ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES

DEPARTMENT OF MARKETING MANAGEMENT

DETERMINANTS OF CUSTOMER LOYALTY PROGRAM IN ETHIOPIAN AIRLINES

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DECLARATION

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

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ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a university advisor.

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Advisor   Signature

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Abbreviations

T - Trust

CM - Commitment

CH - Conflict handling

C - Communication

S - Satisfaction

R - Rewards

CL - Customer loyalty

Abstract

In today's competitive business world central to relationship marketing is customer loyalty. The airline industry is facing challenges in customer loyalty program implementation. Most of customer loyalty programs are misunderstood and misapplied by customers and Airlines. The study seeks to examine the major determinants of loyalty program in Ethiopian airlines. The study will contribute to other service providers in Ethiopia, to broaden their understanding of customer loyalty program. A descriptive research design has been used and convenience and purposive sampling techniques were used to select target respondents. A questionnaire was designed based on the research frame work in order to examine the six major determinates of customer loyalty program in ET: trust, satisfaction, conflict handling, communication, rewards and commitment The questionnaires were distributed to 184 respondents which are Shebamile members, front line employees at ADD airport and Shebamile office employees at ET headquarters were taken as respondents.. The hypothesis has been tested using five point Likert scale. The findings of this research revealed that satisfaction, trust, commitment, communication and rewards have a positive and significant relationship with customer loyalty program in Ethiopian airlines.

As a recommendation, in order to alleviate the problems in the emotional attachment with the airline and conflict handling, the company should set high standard in its customer loyalty program based on best industry practice so that the probability of switching to other competing carriers in the future will be minimized and the airline will be able to achieve passenger emotional attachment by providing personalized and customer focused services. The airline should also work hard to resolve and take proactive measures to minimize customer complaints.

Key words: Ethiopian airlines, Shebamiles program, Customer Loyalty, Passenger

CHAPTER ONE

1. INTRODUCTIONS

1.1 BACKGROUND OF THE STUDY

The traditional view of marketing has evolved from focusing on single, discreet transactions to that of relationship marketing. Relationship marketing focuses on getting and keeping customers (McIlroy and Barnett, 2000). Central to relationship marketing is customer loyalty and the benefits of customer retention. Customer retention has a direct impact on the profitability of a business and past research has claimed that it can be five times more expensive to obtain a new customer than retain an existing one (McIlroy and Barnett, 2000). Naturally then, organizations are investing considerable time and resources to develop strategies to retain customers. One such strategy is the implementation of customer loyalty programs.

Loyalty programs are often considered value-sharing instruments and can enhance consumers' perceptions of what a firm has to offer. This value enhancement function is important because the ability to provide superior value is instrumental to customer initiation and retention (Yuping, 2007). The prime objective of loyalty programs is achieving customer loyalty (Gomez, Arranz & Cillan, 2006). A loyal customer can mean a consistent source of revenue with a variety of other factors. The study aimed at exploring the effectiveness of customer loyalty program in customer retention in Ethiopian Airlines. The use of loyalty programs as a powerful tool of relationship marketing is becoming popular to encourage customer loyalty (Roking, 2005). The use of loyalty programs can introduce benefits to both customers and companies.

Customer loyalty is an important issue for the success of any organization, because it is known that drawing new customers is more expensive than keeping existing ones (Singh & Imran 2012). Relationship marketing aims to create life time customers because when customers have a relationship with a company, they are ready to forget any other competitors offer. Customers are motivated to do that because it gives them a greater efficiency in decision making, reduces the information processing, achieves a greater cognitive consistency in decisions, and reduces the perceived risks associated with future decisions (Singh & Imran 2012).

To build loyal customers companies use several types of loyalty programs. 57% of airlines and 41% of hotel chains reward consumers for a range of engagement behaviors. A typical approach uses Platinum, Gold and Silver tiers, typically based on purchase volumes (Shaw Ray, 2015). Loyalty programs need to be designed with more targeted rewards, differ according to different groups of members based on their value, and they need to provide greater value at higher customer value tiers, by rewarding best customers to encourage to fly more often with the airline. In order to do that the airlines need to understand their customer's needs and behaviors, by creating customer profiles with relevant data on customer interactions to have a complete picture of a customer's preferences (Shaw Ray, 2015).

Ethiopian Airlines is one of the biggest airlines in Africa and it has its own loyalty program called Shebamiles and it is designed to award loyal customers of the airline.

When customers invited to be a member of the program they will be given a form that a customer requested to fill and it has detail information about the customer and if they have any special preferences e.g. seat, meal etc… on board their flight. Based on the information get from customers a customer profile will be created on the system, this gives the airline good information about its customers and helps the airline to adjust its marketing strategies as per customers' expectations. The membership program currently has four tier levels platinum, gold, silver & blue.

1.2 STATEMENTS OF THE PROBLEM

Loyalty rewards programs have now become ubiquitous in the market as customers found them to be appealing. Firms utilized these programs with the expectation to obtain repeat business and rich customer data at the same time. Many companies employed loyalty programs as customer relationship marketing instruments and they have developed into key marketing activities. Accordingly, loyalty programs have increasingly earned interest and have been studied in the academic and professional marketing literature. Despite the prevalent use and attention of loyalty programs, their effectiveness has not been well understood (Bolton, Kannan, & Bramlett, 2000).

There were studies that showed the positive impact of loyalty programs on customers patronage and their share of wallet (Meyer-Waarden, 2007, 2008; Verhoef, 2003) and others suggested that loyalty programs are one of the most evident and lucrative investments for customer relationship marketing (Reinartz, 2005; Reinartz & Kumar, 2002). On the other hand, Nunes and Drèze (2006) argued that loyalty programs do not necessarily foster loyalty and are not cost effective and there were studies that showed negative cash flows of loyalty

programs (Yamanouchi, 2005). Furthermore, previous research found mixed results of loyalty programs that they were effective for only a short period or only to a specific group/segment (Magi, 2003; Meyer-Waarden & Benavent, 2006; Lewis, 2004; Leenheer, Liu, 2007; Van Heerde, Bijmolt, & Smidts, 2007). Even the same scholar found inconsistent results (Meyer-Waarden, 2007, 2008; Meyer-Waarden & Benavent, 2006).

The marketing of airlines has evolved dramatically throughout the past 50 years. The airline industry is also the first to start practicing loyalty program by rewarding the high mileage traveler or frequent traveler free flights. Unfortunately, although airline industry introduced loyalty programs earlier than other industries, loyalty programs do not seem to bring the airline companies numerous profit and loyal customers as companies expected. This is because loyalty programs are often misunderstood and misapplied, such as frequent flyer programs which are practiced in most airline companies. It needs huge and continuous investment to meet customers' expectations.

Wrong information and fault promise given to customers may cause a huge dissatisfaction. Internet connection problem in Ethiopia is also a big problem that limits customers to log in into their account any time.

Most of the researches conducted previously on Ethiopian Airlines are on Service quality and customer satisfaction and this study will try to evaluate and analyze the major determinants of loyalty program in Ethiopian airlines. Therefore, the purpose of this study is to fill the research gap.

1.3 OBJECTIVE OF THE STUDY

1.3.1 GENERAL OBJECTIVE

The general objective of the study is to examine the major determinants of customer loyalty program in Ethiopian Airlines.

1.3.2 SPECIFIC OBJECTIVES

This research has the following specific objectives:

1. To examine whether satisfaction will enhance customer loyalty in ET

2. To investigate whether commitment will enhance customer loyalty in ET

3. To describe whether trust can enhance customer loyalty in ET

4. To investigate whether conflict handling will enhance customer loyalty in ET

5. To evaluate whether communication will enhance customer loyalty in ET

6. To examine whether reward will enhance customer loyalty in ET

1.4 RESEARCH QUESTIONS

1) Will satisfaction enhance customer loyalty?

2) Does commitment enhance customer loyalty?

3) Can trust enhance customer loyalty?

4) Does conflict handling enhance customer loyalty?

5) Does communication enhance customer loyalty?

6) Can reward enhance customer loyalty?

1.5 HYPOTHESIS FORMULATION

Six hypotheses have been constructed to examine the major determinants of customer loyalty program.

H1: There is a positive significant relationship between satisfaction and customer loyalty in ET

H2: There is a positive significant relationship between commitment and customer loyalty in ET

H3: There is a positive significant relationship between trust and customer loyalty in ET

H4: There is a positive significant relationship between conflict handling and customer loyalty in ET

H5: There is a positive significant relationship between communication and customer loyalty in ET

H6: There is a positive significant relationship between reward and customer loyalty in ET

1.6 SIGNIFICANCE OF THE STUDY

This study examines major determinants of customer loyalty which are satisfaction, commitment, trust, conflict handling, communication and reward that significantly affects customer loyalty program in Ethiopian airlines.

In addition, the study will be significant because it can be used as a baseline for further studies on the same topic.

The study can also support other service providers in Ethiopia, to broaden their understanding of customer loyalty program.

1.7 SCOPE AND LIMITATIONS OF THE STUDY

1.7.1 Scope of the study

In order to make the research manageable the study focused on Ethiopian Airlines Shebamile members that were found at Bole international airport during their travel. And front line staffs that work at bole international airport and Shebamiles office employees was the focus groups.

1.7.2 Limitation of the study

Ethiopian Airlines is an international flight operating carrier and it has frequent flyer members all over the world. Due to the dispersed location of Shebamile members, the researcher was unable to collect data in different places.

1.8 ORGANIZATION OF THE STUDY

This study is organized into five chapters. The first chapter focused on introductory parts of the study that mainly pinpoints the statement of the problem the general and specific objectives of the study and research questions. The second chapter reviewed related literatures with specific emphasis to theoretical, methodological and empirical aspects. The third chapter deals with research methodology and design. The fourth chapter focused on Data analysis, Interpretations and Presentations. The fifth chapter presents summary of findings/conclusion and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 THEORETICAL LITERATURE REVIEW

2.1.1 CUSTOMER LOYALTY

Customer loyalty is the customer attitude and behavior to prefer one brand over all competitor ones, whether due to satisfaction with the product or services. It encourages consumers to shop more consistently (Peiguss, 2012). Customer loyalty is defined as the willingness of any given customer to purchase the company's goods or services over competitive ones available in the marketplace (Singh, Khan, 2012). Due to the fact that loyalty is the result of developing past positive experiences with the customers and having them return to the company various times due to these experiences, customers will return again and again to do business with the company; regardless of whether it may not have the best product, price or service delivery (Ghavami & Olyaei, 2006).

(Zikmund, 2002) demonstrate that loyalty is more than a repetition of behavior. Customers can demonstrate loyalty to price, brand, company and other customers. However, Customer satisfaction is important to any company and it affects clients repeatedly coming back to the company due to its service. This expects that the crucial factors affected customer loyalty are customer satisfaction, emotional bonding, trust, choice reduction/ habit, and company history(Ghavami & Olyaei, 2006).Therefore, customer satisfaction with a company's products or services could be considered the key to a company's success and long-term competitiveness. Customer satisfaction is viewed as a central determinant of customer retention (Peiguss, 2012).

(Singh, & Khan, 2012) pointed out that satisfaction is not enough because less than half of the company satisfied customers will come back. The company needs to transfer satisfied customer to loyal customer. It's so important because it costs so much to influence customers

to buy and so little to induce a repurchase. Customer loyalty is a result of a positive emotional experience, physical attribute-based satisfaction and perceived value of an experience, which includes the product or services.

2.1.2 LOYALTY PROGRAMS

Loyalty programs: are structured marketing efforts that reward, and therefore encourage, loyal buying behavior, which is potentially beneficial to the firm (Sharp, B. and Sharp A., 1997). The rewards programs are offered by a company to customers who frequently make purchases. A loyalty program may give a customer advanced access to new products, special sales coupons or free merchandise. Customers typically register their personal information with the company (Peiguss, 2012).

Loyalty programs work as an incentive by providing benefits based on cumulative purchasing over time. Loyalty programs encourage consumers to shift from myopic or single-period decision making to dynamic or multiple-period decision making. These programs encourage repeat buying and improve retention rates by providing incentives for customers to purchase more frequently and in larger volumes (lewis, 2004). The first usage of loyalty programs in business was many years ago originally in Germany, where price completion was disallowed by government. In 1981 was the first launched of loyalty programs by American Airlines and quickly used by other airlines and hotels, car rental companies, credit card organizations and retailers. As reported in the New York Times, Forrester Research found that across 12 industries, retailers are the most loyalty while others, like TV service providers and internet service providers proved more unsteady. Retail loyalty programs are offering points, rebates, discounts or combinations of them. Loyalty programs are considered part of a comprehensive customer relationship strategy. Even though, there is a fundamental mistake of many marketers who confuse loyalty with rewards.

Loyalty offers support and commitment not points. Organizations used rewards programs to retain their best customers. Frequent customers are awarded redeemable points that can be converted into free services, upgrades in class, and exchange of other products and services. Loyalty programs not only a tool to increase the organization's loyal customers, but they are an opportunity to gather information about customer shopping habits and preferences. This information helps in customizing the organization's services. Retailers recognized that without customer database, they were unable to identify the best customers and reward them for their preferable behavior (The Loyalty Marketer's Association). Due to the fact, that not all customers are potentially loyal customers, the ideal loyalty program would benefit only loyal and potential loyal customers. This means that the customers have first sorted into groups, and then to be approached in different ways. Customer loyalty programs should increase customer happiness and retention. A successful loyalty program has to be designed in the consideration of the following rules (Clark Peter, 2010):

- ❖ Acquire customers that are likely to repurchase.

- ❖ Recognize which customers are unlikely to repurchase and limit the marketing spend for this segment accordingly.

- ❖ Focus the marketing budget on those who exhibit the same profile as existing repurchases but have yet to buy a second time.

2.1.2.1 TYPES OF LOYALTY PROGRAMS

Organizations have rewarded the loyalty of preferred customers by enhanced services or price discounts. Recently, loyalty rewards programs have become applicable in several sectors businesses. Loyalty programs or memberships are structured marketing efforts that reward, and encourage loyal buying behavior which is potentially beneficial to the company. Specifically in retailing marketing it includes: loyalty card, rewards card, point's card, advantage card, or club card which identifies the card holder as a member in a loyalty program (Singh& Khan, 2012).

a) Points system: This is the most common loyalty program. Frequent customers earn points, which translate into some type of reward: discount, gifts, or special customer treatment, customer purchases toward a certain amount of points to redeem their reward. Reward programs based on service usage levels (frequent buyer programs) have become common in the transportation and hospitality industries. This type of loyalty program is most appropriate for businesses that encourage frequent, short-term purchases (Peiguss, 2012).

b) Tier system: Offer small rewards as a base offering for being a part of the program, and encourage repeat customers by increasing the value of the rewards as the customer moves up the loyalty ladder.

The difference between points and tiered systems is that customers extract short-term versus long-term value from the loyalty program. Tiered programs may work better for high commitment, higher price-point businesses like airlines, hospitality businesses, or insurance companies (Peiguss, 2012).

2.1.3 DETERMINANTS OF CUSTOMER LOYALTY PROGRAM

Trust

Trust is the "corner stone" for building and developing long term relationship with customers (Juscius and Grigaite, 2011). According to Chattananon and Trimetsoontorn, (2009) Trust is defined as a belief or conviction about the other party's intention within the relationship. In relationship marketing perspective, trust is defined as the dimension of a business relationship marketing that determines the level in which each party feels rely on the integrity of the promise offered by the other party. According to Clow and Kurtz (2003), the key issue to develop customer relationship marketing is not only obtaining a contractual agreement, but development of mutual trust is must. The primary issue in gaining customer acceptance of service delivery system and process modification is to develop customer trust and relationship.

This relationship involves both parties sharing information and working together effectively to solve problems. Generally, trust is shown to have a positive influence on key relational outcomes, customer retention (Doney et al., 2007).

Commitment

Commitment is fundamental to all relational exchanges between the firm and its different partners. Commitment is a critical issue in building customer loyalty, in identifying customers' need, modifying products or services to meet customers' requirement, and also the existence of flexibility in customer relationship is essential to improve the service delivery system (Ndubisi, 2007). According to White and Yanamandram (2007) Commitment provides an enduring desire to develop and maintain effective customer relationship. Commitment is an important ingredient that determines customers from switching to an alternative service provider. Commitment is central issue to develop successful relationship marketing, and the level of trust influences it, Moreover, commitment is one of the factors that enhance the level of long-term relationship and increases customer loyalty.

According to Ndubisi (2007) also described that service providers should consider the influence of service commitment on retaining loyal customers, and act accordingly and also show genuine commitment to improve customer relationships. Committed customers are resistant to competitors, attempts to convince and tell good thing about the company to other customers and they are willing to expand their business with the brand, and to develop their relationship with the brand over a period of time.

Communication

Communication is defined as a formal as well as informal exchanging and sharing of meaningful and timely information between customers and service providers (Sin et. al, 2002). Communication is transmitting of message or information, through different methods, from the firm to customers and vice versa (Bosch, et al., 2006). According to Kotler, Armstrong and Tait (2010) describes that word of mouth and marketing communication are considered as methods

of communication to and from clients. Communication refers to the ability to provide timely and reliable information to customers. Today, there is a new view of communications as an interactive conversation between company and its customers, which takes place during the pre-selling, selling, and post selling stages. Communication in relationship marketing is keeping valued customers by providing timely and reliable information on the way of services delivery system and service changes and communicating with customers if a delivery problem occurs. Communication tells dissatisfied customers what the organization is doing to correct the causes of dissatisfaction. When there is effective communication between an organization and its customers, a better relationship will result and customers will be more loyal to the organization (Ndubisi, 2007).

Satisfactions

This is another key element of relationship marketing that can be defined as the ability to understand, share and have another person's feeling in a relational situation. Empathy is dealing with an organization and it allows two parties to see situations in the same perspective (Sin et al. 2002). According to Ndubisi (2004) empathy is the ability to share and understand another person's state of mind or behavior. He also described that the basic idea of empathy is characterized by looking expressions of the people facial expression or body movement, or by hearing their tone of voice, which will have immediate response on how they feel and treat them in the manner they would like to be treated. According to Clow and Kurtz (2003) empathy is defined as the ability of an individual to identify with the feelings or thoughts of another person. This skill is necessary for organization because customer contact serve as the interaction between customers and service provider organization. When customers have special requirements or problems, employees should understand the problem from their point of view and they attempt to solve it.

Conflict Handling

There is a significant relationship between conflict handling and customer loyalty, and this develops trust and perceived relationship quality (Ndubisi and Wah, 2005). In service delivery system, there are constraints to be occasional service failures in spite of all the efforts put in by the service provider (Lovelock and Wirtz, 2007). According to Zeithaml and Bitner (2000) service failure is unavoidable even for the best firms with the best of intentions and for those firms that provide unique products and services. A major strategy organizations should develop is that proactive planning and implementation on identifying potential conflicts, solving conflict before they manifest, avoiding potential conflict etc. Those efforts can bring better relationship and loyalty to the particular service firm with its customers.

2.2 EMPERICAL LITERATURE

Research has shown that when a consumers are completely satisfied; they are less likely to defect or switch to competing brands. This finding suggests that the intensity of satisfaction impacts on the extent of customer loyalty (Rowley, 2000).

Long-term loyalty is one of the hardest qualities to build among customers, yet it is critical to the success of any business (Wright and Sparks, 1999). It has been argued that current loyalty-building techniques and tools are merely promotional gimmicks. Loyalty is only earned by consistently delivering superior value at every point of contact with customers (Wright and Sparks, 1999).

In her research Rhundle-Theile, (2006) found that to build customer loyalty marketers needs to be market-focused and not competition-focused. She found customer loyalty to be a 'reciprocal' concept: that the marketers need to demonstrate loyalty to their consumers if they expect their consumer loyalty in return (Rhundle-Theile, 2006). A consumer's loyalty must be earned and managers must realize that loyalty cannot be bought (Rhundle-Theile, 2006).

SATISFACTION

In the study by Pi and Huang (2011), a self-administered questionnaire was used to collect data from the 200 passengers in CKS airport in Taiwan to identify the effect of satisfaction on customer loyalty. Multiple regression analysis showed that satisfaction has positive and significant effect on the customer loyalty.

Moghadam et al. (2014) has investigated the impact of satisfaction on customer loyalty by distributing self-administered questionnaires to 500 passengers in Mehrabad and Imam Khomeini airport (Iran). Structural equation modeling shows that satisfaction has positively but insignificant relationship with customer loyalty.

Amin, Leila, and Zahra (2014) had distributed self-administered questionnaires to the customer in private banks in Iran. Pearson correlation analysis in SPSS software was conducted in this study. Result proved that satisfaction has positive and significant relationships with customer loyalty.

Naureen and Sahiwal (2013) also prove that satisfaction has positive and significant relationship with customer loyalty in banking sector of Pakistan by using chi-square analysis in SPSS-16. Self-administered questionnaire were distributed to 200 customers from the different bank in Pakistan.

Liu, Guo, and Lee (2011) had distributed self-administered questionnaires to the 440 students who had using mobile phone in University in Taiwan. Structural equation modeling (SEM) showed that satisfaction has positive and significant influence on customer loyalty.

COMMITMENT

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

Vuuren, