.861** |
| 3.I consider myself loyal to this brand. | 297 | 4.19 | **0.943** |
| 4. I would always continue to favor the offerings of this brand before others airline brand. | 297 | 4.07 | **0.976** |
| 5. I will always choose to use the Ethiopian airline brand in preference to competitor brand. | 297 | 4.28 | **0.858** |
| **Overall Mean** | | 4.17 | **0.477** |

*Source: Researcher's Survey Finding (2021)*

The overall mean of customer loyalty of Ethiopian airlines customer have is ranking from 4.07 to 4.28 (table 4.10) which is considered high. This represents the target customer tend to attach

to brands of their preference. The value of the standard deviation (SD= 0.477) implies that the standard deviation value also shown the response of respondents was around the mean value. This shows that not much more dispersed between the respondents. This indicates most of the passengers was loyal to their specific Ethiopian airlines brand and over time they purchase and they satisfied gained the trust in the brand.

Percentage of responses based on the respondent's level of agreement towards each statement along with respective mean value is discovered. Measuring the strength of each influence is revealed and ranking table is provided. According to that the mean value of related to brand awareness, brand association, perceived quality and brand trust are greater than 4. Therefore, they are seen as most important factors and they have strong influence on customer loyalty of the airline customers. A positive response (less than 4) obtained for questions related to brand recognition. Hence, those variables can be considered as the less important factors and has a week influence on Brand image on customer loyalty of the airline passengers.

### 4.3. Inferential Analysis

This section of the analysis presents relations between various components of brand image and customer loyalty. In this research, correlation and multiple regressions are the selected method to study the influence between the independent variables; brand awareness, brand association, brand recognition, brand perceived quality and brand trust the dependent variable; customer loyalty.

#### 4.3.1 Correlations Analysis

A correlation analysis with Pearson´s correlation coefficient (r) was conducted on all variables in this study to explore the relationships between variables. A correlation coefficient is to summarize the relationship between variables with a single number that falls between -1 and +1. To interpret the strengths of relationships between variables, the guidelines suggested by Field (2005) were followed, mainly for their simplicity.

The classification of the correlation coefficient (r) according to Field (2005) is as follows: 0.1 to 0.29 is weak; 0.3 to 0.49 is moderate; and > 0.5 is strong. Although it cannot make direct conclusion about causality, we can take the correlation coefficient a step further by squaring it (Andy, 2005).

***Table 4.11. Correlation between Brand image and Customer loyalty***

| ***Correlations*** | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | customer loyalty | Average BA | Average BAS | Average BR | Average PQ | Average BAS |
| customer loyalty | Pearson Correlation | 1 | | | | | |
| | Sig. (2- | | | | | | |
| | N | 297 | | | | | |
| Average BA | Pearson Correlation | .720 ** | 1 | | | | |
| | Sig. (2- | .000 | | | | | |
| | N | 297 | 297 | | | | |
| Average BAS | Pearson Correlation | .480 ** | .185 ** | 1 | | | |
| | Sig. (2- | .006 | .006 | | | | |
| | N | 297 | 297 | 297 | | | |
| Average BR | Pearson Correlation | .442 ** | .176 ** | .231 ** | 1 | | |
| | Sig. (2- | .006 | .006 | .006 | | | |
| | N | 297 | 297 | 297 | 297 | | |
| Average PQ | Pearson Correlation | .549 ** | .286 ** | .255** | .296** | 1 | |
| | Sig. (2- | .002 | .000 | .000 | .000 | | |
| | N | 297 | 297 | 297 | 297 | 297 | |
| Average BT | Pearson Correlation | **.757 **** | .893 ** | .215** | .261 ** | .284** | 1 |
| | Sig. (2- | .000 | .000 | .001 | .000 | .000 | |
| | N | 297 | 297 | 297 | 297 | 297 | 297 |
| | **. Correlation is significant at the 0.01 level (2-tailed). | | | | | | |

*Source: Researcher's Survey Finding (2021)*

Based on the correlation result in the above table 4.11 revealed that brand trust had a strong influence on customer loyalty with the value of 0.757(or 75.7%) followed by brand awareness with the value 0.720 (or 72%). As shown in above table perceived quality, brand association and brand recognition had moderate relationship with customer loyalty by the value of 0.480 (or 48%), 0.453 (or 45.3%) and 0.442 (or 44.2%) respectively.

This indicates that all brand image dimensions have a positive influence with customer loyalty.

