

ASSESSMENT OF SERVICE RECOVERY PRACTICES IN THE ETHIOPIAN AIRLINES, ADDIS ABABA

BY

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Abstract

This study tried to look into the service recovery practices which had been observed at the Head Quarter of Bole International Airport in Addis Ababa from January 2010 to June 2011. One of the major functions of a service giving organization is service recovery practice. It is becoming a source of competitive advantage in the airline industry. Airlines, which are effective in handling customer complaints and recover their service failure will be the most desirable in the airline industry and enjoyed by several advantages that originated as a result of delivering best service recovery practice. To this end, airlines need to have a well organized service recovery strategy to satisfy their customers and to be profitable out of the global competitive environment. Even though the Ethiopian Airlines is one of the known airlines in the airline industry because of its safety record, there are some customer complaints in its service recovery practice. Among those customers' complaints, delay flight or cancelled flight management, denied boarding compensation, misconnecting flights and incidental payment for lost or left behind baggage are some of them. The goal of service recovery is to identify customers with issues and then to address those issues to the customers' satisfaction to promote customer retention. However, service recovery doesn't just happen. It is a systematic business process that must be designed properly and implemented in an airline may result in effective service recovery practice. Even though the Ethiopian Airlines has service recovery package of programs, there is a gap between its strategy and performance in Addis Ababa. The Ethiopian Airlines is one of the known Airlines in the airline industry and it has a good service recovery strategy. However, there are some customer complaints in its service recovery practice. Deviation such as delay without notification, loss of baggage and lack of proper handling to unsatisfied customers had been the scenarios which initiated this research. The method of research that was used in this study is descriptive survey research method using convenient sampling technique in order to gather pertinent data from passengers who had consumed the service. In addition to the passengers, two station mangers were interviewed using interview guide/protocol as research instrument. In this study, the student researcher managed to collect both primary and secondary data from the respective sources. Quantitative and qualitative data analysis techniques were also used to summarize the data in this study. There were 160 participants in the final sample for this study; all the respondents were traveled by Ethiopian Airlines. Among the total respondents, 151(94%) experienced a service failure. A total of 98(61%) of the respondent customers did not present their complaints about the service failure which they had experienced. Seventy-three (46%) of the respondents had an experience of traveling with other airlines while the remaining 87(54%) had no experience of other airlines. A total of 82(51%) of the respondents who had had other airline experience believed that the Ethiopian Airlines had got an effective and unique service recovery practice different from its competitors, while the remaining 78(49%) didn't have such a belief. The Ethiopian Airlines is a huge Airline which is in need of well organized customer service that can fill the gap between its image in the mind of outsiders and those who experienced the service. Besides, there are unused capacities such as financial strength and physical facilities that could be utilized to build a well organized service recovery practice.

Introduction

Background of the Study

It is obvious that one of the major functions of a service giving organization is service recovery practice. Perhaps, it is the most challenging function as it deals with the most important part for the existence of the organization (Magnini, 2007).

For Zelthaml, (2000), service recovery refers to the actions taken by an organization in response to a service failure. Failures occur for all kinds of reasons - the service may be unavailable when promised, it may be delivered late or too slowly, the outcome may be incorrect or poorly executed, or employees may be rude or uncaring. All of these types of failures bring about negative feelings and responses from customers. If these are left unfixed, they can result in customers leaving, telling other customers about their negative experiences, and even challenging the organization through consumer rights organizations or legal channels. Moreover, Christopher (2004) indicated that service recovery is an umbrella term for systematic efforts by a firm to correct problem following a service failure and retain a customer's good will.

Kurtz (2002) also said that "the successful service recovery will diminish the negative impact of the original poor or failed service. It will normally cause consumers to alter their attributions as to the cause of the service failure."

Service recovery is becoming a source of competitive advantage in the airline industry. Airlines, which are effective in handling customer complaints and recover their service failure will be the most desirable in the airline industry and enjoyed by several advantages that originated as a result of delivering best service recovery practice. To this end, an organization to satisfy its customers and come up profitable out of the global competitive environment needs to have a well organized service recovery strategy.

Ethiopian Airlines was founded on December 21, 1945 and with the inauguration of service from Addis Ababa to Cairo using Douglas DC-3 Aircraft, started its operations on April 8, 1946 G.C. It was fully owned by the Government of Ethiopia. The number of employees was 377 at that time and the average passengers uplift was 22,347 per year. On the 3rd of April 1954, Ethiopian Airlines started flight to Athens (its first destination in Europe) with a Covair CV-240 Aircraft.

In 1957, it initiated and developed its own comprehensive aircraft maintenance and engine over-haul base, which was the first in African history.

The Airline is currently working with a commercial fleet of 45 Aircrafts and still fully owned by the Government of Ethiopia. Its current total number of employees becomes 5,555 and the average passengers uplift reached 3.2 million per year.

Even though the Ethiopian Airlines is one of the known airlines in the airline industry because of its safety record, there are some customer complaints in its service recovery practice. Among those customers' complaints, delay flight or cancelled flight management, denied boarding compensation, misconnecting flights and incidental payment for lost or left behind baggage are some of the empirical reasons to conduct this study.

Statement of the Problem

Mistakes are a critical part of every service. Hard as they try, even the best service companies cannot prevent the occasional late flight, burned steak, or missed delivery. The fact is, in services, often performed in the customer's presence, errors are inevitable. While companies may not be able to prevent all problems, they can learn to recover from them. A good recovery can turn angry, frustrated customers into loyal ones (Hart, 1995)

The goal of service recovery is to identify customers with issues and then to address those issues to the customers' satisfaction to promote customer retention. However, service recovery doesn't just happen. It is a systematic business process that must be designed properly and implemented in an organization. Perhaps more importantly, the organizational culture must be supportive of idea that customers are important and their voice has value.

Today, there are a number of airlines in the world with different technologies and new airline services. Hence, customer's choice becomes wide in preference to one airline from other. Moreover, customers can be obtained by using the opportunity to benchmark once service quality against the other and by using different parameters in the industry such as standards and service recovery dimensions.

In the Ethiopian Airlines, Service Recovery Program with the following package of components is being implemented in order cover the following aspects of service recovery:

- **Delay/cancelled Flight Management**

Flight delays or disruptions equal to or exceeding 24 hours shall be considered cancelled and the compensation scheme for Denied Boarding passengers shall apply. Passengers originating from the airport of departure as local are not entitled to free hotel accommodation whether they are checked in for the flight involved or not. However, assistance may be given, if needed, in transportation.

- **Denied Boarding Compensation (DBC)**

Denied Boarding Compensation on domestic flights shall be ETB 150 for C-9 and ETB 100 for Y-class (economy class). Children aged 2-12 years are entitled for 50% of the applicable DBC scheme.

- **Misconnecting Flights**

Passengers, who misconnect their fight at transit due to delay of their incoming ET-flight shall be provided with hotel accommodation (HOTAC) until the next (first available) flight; communication (3 minutes international call or fax service); and ground transport to and from the hotel.

- **Incidental payment for lost or left behind baggage:**

- **For international flights**

The Ethiopian Airlines pays an incidental payment of USD 100 for C-9 (business class) and USD 75 for Y-class (economy class) or equivalent in local currency per passenger for the first day.

- **For domestic flights:**

The Airlines pays an incidental payment of ETB 150.00 to be given immediately upon arrival (The incidental is to be paid for all passengers missing one or all of their bags at time of arrival). Even though the Ethiopian Airlines has those service recovery package of programs, there is a gap between its strategy and performance at the Head Quarter in Addis Ababa. Deviations, such as delay without notification, loss of baggage and lack of proper handling to unsatisfied customers had been the scenarios which initiated this study.

Definition of Terms

Denied boarding refers to a situation where an airline due to overbooking has more passengers than the aircrafts' available seat capacity. It is a technical term for what might more commonly be described as flight dumping or being dumped off a flight.

Misconnecting flights: When there is cancellation, delay or denied boarding, the next ladder of flight couldn't be pursued. If the first flight is delayed into a connecting city, there's well a good chance of misconnecting once being there. In this case, it is considered to be misconnecting flights.

Incidental payment: this is the payment made to passengers as compensation to their left behind or lost baggage.

Basic Research Questions

This study attempted to address the following major research questions in the case of the Ethiopian Airlines:

1. What does the service recovery of the Ethiopian Airlines look like?
2. To what extent, does the Ethiopian Airlines currently offer good service recovery to its customers?
3. What are the problems faced by Ethiopian Airlines currently in practicing a good service recovery practice? and
4. To what extent, its customers are satisfied in relation to the service recovery practice of Ethiopian Airlines?

Objectives of the Study

The general objective of this study was to assess service recovery practices with reference to the Head Quarter of the Ethiopian Airlines in Addis Ababa, Ethiopia. Based on the aforementioned general objective, the student researcher specifically tried:

- To assess the implementation of service delivery practice of the Head Quarter of the Ethiopian Airlines in Addis Ababa;
- To investigate the problems being faced by the Ethiopian Airlines to effectively practice an organized service recovery to satisfy its customers;

- To identify those factors affecting the quality of the service recovery practice of the Ethiopian Airlines;
- To determine whether the Airlines has been offering good service recovery or not; and
- To identify the best quality service recovery practice that may help the Ethiopian Airlines to build good relationships with its customers from all corners of the world.

Significance of the Study

The empirical findings of this study have significance for the managing practitioners, economic policy makers, and in contributing to the knowledge reservoir in the field of study. This study came up with empirical issues that may suggest the management of the Airlines to take some corrective actions for the errors made. These, in turn, would result in giving a clear understanding about those factors that have created the gap between the service failure and service recovery practice; in identifying the needs and the methods of adopting its existing service recovery methods in accordance to its core competitors; in ensuring that the existing service recovery practices have focused on customers' needs and wants. Besides, the findings of this research will initiate other researchers to conduct studies on either different aspects of the topic under investigation or the same issues investigated in better and in-depth manner on a wider scale.

Delimitations of the Study

The scope of this study was specifically delimited to assess the service recovery practices at Bole International Airport, the Head Quarter of the Ethiopian Airlines in Addis Ababa. This study tried to look into the cases which had been observed from January 2010 to June 15, 2011. But , it is believed that the research could be done on a wider scale for a better and in-depth study covering wider areas. As the research is conducted for educational purpose and as it is not on a wider scale, the sample size is sufficient to conduct the study.

Limitations of the Study

The student researcher came across a number of problems and challenges that may have influence on the findings of the study. Among these, shortage of relevant and latest books and previous domestic research work conducted in the area of the study at the University College.

Besides, some of the customers did not cooperate with the student researcher to fill out the questionnaires.

Organization of the Research Paper

The research paper consists of five parts. The first part introduces the background of the study, statement of the problem, significance of the study, scope of the study, and definition of key terms in the paper.. The second chapter deals with the review of related literature. Next, paper describes research design and methodology which mostly emphasizes presentation, analysis, and interpretation of the data. The last part tries to summarize and draw conclusions based on major findings which are well-supported by empirical data and then forwards recommendations.

Review of Related Literature

Meaning of Service and Service Recovery

Meaning of Service

Zetihaml (2003) indicated that services are all economic activities whose output are not a physical product or construction, are generally consumed at the time it is produced, and provides added value in forms such as convenience, amusement, timeliness, comfort, or health that are essentially intangible concerns of its first purchaser. Moreover, Lovelock, (2004) also defined service as an economic activity that creates value and provides benefits for customers at specific times and places by bringing about a desired change in, or on behalf of, the recipient of the service.

Services are a type of economic activity that is intangible, is not stored and does not result in ownership. A service is consumed at the point of sale. Services are one of the two key components of economics, and the other being goods (Tetra Technology Company, 2010).

Meaning of Service Recovery

Lovelocks (2004) defined service recovery as an umbrella term for systematic efforts by a firm to correct a problem following a service failure and retain a customer's goodwill. According to Zeithaml (2003) service recovery is the action taken by an organization in response to a service failure. Moreover, service recovery is defined by Johnston and Hewa (1997) as "the action of a service provider to mitigate and/or repair the damage to a customer that results from the provider's failure to deliver a service as it is designed". Micheal (2001) also indicated that

service recovery efforts embrace proactive, often immediate, efforts to reduce negative effects on service evaluation.

Service recovery is the step that should follow a mistake. You must apologize, take responsibility for the error or the inconvenience, and give the customer something of value as compensation, something that says, "We value you as a customer and want you to continue to do business with us." What product or service can you give that will cost you little or nothing but that has value in the eyes of your customers? A hotel can upgrade a disgruntled guest to a suite. A restaurant can give offer a free appetizer. A cell phone company can offer 500 free minutes, according the same Company's web-based document.

Customers Expectation about their Complaints

According to Lovelock (2004), whenever a service failure occurs, people expect to be adequately compensated in a fair manner. However, recent studies indicated that many customers felt that they had not been treated fairly and did not receive adequate justice. When this happens, customers' reactions tend to be immediate, emotional, and enduring. The followings are the three dimensions of fairness:

Procedural justice: It has to do with the policies and rules that any customer will have to go through in order to seek fairness. Here, customers expect the firm to assume responsibility, which is the key to the start of a fair procedure, followed by a convenient and responsive recovery process that includes flexibility of the system and consideration of customer inputs in to the recovery process.

Interactional justice: This justice involves the firm's employees who provide the service recovery and their behaviour toward the customer. Giving an explanation for the failure and making an effort to resolve the problem are very important. However, the recovery effort must be received as genuine, honest, and polite.

Outcome justice: It pertains to the compensation that a customer receives as a result of losses and inconveniences incurred because of service failure. This includes compensation for not only the failure but also the time, effort, and energy spent during the process of service recovery.

Service Recovery Program (Managing Customer Complaints)

Service recovery program is nothing but it is a design by the service firm to close the gaps between what the customer expects and what the actual performance of the company is. Here are some important points as indicated: by Gerson (1993). These are:

Apologies: Let your customer know that you are sorry for the inconvenience. Even if it was not your fault, and regardless of who is at fault, ask first apologies to the customer. Tell him or her that you are going to take full responsibility for resolving the complaint.

Urgent Restatement: You restate the complaint in your own words to make sure that you understand the exact nature of the complaint and that you and the customer are in complete agreement. Tell the customer again, and show him or her, if possible to resolve the problem.

Empathy: You clearly communicate to the customer that you understand the problem and appreciate the way he or she feels. Also, you emphasize that you are glad that he or she has brought this to your attention because it gives you opportunity to correct the situation.

Restitution: You do whatever it takes at this point to satisfy the customer whatever he/she needs or wants or expects from you to resolve the complaint without giving away the chop. After you have resolved the complaint, go to the extra mile and give the customer something else: a discount coupon, a free gift or allow him or her to purchase another item at a sale price. Do something extra to add value to what might have been a bad situation.

Follow up: You should check with all customers before they leave to make sure that they are satisfied. Then phone them and write them a note within a week of the complaint resolution to make sure that they are still satisfied. You may even want to make sure that they are still satisfied. You may even want to include a discount voucher with your note. Make sure that you continue to keep in touch the customer.

Principles of Effective Service Recovery Systems

As Lovelock (2004) indicated, the following are the five guiding principles of effective service recovery: make it easy for customers to give feedback; how can managers overcome unhappy customers' reluctance to complain about service failures? The best way is to address the reasons for their reluctance directly; enable effective service recovering from service failures

takes more than pious expressions of determination to resolve any problems that may occur; and it requires commitment, planning, and clear guidelines.

Service recovery should be proactive: Service recovery needs to be initiated on the spot, ideally before customers have a chance to complain. Recovery procedures need to be planned – contingency plans have to be developed for service failures, especially for those that can occur regularly and cannot be designed out of the system.

Recovery Skills must be taught: Customers easily feel insecure at the point of service failure because things are not turning out as anticipated. Effective training arms frontline staff with the confidence and competence to turn distress into delight.

Recovery Requires Empowered Employees: Service recovery efforts should be flexible, and employees should be empowered to use their judgment and communication skills to develop solutions that will satisfy complaining customers.

Establish Appropriate Compensation Level: How much compensation should a firm offer when there has been a service failure? Or would an apology be sufficient instead? The following rules of thumb can help to answer these questions:

Service Recovery Paradox

Magnini, et al. (2007) pinpointed that service recovery paradox states that with a highly effective service recovery, a service or product failure offers a chance to achieve higher satisfaction ratings from customers than if the failure had never happened. A little bit less academically, this means that a good recovery can turn angry and frustrated customers into loyal customers. In fact, it can create even more goodwill than if things had gone smoothly in the first place.

Henrique (2007) outlined that not all service recovery efforts will lead to increase satisfaction ratings as several studies have already shown. The key is to understand that there are certain situations when it is highly likely that a service recovery will lead to increased customer's satisfaction. Service recoveries that are likely to be efficient are obviously those where the service failure is perceived to be not systematic or that the company has little control over it. But even in cases when there is a systematic failure and the company has control over the failure, there is a benefit when service recovery activities are put into action to ensure that one can win back customers and that the source of failure is eliminated.

Is the Service Recovery Paradox Real, or Myth?

At this juncture, one may pose the following question: Do customers who have had an issue resolved really generate more loyalty than those that have never had an issue? Magnini, et al. (2007), in their paper titled “The service recovery paradox: justifiable theory or smoldering myth?” set out to determine if, when and how the service recovery paradox operates. Their findings are instructive not just on how to leverage this idea, but also in reminding us that it is not a savior for bad service. What is most interesting about their research is that the service recovery effect is moderated by several attributes of the failure. Their key findings in this area include:

It doesn't work as well for customers who have prior failures: This is logical. If the organization has repeated service failures then the customer will not be satisfied with repeated service recoveries. The implications of this are clear. Service recovery processes are special event responses and should not be relied upon to deliver good service.

It doesn't work as well for big failures: If a customer misses a major personal event due to a delayed flight, no amount of discounted flight coupons is going to raise their level of satisfaction.

If works just as well for old customers as new customers: Long-term customers who experience a service recovery will have their loyalty improved about the same amount as new customers.

It works better if the customer believes it was beyond your control: Where a customer can see, or you can show them, that the issue was beyond your control, a service recovery process has a better chance of improving customer's loyalty. So, if you can provide a third party explanation of the failure you may be better off. Take, for example, delayed flights by airlines. Saying, as airlines seem to do all the time these days, “this flight is late because it was late departing” is less likely to invoke the service recovery paradox than saying “this flight is late because of bad weather”. Here the implication is that staff should be taught to manage customer's expectations when the service issue is truly beyond company control.

It works better if customers perceive the issue was not reasonably foreseeable: If your local supermarket doesn't have enough aisles open late Sunday afternoon, when everyone does their

last minute shopping for the week ahead, customers are less likely to be wowed by your service recovery.

It seems to me that all of these findings are consistent and lead to a clear view of service recovery. Service recovery is like your favorite donut: It is a sometimes event, not an everyday event.

Long-term you need to work on your customer experience management processes to ensure that you deliver consistent and reliable service to your customers. If occasionally you do make a mistake, customers will forgive you, subject to the areas noted above. And, proactive service recovery will lift customer's loyalty. However, you do not rely on service recovery processes as your service processes.

Lovelock (2004) also said that service recovery paradox refers to the sometimes observed effect those customers who experiences a service failure and then have it resolved to their full satisfaction are more likely to make future purchase than are customers who have no problem in the first place. However, the best strategy is to do it right the first time. Service Recovery is tuning a service failure into an opportunity you wish you never had. It is critical that service recovery be well executed, but failures cannot be tolerated. Unfortunately, empirical evidence generally shows that a large proportion of customers are dissatisfied with the outcome of their complaints.

Research Design and Methodology

Research Design

In this study, the student researcher employed quantitative research approach, particularly descriptive sample survey, which was selected for its appropriateness. Besides, interview method or interviewing technique was used to conduct individual in-depth interviews through probing to generate qualitative data that could triangulate the findings of the descriptive survey. Moreover, documentary analysis method was used. As it is helpful to describe the present status of an area of investigation to cover a wider magnitude, the student research employed a screening device.

Target Population and Sampling

Even though the Ethiopian Airlines has huge customers inside and outside of the country, the list of customers was not available. According to Matholtra (2007), a total number of 200 customers

were taken as a reliable sample size and the study considered the stated sample size. Passengers and station managers of the Company were considered as units of the study or units of analysis. Convenience sampling technique was used to select the sampling elements or units and then to gather data from those passengers who had consumed the services. In addition, two station managers participated in the survey as key informants and they were interviewed.

Types of Data

In this research, both primary and secondary data sources were used to collect pertinent data. The primary data were collected from passengers (customers) and concerned station managers. Secondary data were also generated from published materials such as books, journals, internal reports, memorandum, and publications of the organization's manuals, Internet and the Company's current Service Recovery Program. In addition, unpublished documents from various resource centres were used.

Methods and Tools of Data Collection

The primary data were collected by the researcher using structured questionnaires and interview guide/protocol as research tools/instruments. The questionnaires were distributed to randomly sampled and selected passengers and the interviews were conducted with two concerned station managers using the interview guide.

The secondary data were similarly collected through consulting books, journals, internal reports, memorandum, and publications of the organization's manuals, internet and other published as well as unpublished materials related to the objectives of the study using documentary analysis checklist. Besides, the company's current service recovery program had been reviewed to enrich the findings.

Data Analysis Method

Quantitative and qualitative data analysis techniques were used in this study. Quantitative data analysis, especially descriptive data analysis techniques were used to summarize the data which was collected through the structured questionnaires. The questionnaires were then verified for their completeness, analyzed and presented in the form of tables in order to illustrate and clarify the findings. The student researcher also employed qualitative data analysis technique such as content analysis and thematic analysis and then conveyed the results accordingly.

Data Presentation, Analysis and Interpretation

In this survey, two major groups of respondents were involved; customers and station managers. Questionnaires were prepared for two hundred customers (passengers) and an in-depth interview was conducted with two station managers who are responsible for handling of customers' complaints. Both quantitative and qualitative data are presented in this part of the research report.

Socio-demographic and Economic Characteristics of the Sampled Customers

Some 200 customers were conveniently selected and given questionnaires, out of which 160 of them participated to fill out the instruments which makes the response rate to be 80%. As the significant majority of the respondents filled out and returned the questionnaires, it is possible to proceed to data analysis and interpretation. Their responses are summarized in the following consecutive tables.

Table 1- Socio-demographic and Economic Characteristics of the Responding Customers

Item	Variables (Questions)		Customers' response	
			f	%
1	Gender	Male	125	78.0
		Female	35	22.0
	Total		160	100.0
2	Age	20-30	7	4.0
		31-40	67	42.0
		41-50	69	43.0
		51 -60	12	8.0
		Above 60	5	3.0
Total			160	100.0
3	Occupation	Government/public service	27	17.0
		Employed in a private firm	8	5.0
		Business owner	75	47.0
		Student	7	4.0
		Others	43	27.0
Total			160	100.0

Source: Own survey findings, 2011.

As shown in item 1 of Table 1, a total of 125 (78%) of the sampled respondents were males and the remaining 35 (22%) were females. In the Ethiopian Airlines, the majority of the respondents who had had complaints regarding service failure were males during the said period of time. .

With regard to the age distribution, 7(4%) of the complaining customers' ages were between 20 and 30; 67(42%) were between 31 and 40; 69(43%) were between 41 and 50; 12(8%) were between 51 and 60; and the remaining 5(3%) were above 60 years as shown in item 2 of Table 1. The age profiles of the customers with complaints to the Airlines were adults in their working age categories whose ages lie between 31 and 50 years.

Concerning occupation of the respondents as depicted under item 3 of Table 1, 27(17%) were government/ public employees, 8(5%) were employees of private firms, 75(47%) were business owners, 7(4%) of the respondents were students and the rest which accounts for 43(27%) were engaged in humanitarian and religious activities. These findings of the study show that most of the customers who had presented their complaints to the Ethiopian Airlines were business persons.

Table 2 - Customers' Reasons and Frequency of Travel by Ethiopian Airlines

Item	Variables (Questions)	Customer response	
		f	%
1	Reason for travel	Official visit & Training	49 31.0
		Vacation	15 9.0
		Business	82 52.0
		Educational visit	7 4.0
		Medical	7 4.0
		Total	160 100.0
2	How often do you travel by Ethiopian Airlines?	Once in a week	32 20.0
		Once in a month	39 24.0
		Quarterly	65 41.0
		Once in a year	24 15.0
		Total	160 100.0

Source: Outputs of own survey data analysis, 2011.

According to item 1 of Table 2, which indicates customer respondents' reasons for travel varies and, hence, 49(31%) of the respondents said that they had traveled through the Ethiopian

Airlines for official visits and trainings, 15(9%) for vacation, 82(52%) were for business undertakings, and the remaining travelled for educational visits and for various reasons 7(4%) each respectively. From these empirical findings, one can deduce that most of respondents used the Airlines to do their respective business.

The last item of Table 2 shows the respondents' frequency of travel by the Ethiopian Airlines. As per the response generated, 32(20%) of them indicated that they had been flying once in a week, 39(24%) travelled once in a month, 65(41%) of them had had a trip quarterly, and 24(15%) of the respondents did fly once in a year. Based on the evidence generated in the study, one can state that most of the sampled customers of the Airlines had had a trip more than once in a year or quarterly.

Table 3 - Customers' Reasons for Choosing Ethiopian Airlines

Item	Question	Customers' Response	
		f	%
1	Reason for choosing Ethiopian?		
	Cheap fare	18	11.0
	Safety	74	46.0
	Good in-flight service	29	19.0
	Hospitality	39	24.0
Total		160	100.0

Source: Own survey results, 2011.

As shown in Table 3, 18(11%) of the respondents chose the Ethiopian Airlines due to its cheap fare, 74(46%) of them said because of its safety records, 29(19%) believed in its good in-flight services, and 39(24%) of them chose the Airlines for hospitality of the crew members. Based the results of the survey, it can be deduced that most of the respondents had chosen the Ethiopian Airlines because of its good safety records.

Table 4 - Customers' Responses on Ethiopian Airlines Service Failure Status

Item	Question	Customers' response	
		f	%
1	Did you experience service failures during the past one and half year?		
	Not at all	9	6.0
	Only for one time	11	7.0
	Two times	37	23.0
	Three times	92	57.0
	More than three times	11	7.0
Total		160	100.0

Source: Own survey, 2011.

The above table shows experiences of customers towards Ethiopian Airline's service failure position. In view of that, 9(6%) of the respondents indicated that they had not experienced any failure, 11(7%) said they had experienced only for once, 37(23%) had experienced two times, 92(57%) had experienced three times, and 11(7%) of the respondents had experienced more than three times during the past one and half years. These results show that most of the respondents have experienced a service failure three times during the past one and half years.

Table 5 - Customers' Response on Types of Service Failure experienced

Item	Question	Customers Response	
		f	%
1	What type of service failure do you experience?		
	Time delay	83	48.0
	Baggage loss	55	30.0
	Denied boarding	22	15.0
Total		160	100.0

Source: Own survey results, 2011.

Table 5 indicates customers' response on nature of the Ethiopian Airline's service failure. Accordingly, 83(48%) of the respondents pointed out that they had experienced a time delay, 55(30%) baggage loss, 22(15%) encountered denied boarding. Generally, it can be observed that about 138(86) % of the respondents have experienced both baggage loss and time delay types of

service failure. In conclusion, one can deduce that most of the customers have experienced both time delay and baggage loss.

Table 6 - Customers' Complaint on Service Failure experienced

Item	Questions	Customers Response				Customers Response	
		Yes		No			
		f	%	f	%	f	%
1	Did you complain about service failure/s experienced?	62	39.0	98	61.0	160	100.0
2	Did you get fast response whenever you complain?	71	44.0	89	56.0	160	100.0
3	Do you have an opportunity to travel with other airlines?	73	46.0	87	54.0	160	100.0
4	Do you think the Ethiopian Airlines has an effective service recovery practice more than its competitors don't have	82	51.0	78	49.0	160	100.0

Source: Outputs of own survey data analysis, 2011.

Item 1 of the Table 6 shows that 62(39%) of the respondent customers said that they had presented their complaints to the concerned Office(s) of the Ethiopian Airlines. However, the rest, 98(61%) of the respondent customers had not presented their complaints. This result shows that most of the customers did not complain about the failure which they had experienced. According to Lovelock (2004), the customer who did not complain about the service failure which s/he had encountered is very dangerous because he decided not to come again.

In Table 6, Item 2 indicated only 71(44%) of the respondents had got fast and immediate reply and the remaining, 89(56%) did not get fast reply. Accordingly, more than half (56%) of the responding customers did not get fast reply for their complaints by the concerned Office(s) of the Airlines.

Item 3 of Table 6 depicted that 73(46%) of the respondents had had an experience of traveling with other airlines; while the remaining, 87(54%) had not had experience of other airlines. From these findings, it can be understood that more than half of the respondents have had no reference point to compare the Ethiopian Airlines' service recovery practice with others.

With respect to item 4 of Table 6, 82(51%) of the respondents who had had experience of travelling by other airlines believed that Ethiopian Airlines had got an effective service recovery

practice, which is unique from its competitors, while the remaining, 78(49%) didn't have such a belief. This implies that more than half of the customers have felt that Ethiopian Airlines does not have unique feature more than its competitors. In addition, it gives a "take care" alarm for the Company's management to revise its service recovery practice and to build good relationships with its loyal as well as new customers.

General Issues Related to Respondents' Personal Opinions

Ultimately, the respondents were given a chance by the student researcher to forward their suggestions, comments and/or opinions related to service recovery practice of the Ethiopian Airlines. Their points are summarized and indicated as follows: (1) The first task of the management should be to take into consideration is to develop a communication between the departure and arrival point based on well advanced technology; and (2) There has to be a customer complaint form which can be filled by the customer. Thus, all the complaints should be analyzed so that a proper correction can be taken by the management based on research informed findings. Finally, very fast way of information dissemination has to be developed and used whenever the delay occurs.

Customers' Complaints Management at the Airlines

Individual in-depth interviews were conducted with two selected station managers with special emphasis to the customer handling section. Regarding the question on how does the Ethiopian Airlines handle customer's complaint? One of the Station Managers replied: "The Ethiopian Airlines has a well-organized service recovery manual and customers' complaints are being handled based on the statements in the manual." This quoted material was supported by the student researcher's observation.

The other two points that the student researcher asked the managing key informants were: Which service recovery strategies does the Ethiopian Airlines follow? And how does the Ethiopian Airlines measure the effectiveness of its service recovery practices. In the words of the key informants, "The Company has its own service recovery manual which is prepared based on the International Air Transportation Associations (IATA) standards. Thus, the Airline measures its service recovery practice by collecting customer's feedbacks." However, this qualitative data on practice of the Airlines was not supported by concrete evidence.

In what follows, the study also posed the question about what actions were taken by the management of the Airlines to maximize its efforts to address the customers' appeals for service recovery failure and then the level of its customers' satisfaction. One of the Station Managers of the Ethiopian Airlines replied:

The objective of the Ethiopian Airlines is being familiar with technological advancement of the area, giving the service in a more standardized way and tries to do things right first with zero failure as much as possible. But, for some reasons, when failure occurs, the Company revised its ways of handling customers' complaints with the best service recovery practice.

The last but not the least point which was raised to the managing key informants was: What kinds of activity their Company has been undertaking in developing the capacity of its employees in effectively and efficiently dealing with service recovery. Another Station Manager has to say the following, as he stated:

The Ethiopian Airlines' staffs that are working tasks which are related to passenger's complaint handling service have been trained by the Company itself in its School of Marketing. Therefore, they have basic skills of handling customer's complaint. Besides, the Airline gives adequate trainings both in-house and abroad for its employees to familiarize them with recent developments related to service recovery practice.

Based on the qualitative analysis of the above-stated statements, there exists a gap between what the Station Manger of the Ethiopian Airlines have been claiming and what is the reality on the ground. It can be deduced that the Ethiopian Airlines has well-organized manual on how to handle the customers' service recovery complaints appealed. This Manual which was prepared based on the standards of the International Air Transportation Association (IATA). In addition, the Company collects customers' feedbacks in order to measure its level of effectiveness in handling the issues under consideration on a continuous basis. However, there was no concrete evidence on the ground which could serve as justifications for the practice claimed. In order to maximize its efforts to effectively address the customers' appeals for service recovery failure and then the level of their satisfaction, on the other hand, has been engaged in revising the then ways of handling the complaints in the light of the best service recovery practice. Consequently, the Company established School of Marketing for in-house training and even sent its employees for such trainings abroad.

In the final analysis, even though the Ethiopian Airlines has internationally-informed Manual for handling the customers' service recovery complaints, trained personnel both home and abroad for this purpose and for collecting feedbacks from its customers on a continuous basis; the

findings of the survey find no practice evidence and complete truth on the ground, except the IATA-well informed Manual.

Summary, Conclusion and Recommendation

Summary

In this study, the respondents were generally diversified in gender, age, and occupation. Thus, based on the findings, 125(78%) of the respondents were males; the remaining 35(22%) were females. Besides, the majority of the respondents' ages were between 31 and 50 and they were also business persons.

All the respondents were travelers by the Ethiopian Airlines. However, 73(46%) of the respondents had had an experience of traveling with other airlines, while the remaining 87(54%) had had no experience of traveling by other airlines.

A total of 82(51%) respondents who had had other airlines' experience believed that the Ethiopian Airlines had got an effective service recovery practice which could be considered unique from its competitors, while the remaining 78(49%) didn't have such a belief.

Less than half of the respondents, 74(46%) believed that safety had been considered as the most important quality in the airline industry. In addition, the majority of the respondents had identified qualities such as safety, reduced fare, quality service, and trained staff in the Ethiopian Airlines. Among those who respond positively to the above-stated question, 74(46%) of them believed that the Ethiopian Airlines had been the safest Airline.

Regarding the service failure position of the Ethiopian Airlines, out of those sampled respondents, 151(94%) had the experience of a service failure. Consequently, 83(48%) of the them experienced flight time delay, 55(30%) baggage loss, and 22(15%) encountered denied boarding. Generally, it can be observed that about 138(86%) of the respondents have experienced both baggage loss and time delay type of service failure.

With regard to presenting their complaints, 62(40%) of the customers presented their complaints but the other 90(60%) of the customers did not present their complaints. This result shows that most of the customers did not complain about the failure which they had experienced. Accordingly, 71(44%) of the respondents got fast and immediate reply, but the remaining

89(56%) did not get such responses. This implies that more than half of the respondents did not get fast reply for their complaints.

As to the experience of traveling with other airlines, 73(46%) of the respondents had an experience of traveling with other airlines, while the remaining 87(54%) had no such an experience. From these results, we can observe that more than half of the respondents had no a reference points to compare the Ethiopian Airlines' service recovery practice with that of others.

Based on in-depth interviews and documentary analysis, the Airlines had a well-organized Manual on Service Recovery Practice which was prepared based on the International Air Transportation Associations (IATA) and African Airlines Association (AFRAA) standards in order to handle the customers' complaints for service failure.

Concerning the company's attempt to measure its effectiveness in handling its customers' satisfaction in terms of its service recovery practice, the findings of the study indicated mixed picture. However, as this practice was not supported by concrete evidence, the Ethiopian Airlines was not effective in handling such a failure of complaints. In contrast, the Airlines' Senior Officials claimed that the Company had been trying to take best service recovery action to handle customers' complaints. In the same framework, the Ethiopian Airlines tried its best to build the capacity of its employees by sending them either to get the trainings at its School of Marketing or to abroad for further studies on recent developments related to service recovery practice in the aviation industry in the world.

Conclusion

Based on the summary of the major findings which are supported by the empirical data, the conclusions are drawn regarding the implementation of the service delivery practice, problems faced on the part of the Airlines to effectively implement its manual, factors affecting the provision of quality services in relation to complaints for service delivery failure on the part of its customers, and the best qualities that should be in place regarding effective delivery of such services in Addis Ababa by taking into account the socio-demographic and economic characteristics of the customers.

The age profiles of the customers with complaints to the Airlines were adults in their working age categories whose ages lie between 31 and 50 years. Most of those customers who have

presented their complaints to the Ethiopian Airlines are business persons traveling from Addis Ababa to elsewhere in most parts of the world to do their respective business.

Based on the evidence generated in the study, one can also conclude that most of the customers of the Airlines have had a trip more than once in a year or quarterly. These passengers have chosen the Ethiopian Airlines because of its good safety records.

The implementation of the service delivery practice is characterized as ineffective in that there are interconnected problems faced on the part of the Ethiopian Airlines. In the Ethiopian Airlines, the management of service delivery failure is implemented based on collection of the customers' feedbacks but without using the appropriate and standard form developed for this purpose. The first task of the management should be to take into consideration and to develop a communication between the departure and arrival points based on well advanced technology.

Most of those customers of the Airlines experienced a service failure three times during the past one and half years. They experienced both time delay and baggage loss. Notwithstanding, most of these customers do not complain about the failure which they have experienced. Consequently, the Ethiopian Airlines may lose its customers through time; according to Lovelock (2004), the customers who did not complain about the service failure which s/he had encountered is very dangerous because s/he decided not to come again.

Accordingly, more than half of the complaining customers do not get fast reply for their complaints by the concerned Office(s) of the Airlines. Therefore, this gives a "take care" alarm on the part of the Airlines' management to revise its service recovery practice and to build good relationships with its loyal as well as new customers.

There is no customer's complaint standard form which can be filled by the customers with complaints for service delivery failure. Therefore, all the complaints appealed may not be analyzed so that an appropriate corrective action can be taken by the management.

The management of the airline admits those deficiencies indicated by respondents such as delay, baggage loss, denied boarding and lack of motivation of related personnel.

The complaint handling system expressed through commitment, fairness, effectiveness, accessibility and accountability, is not seen to be strong enough to bring back the unsatisfied customers and prevent them not to shift to challenging competitors.

Among the customer service judgment variables expressed through reliability, assurance, tangibility, empathy and responsiveness, the responsiveness for customer's complaints and ways of communication is viewed by customers to be improved in a standardized way.

The gap between the promised and perceived service recovery practice and through the company service recovery manual, the aggressive pricing strategy of competitors and the uncontrolled external factors are some of the problems facing the airline in its endeavor to satisfy its customers.

The Airlines does not use very fast way of information dissemination has to be developed and used whenever the delay occurs. On the whole, the claimed practice of the Airlines regarding service delivery failure is not supported by concrete evidence. There exists a gap between what the Station Management Offices of the Ethiopian Airlines claim and what is the reality on the ground. It can be deduced that the Ethiopian Airlines has well-organized manual on how to handle the customers' service recovery complaints appealed. This Manual which was prepared based on the standards of the International Air Transportation Association (IATA). In addition, the Company collects customers' feedbacks in order to measure its level of effectiveness in handling the issues under consideration on a continuous basis. However, there was no concrete evidence on the ground which could serve as justifications for the practice claimed. In order to maximize its efforts to effectively address the customers' appeals for service recovery failure and then the level of their satisfaction, on the other hand, has been engaged in revising the then ways of handling the complaints in the light of the best service recovery practice. Consequently, the Company established School of Marketing for in-house training and even sent its employees for such trainings abroad.

Even though the Ethiopian Airlines has internationally-informed Manual for handling the customers' service recovery complaints, trained personnel both home and abroad for this purpose and for collecting feedbacks from its customers on a continuous basis; the findings of the survey find no practice evidence and complete truth on the ground, except the IATA-well informed Manual.

Finally, the study concludes that there is a strong competitive environment in which the Ethiopian Airlines is operating that makes the Company to loose its goodwill. Unless the available gaps in addressing service delivery failure is filled through currently available unused capabilities, restructuring and reorganizing the customer service delivery based on experiences from other effective airlines in the world, the Airlines may lose its customers and benefits generated from them. In conclusion, the Ethiopian Airlines particle of service delivery is, relatively speaking, inefficient because it has faced some problems, there are factors affecting its quality service delivery in this regard, and does not fulfill those standards which are considered to be best qualities in the practice.

Recommendation

This study suggests the following recommendations based on the major findings and conclusions drawn from them:

- The Company should search for the point(s) of dissatisfaction and strive for more to make them stay with the Airlines.
- The Company should deal with customers' dissatisfaction through well-organized and designed feedback system to countercheck whether customer's satisfaction is assured or not. When the Airlines starts implementing proper feedback system such as toll free telephone lines, suggestion box and online feedback systems, it can minimize the areas of deficiencies in the service recovery practice.
- The Ethiopian Airlines should enhance the best practice of customer service recovery to the position that approaches its external image and shouldn't loose the already built goodwill.
- The management should pay due attention to the interpersonal skills and responsiveness of the employees and the trainings offered to them so as to bring their skills and responsiveness to an excellent level.
- The management should identify unsatisfied customers on a continuous basis and should give a distinguished service recovery to keep them stay. This action helps the Airlines to attract other customers which, in turn, make the Company competitive enough in the industry.

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