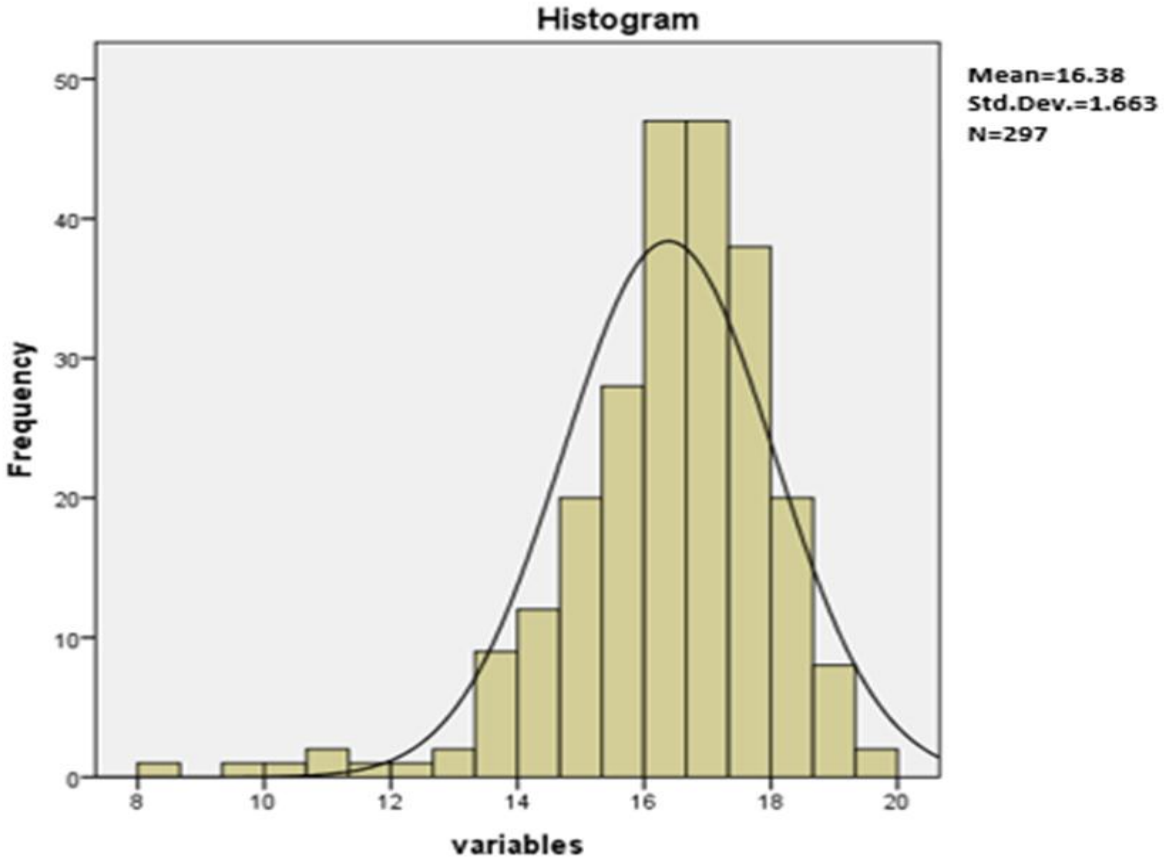
### 4.3.2 Regression Analysis

The regression analysis has done using customer loyalty as dependent variable and the brand image dimensions (brand awareness, brand association, brand recognition, perceived quality, brand trust) as independent variable.

#### 4.4.2.1. Test for Normality of Data

In statistics, normality tests are used to determine if a data set is well-modeled by a normal distribution and to compute how likely it is for a random variable underlying the data set to be normally distributed. A graphical tool for assessing normality is the normal probability plot of the standardized data against the standard normal distribution. For a normal data the result should fall approximately with in a normal curve line, Gujarati (2002).

***Figure 4.1 Test for Normality of Data***




*Source: Researcher's Survey Finding (2021)*

For this study a normality test has been conducted and the result on figure 4.1; shows that most of the line falls approximately with in a normal curve line, and it is possible to conclude that the study met the first test of regression and the data are normally distributed.

#### 4.4.2.2. Test for Multi collinearity

In a statistic, multi collinearity (also collinearity) is a phenomenon in which two or more predictor variables in a multiple regression model are highly correlated, meaning that one can be linearly predicted from the others with anon-trivial degree of accuracy.

In this study Variable Inflation Factor (VIF) technique is employed. The VIF is a measure of

the reciprocal of the complement of the inter-correlation among the predictors:(VIF=1/ (1- $r^2$). The decision rule is a variable whose VIF value is greater than 10 indicates the possible existence of multi collinearity problem. Tolerance (TOL) definedas1/VIF, it also used by many researchers to check on the degree of collinearity. The decision rule for Tolerance is a variable whose TOL value is less than 0.1shows the possible existence of multi collinearity problem (Gujarati, 2002).

***Table 4.12. the multi collinearity statistics***

| **Coefficients[a]** | | | |
|---|---|---|---|
| Model | | Collinearity Statistics | |
| | | Tolerance | VIF |
| 1 | Brand awareness | 0.218 | 4.579 |
| | Brand association | 0.899 | 1.112 |
| | Brand recognition | 0.896 | 1.116 |
| | Perceived quality | 0.890 | 1.130 |
| | Brand trust | 0.219 | 4.573 |
| a. Dependent Variable: customer loyalty | | | |

*Source: Researcher's survey finding (2021)*

Table 4.12. shows that: VIF values for all variables are lessthanthetolerablevaluethatis10. And Tolerance value of all variables also is above 0.1 which indicates that this model is free from multi collinearity problem between the dependent variables.

#### 4.4.2.3. Test of Independent of Residuals

Multiple linear regression models assume that the residuals are independent of one another. The Durbin-Watson statistic is used to test for the presence of serial correlation among the residuals. The value of the Durbin-Watson statistic ranges from 0 to 4. As a general rule, the residuals are not correlated if the Durbin-Watson statistic is approximately 2, and an acceptable range is 1.50-2.50.

***Table 4.13 Test of Independent of Residuals***

| ***Model Summary[b]*** | | | | | |
|---|---|---|---|---|---|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | ***Durbin-Watson*** |
| 1 | 0.309 | 0.893 | 0.797 | 0.773 | **1.890** |
| ***a. Predictors: (Constant):*** Brand image dimensions<br>***b. Dependent Variable:*** customer loyalty | | | | | |

*Source: Researcher's survey finding (2021)*

Table4.13: shows that the assumption of independence of residuals is met. Durbin Watson value for this study is 1.890.

## 4.4. Regression Analysis Result

### 4.4.1. Testing for Model Fit (ANOVA)

F value where F equals to mean square of explained data divided by mean square of residual data, Sekaran, (2003).

***Table 4.14 ANOVA summary***

| **ANOVA[b]** | | | | | | |
|---|---|---|---|---|---|---|
| ***Model*** | | ***Sum of Squares*** | ***df*** | ***Mean Square*** | ***F*** | ***Sig.*** |
| *1* | *Regression* | *4.082* | *4* | *1.020* | *32.425* | *.000[a]* |
| | *Residual* | *1.039* | *33* | *.031* | | |
| | *Total* | *5.121* | *37* | | | |
| ***a. Predictors: (Constant),*** Brand image dimensions<br>***b. Dependent Variable***: customer loyalty | | | | | | |

*Source: Researcher's survey finding (2021)*

ANOVA table 4.14, overall significance/acceptability of the model from a statistical perspective can be determined. As the significance value of F statistics shows a value (.000), which is less than $p<0.05$, the model is significant. Significance of the overall model by p-value of 0.000 which is below the alpha level, i.e. 0.05, which means, the independent variables or the overall dimensions of Brand image has statistically significant influence with the dependent variable (customer loyalty) under this study.

### 4.4.2. Model Summary

Regression model was applied to test how far the brand image had impact on customer loyalty. Coefficient of determination - R2 is the measure of proportion of the variance of dependent variable about its mean that is explained by the independent or predictor variables Hair, et.al, (1998), higher value of R-2 represents greater explanatory power of the regression equation.

According to the descriptive statistics, the overall mean for all five feature of brand image dimension is ranking from 4.03 as the lowest and 4.158 as the highest mean which demonstrating the response of the customers'. This shows brand awareness, brand association, brand recognition perceived quality and brand associations; actually exist in the mind of the consumer. However, the model summary derived from multiple regressions presented as follows.

***Table 4.15 Model Summary; effect of Brand image on Customer loyalty***

| ***Model Summary[b]*** | | | | |
|---|---|---|---|---|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | 0.893 | 0.787 | 0.773 | 0.177 |
| ***a. Predictors: (Constant):*** brand image | | | | |
| ***b. Dependent Variable:*** customer loyalty | | | | |

*Source: Researcher's survey finding (2021)*

Under the model summary of table 4.16: shows that the R or coefficient of correlation of the model is 0.893 or 89.3 percent. This shows there is a very strong effect between the independent variables and dependent variable.

Coefficient of determination or R Square of the model is 0.787. R-square shows brand image is contributing to the customer loyalty by 78.7% and remaining 21.3% can be attributed by other factors which are not studied, because they are beyond the scope of study.

The model summary derived from multiple regression shows that adjusted R square is 0.773 which indicates the amount of variation in one variable that is accounted for by another variable. In another word, through the survey with 279 target respondents, their perception of brand image is account for 77.3 percent of total variation in customer loyalty. This indicates that the level of effect between brand image and customers' loyalty is on ET brand is high.

### 4.4.3. Coefficient of Determination

The study analyzed five major brand image dimensions on the data using multiple linear regression models. Since the entire five brand image dimensions were not violated, the researcher examined the data collected by the questionnaires using multiple regression model as follow.

Linear regression estimates the coefficients of the linear equation, involving one or more independent variables that best predict the value of the dependent variable. In multiple regressions we use an equation of:

$y_i = (b_0 + b_1X_1 + b_2X_2 + \ldots\ldots\ldots + b_nX_n) + E_i$

Where:

- $y_i$=the outcome variable
- $b_0$=the coefficient of the predictor ($X_0$)
- $b_1$=the coefficient of the first predictor ($X_1$)
- $b_2$=the coefficient of the second predictor ($X_2$)
- $b_n$=the coefficient of the $n^{th}$ predictor($X_n$)
- $E_i$ = the difference between the predicted and observed value of y for the $i^{th}$ participant

Therefore, in this study the following multiple regressions were used:

Where:

- ($y_i$) =customer loyalty
- BA ($X_1$) =Brand Awareness
- BAS ($X_2$) = Brand Association
- BR ($X_3$) = Brand Recognition
- PQ ($X_4$) =perceived quality
- BT ($X_5$) =Brand Trust

From the above one can drive the model as follows;

***Customer loyalty*** $= b_o + b_1$ ***(BA)*** $+ b_2$ ***(BAS)*** $+ b_3$ ***(PR)*** $+ b_4$ ***(PQ)*** $+ b_5$ ***(BT)***

***Table 4.16 Regression Coefficients Result***

| ***Coefficients[a]*** | | | | | | |
|---|---|---|---|---|---|---|
| **Model** | | **Unstandardized Coefficients** | | **Standardized Coefficients** | **t** | **Sig.** |
| | | **B** | **Std. Error** | **Beta** | | |
| 1 | (Constant) | 0.394 | 0.328 | | 1.200 | 0.239 |
| | Brand awareness | 0.219 | 0.054 | 0.333 | 4.022 | 0.000 |
| | Brand association | 0.169 | 0.057 | 0.247 | 2.982 | 0.005 |
| | Brand recognition | 0.107 | 0.109 | 0.165 | 0.981 | 0.004 |
| | Perceived quality | 0.146 | 0.103 | 0.189 | 2.083 | 0.009 |
| | Brand trust | 0.252 | 0.078 | 0.541 | 3.229 | 0.003 |
| a. Dependent Variable: customer loyalty | | | | | | |

*Source: Researcher's survey finding (2021)*

In order to establish the impact that each dimension (brand image) has on the dependent variable (Customer loyalty); the study checked the Standardized Coefficients. Table 4.17; shows that, all the independent variables have statistically significant effect on the dependent variable except the brand awareness dimension, since its p-value is below the alpha level which is 0.05.

Considering the standardized beta coefficients, the strongest predictor of the dependent variable is brand trust and brand awareness (0.541 and 0.333) respectively, moreover, brand association and brand recognition have a beta value of 0.247 and 0.165 respectively.

From this result, one can deduce that, brand trust element is the major contributor of overall customer loyalty; this implies that a one-unit increase in brand trust would lead to 0.541 unit (or 54.1%) increased in customer loyalty. Similarly, a one-unit increase in brand awareness would lead to 0.333 units (or 33.3%) increase in customer loyalty. Lastly, a one-unit increase in brand association and brand recognition would lead to 0.247 (or 24.7%) and 0.165 (16.5%) in customer loyalty respectively.

From the table 4.14, one can drive the model as follows:

***Customer loyalty = $b_o$+ $b_1$ (BA) + $b_2$ (BAS) + $b_3$ (PR) +$b_4$ (PQ) + $b_5$ (BT)***

***Customer loyalty= 0.94+ 0.219 (BA) + 0.169 (BAS) + 0.107 (BR)+ 0.146 (PQ) + 0.252 (BT)***

### 4.4.4. Hypothesis Testing and Discussions

Proposed hypothesis are tested based on the results of the correlation analysis. By looking at the Sig.-value in Table13, it is possible to interpret whether the particular independent variable has a significant effect with the dependent variables. Hypothesis is supported when the Sig. value is smaller than 0.05; and a null hypothesis is rejected when the Sig. value is equal or larger than 0.05.

**Hypothesis #1**

- ***There is a significant effect of brand awareness on customer loyalty of Ethiopian airlines service.***

Regarding the association between brand awareness and customer loyalty, Pearson correlation analysis reported that it has 0.720 at a significance level of .000 and a positive strong effect with customer loyalty. Hence, it is possible to conclude that brand awareness have strong effect on customer loyalty on Ethiopian airlines brand.

Therefore, the hypothesis is accepted. Going back to the definition of brand awareness; "…adequate Knowledge and brand image of a consumer … (Aaker, 1991, (Keller, 1993).)": had a positive effect on customer loyalty of Ethiopian airlines service.

**Hypothesis #2**

- ***There is a positive effect of brand association on customer loyalty of Ethiopian airlines service.***

Concerning about the association between brand association and customer loyalty, Pearson correlation analysis reported that it has 0.480 at a significance level of 0.02 and a positive strong effect on customer loyalty of Ethiopian airlines service. Hence, it is possible to conclude that brand association has effect on customer loyalty of Ethiopian airlines service.

When referred to the definition of brand association that is, "Brand association is anything relate to the preference of a brand (Aaker,1991, p.109; Keller,1993). Therefore, the hypothesis is supported that brand association was found a valid variable for customer loyalty has important factor.

**Hypothesis #3**

- ***There is a positive effect of brand recognition on customer loyalty of Ethiopian airlines service.***

Concerning about the association between brand recognition and customer loyalty, Pearson correlation analysis reported that it has 0.442 at a significance level of 0.06 and a positive strong effect on customer loyalty of Ethiopian airlines service. Hence, it is possible to conclude that brand recognition has an effect on customer loyalty.

Therefore, the hypothesis is supported that brand recognition was found a valid variable for customer loyalty has important factor.

**Hypothesis#4**

- ***There is a positive effect of perceived quality on customer loyalty of Ethiopian airlines service.***

About the association between perceived quality and customer loyalty, Pearson correlation analysis reported that it has 0.549 at a significance level of .009 and a positive strong effect on customer loyalty. Hence, it is possible to conclude that perceived quality has a strong effect on customer loyalty of Ethiopian airlines service.

AccordingtoLin&Chang,2003; Perceived quality makes the customer satisfied which make them repurchase the service which leads to loyalty. Therefore, the hypothesis is supported that perceived quality has strong effect on customer loyalty of Ethiopian airlines service.

**Hypothesis#5**

- ***There is a positive effect of brand trust on customer loyalty of Ethiopian airlines service.***

On the issue of the brand trust and on customer loyalty, Pearson correlation analysis reported that it has 0.757 at a significance level of .000 and a positive strong on customer loyalty. Hence, it is possible to conclude that brand trust have a strong effect on customer loyalty of Ethiopian airlines service. Therefore, the hypothesis is accepted.

In summary, according to their effect and significance level, all the hypotheses that assumed earlier to accomplish the study were supported.

| ***Hypothesis*** | ***Independent Variable*** | ***Correlation coefficients'*** | ***Dependent variable*** | ***Result*** |
|---|---|---|---|---|
| H1 | Brand Awareness | 0.720 | customer loyalty | Accept |
| H2 | Brand Association | 0.480 | customer loyalty | Accept |
| H3 | Brand Recognition | 0.442 | customer loyalty | Accept |
| H4 | Perceived quality | 0.549 | customer loyalty | Accept |
| H5 | Brand Trust | 0.757 | customer loyalty | Accept |

# CHAPTERFIVE

# SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

In this chapter, an attempt is made to discuss the findings of the research based on empirical analysis of collected data by referring objectives of the study in a comprehensive way. As a result, recommendations are given for the concerned company.

## 5 Summary of major findings

The impact of brand image on customer loyalty can be accessed from the preferably attribute the customers desire. This study intends to find out the effects of brand image on customer loyalty in the case of Ethiopian airlines and it is based on international passengers only. From the analysis carried out the major findings were as follows:

- Brand image dimensions are the key indicators of customer loyalty as mentioned before. In this regard, all the respondents were rated as high (Av. Mean > 4). In correlation analysis; brand trust shows the highest positive correlation (r=0.757**, p<0.01) positively correlated with customer loyalty and brand awareness demonstrates the second highest positive correlation (r=.0.720**, P<0.01) positively correlates with customer loyalty followed by perceived quality brand association and brand recognition with (r=.0.549**, r=.0.480** and 0.442**, p<0.01) respectively.
- The data for this study were proven to be reliable using the Cronbach alpha coefficient technique. Cronbach alpha confirmed that the questionnaire was indeed reflective of the construct it was measuring and it also confirmed internal consistency.
- The overall fitness of the model, this fact has been confirmed by different types of statistical results. The first way is the ANOVA test that produced a P-value of 0.000 which is below the alpha level, i.e. 0.05. That means the overall independent variable have statistically significant relationship with that of the dependent variable, i.e. customer loyalty.
- The R (Coefficient of Correlation) which is simply a measure of the degree of association or co-variation that exists between independent variables (brand image dimension) and dependent variable (customer loyalty). It only measures degree of association or variation between the two variables. In this case the value of R which is 0.893 shows, there is a very strong relationship between the independent variables and dependent variable.
- By testing the R square (Coefficient of Determination), as the proportion of the total

variation or dispersion in airline customer loyalty (dependent variable) that explained by the variation independent variables in the regression is 0.797; meaning, 79.7% of customer loyalty is explained by the linear relationship with all the independent variables (brand image dimensions). Adjusted R square is 0.773 which indicates the amount of variation in one variable that is accounted for by another variable. In another word, through the survey with 297 target respondents, their perception of brand image is account for 77.3 percent of total variation in customer loyalty. This indicates that the level of relationship between brand image and customer loyalty is on airline brand is high.

- The Pearson correlation coefficient showed that there is a positive effect between all of the variables considered under the study, all of the correlation between each of the variables scores more than 0.3. Out of the 15 interrelationships for the 5 of the influences considered, the correlation coefficient for one of the interrelationships score medium correlation (between 0.3 and 0.5) and 13 of the interrelationships correlation results show large correlation (above 0.5). The highest correlation score recorded is between customer loyalty and brand awareness (0.726).
- According to Soong, Kao, Juang. (2013) on their Study on the Relationship between Brand Trust and the Customer Loyalty based on the Consumer Aspects. They found that the brand trust to the customer loyalty exist significant influence, the brand trust of the passengers exists the direct relation with the customer loyalty.

## 5.2 Conclusions

Despite the fact that the aviation industry is getting highly competitive and dynamic from time to time, it is characterized by limited and very similar offering of services to the market which are not enough of a differential element anymore, therefore brands become a key differentiator to enable the airline to gain a competitive advantage in the aviation industry. Accordingly, the aim of study is to examine the effects of Brand image on customer loyalty for the development of aviation industry of Ethiopian airlines. Based on the conceptual framework and the measuring instrument employed there are five independent factors and one dependent factor which are identified and measured.

This study is evaluated on the basis of brand dimension encompassing brand awareness, brand association, brand recognition, perceived quality and brand trust. Based on these five brand image dimension questionnaire is conducted all aspects of the customers' loyalty on the airline.

According to the result of the study trust is found as top influence of customer loyalty. McCarthy, (2015) define Brand trust: "Brand trust is the willingness of the consumer to rely on the ability of the brand to perform its stated function while seeing the engagement with the brand as supportive and enforcing of personal values". Customers who do not trust a vendor in a competitive market are unlikely to be loyal. Based on the findings, it is indicated that feeling of security held by the customer in his/her interaction with the airline brand is very important. It is based on the customer perception that the brand is reliable and responsible for the interests of the consumer. Therefore, brand trust showed up as a significant determinant of customer loyalty. The other factor that affects customer loyalty is brand awareness. According to the result awareness of customer about the brand of airline decides to choose the airline and will stay as a customer in the future. The result of the study confirmed that Ethiopian airline customers are less affected by brand recognition and brand association.

Finally, the study had also discovered from the data analyzed that, brand image has a significant association with customer loyalty. It also revealed that brand awareness, brand association, brand recognition, perceived quality and brand trust has positive and significant association with customer loyalty. To identify the effect between brand image and customer loyalty in airline customers Pearson correlation analysis was used. It was found that the five dimensions of brand image are important for customer's loyalty.

## 5.3. Recommendations

Based on the findings of the study and the conclusion drawn the following recommendations are given.

- Brand image play significant role in the success of every business endeavor. In this view the Ethiopian airline is encouraged to improve and sustain the brand. These could be customer survey on their brand or brand performance assessment this is because of customers have a good knowledge about the brand and the airline services, they trust the well-known brand. Trust is the major influences of customer loyalty.
- Moreover, brand image is very vital to attract and retain customers especially in the airline business market where competitions among companies are very intensive and unchanged. Customer relationship management must be given a maximum attention and also their brands must have much impact on their image to build a strong relationship between their brand and customer loyalty.
- Continues improvement must be maintained at all times on brand awareness, brand association, brand recognition and brand trust as well as Perceived quality that meet customer loyalty. Moreover, in airline market brand association like attitude, attribute and benefit are more powerful for customer loyalty.
- The other recommendation is loyal customers is the main source of income for Ethiopia airlines. Today due to the pandemic attack of the COVID-19 Ethiopian airline has series issue on customer decline .so the CEO of Ethiopian airlines and managers should retain passengers by promoting the brand to overcome this series issue.

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# APPENDICES

## APPENDIX I. Questioner

**ST. MARY'S UNIVERSITY**

**MASTERS OF BUSINESS ADMINSTRATION**

*DearRespondent,*

This questionnaire has designed to capture you rexperiences on Ethiopian airlines brand, Ethiopia Company limited brand image on customer loyalty and is designed purely for academic purpose for the study title"***THE EFFECTS OF CAMPANY BRAND IMAGE ON CUSTOMER LOYALITY: THE CASE OF ETHIOPIAN AIRLINES"***in partial fulfillment of Master of Arts Degree in MBA in ST. Mary's University. Your genuine input is highly important to the analysis.

*Thank you in advance for your cooperation in filling the questionnaire.*

Researcher'sname: **MEBRATU GIRMA**

### PART I :Personal Profile

Please put a tick **(√)** mark corresponding to your response

**1. Gender:** Male ☐ Female ☐

**2. Age:** 18 to 30 ☐ 31 to 40 ☐ 41 to 50 ☐ 51 to 60 ☐ Greater than 60 ☐

**3. Level of Education:** Primary level ☐Secondary level ☐

University/ College ☐Post Graduate /Masters/PhD☐

### PART II: Passengers travel behavior and information sources about Ethiopia airlines.

**4. Travelling (select one option):**

a) Alone ☐ d)with friends ☐

b)With a partner ☐ c) With family☐ e) other ☐ ----------

**5. Your decision to travel by Ethiopian airlines was based on:**

Printed brochure (Travel books, Guide) ☐ friends and relatives ☐ recommendation ☐

Internet source ☐ Advertising/travel articles, TV or radio commercial ☐

**6. What is your purpose of travel?**

Business reasons ☐ Visiting friends/relatives ☐

Visitor/Tourist ☐Rest and relaxation☐ Other (please specify)☐……

**7. How frequently use to travel by Ethiopian airlines?**

One times ☐2 times ☐ 3 and above times ☐

## PARTII: Brand Image Elements

The following statements relate to your feelings about Ethiopian airlines brand and customer loyalty. For each statement ,pleases how the extent to which you believe indicating the number from **"1"**to**"5"**representing your feeling. There is no right or wrong answer; what matters is the number that best shows your perception about Ethiopian airlines company brand. **Hint: SD = Strongly disagreed = 1, D = Disagreed = 2, N = Neutral = 3, A = Agree = 4, SA = Strongly Agree = 5**

| **Brand Image** | | | | | | |
|---|---|---|---|---|---|---|
| **Dimension** | **Questions** | **5** | **4** | **3** | **2** | **1** |
| **Brand Awareness** | 1.I have heard of the Ethiopian airlines brand before. | | | | | |
| | 2. When choosing an airline, I would consider the brand. | | | | | |
| | 3. I testified to friends and relatives about ET services. | | | | | |
| | 4. The company represent the idea I have of a perfect airlines. | | | | | |
| | 5.The company promotes its brand though various measurement such as quick and efficient service. | | | | | |
| **Brand Association** | 1.I can have many connections or association between experience in my life and the Ethiopian airline service. | | | | | |
| | 2.I usually trust the Ethiopian airline brand because of the advertisement with celebrity and famous medias. | | | | | |
| | 3.I like the Ethiopian airline brand due to its place of origin. | | | | | |
| | 4.I tend to notice the Ethiopian airline brand with Celebrity and sports endorsement, Well-known and admired people to promote the service. | | | | | |
| | 5. I use the Ethiopian airline brand to define and express the I and me Within myself. | | | | | |
| **Brand Recognition** | 1.When choosing to travel the Ethiopian airlines brand was came to my mind. | | | | | |
| | 2. I can easily recognize the Ethiopian airline brand among other competing airlines brands. | | | | | |
| | 3. I have seen the Ethiopian airlines brand several times in recent months. | | | | | |
| | 4. I can quickly recall the symbol or logo of Ethiopian airlines brand. | | | | | |
| | **5.** I recognize the brand help to choose and purchase the service that offers**.** | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Brand Quality** | 1. I consider the Ethiopian airline staffs have high integrity | | | | | |
| | 2. The Ethiopian airline brand perfectly fits my expectation. | | | | | |
| | 3. TheEthiopian airline brandprovidesgoodservicequalitywithaffordableprice. | | | | | |
| | 4. The Ethiopian airline brand makes a positive contribution to my business/myself. | | | | | |
| | 5. The company staff is knowledgeable to introduce and explain all services that I want. | | | | | |
| | 6..Overall I am satisfied with the service of Ethiopian airlines. | | | | | |
| **Brand Trust** | 1. I have confidence and willing to rely on the ET airline services. | | | | | |
| | 2. I consider the airline staffs are concerned for my wellbeing. | | | | | |
| | 3.The airline is consistent in providing quality services. | | | | | |
| | 4.I feel secured and comfortable with the airline. | | | | | |
| | 5. The airline service give me a feeling of trust. | | | | | |

**Customer Loyalty**

| **S/N** | **Questions** | **5** | **4** | **3** | **2** | **1** |
|---|---|---|---|---|---|---|
| **1.** | I will give priority to this brand of an airline in the future. | | | | | |
| 2. | I encourage my friends and relatives to fly with this airline transport. | | | | | |
| 3. | I consider myself to be loyal to this airline. | | | | | |
| 4. | I would always continue to favor the offerings of this brand before others airline brand. | | | | | |
| 5. | I will always choose to use the Ethiopian airline brand in preference to competitor brand. | | | | | |
| 6. | I refuse to change to another airline. | | | | | |

## APPENDIX II. Coding of Brand Image Dimensions

**Brand Awareness (BA)**

**(BA1)** I have heard of the Ethiopian airlines brand before

**(BA2)** When choosing an airline, I would consider the brand.

**(BA3)** I testified to friends and relatives about ET services.

**(BA4)** The companies represent the idea I have of perfect airlines.

**(BA5).** The company promotes its brand though various measurements such as quick and efficient service.

**Brand Association (BAS)**

**(BAS1)** I can have many connections or association between experience in my life and the Ethiopian airline service**.**

**(BAS2)** I usually trust the Ethiopian airline brand because of the advertisement with celebrity and famous Medias.

**(BAS3)** I like this brand due to its place of origin

**(BAS4)** I tend to notice this brand with Celebrity and sports endorsement, Well-known and admired people to promote the service.

**(BAS5)** I use this Ethiopian airlines brand to define and express the "I" and "me" Within myself.

**Brand Recognition(BR)**

**(BR1)** when I choosing to travel the Ethiopian airlines brand was coming to my mind.

**(BR2)** I can easily recognize the Ethiopian airline brand among other competing airlines brands.

**(BR3)** I have seen the Ethiopian airlines brand several times in recent months.

**(BR4)** I can quickly recall the symbol or logo of Ethiopian airlines brand.

**(BR5)** I recognize the brand help to choose and purchase the service that offers**.**

**Perceived Quality (PQ)**

**(PQ1)** I consider the Ethiopian airline staffs have high integrity

**(PQ2)** The Ethiopian airline brand perfectly fits my expectation.

**(PQ3)** The Ethiopian airline brand provides good service quality with affordable price.

**(PQ4)** The Ethiopian airline brand makes a positive contribution to my business/myself.

**(PQ5)** The company staff is knowledgeable to introduce and explain all services that I want.

**Brand Trust (BT)**

**(BT1)** I have confidence and willing to rely on the ET airline services.

**(BT2)** I consider the airline staffs are concerned for my wellbeing.

**(BT3)** The airline is consistent in providing quality services.

**(BT4)** I feel secured and comfortable with the airline.

**(BT5)** The airline service gives me a feeling of trust.

**Brand Loyalty (BL)**

**(BL1)** I will give priority to this brand of an airline in the future.

**(BL2)** I encourage my friends and relatives to fly with this airline transport.

**(BL3)** I consider myself loyal to this brand

**(BL4)** I would always continue to favor the offerings of this brand before others airline brand.

**(BL5)** I will always choose to use the Ethiopian airline brand in preference to competitor brands.

**(BL6)** I refuse to change to another airline.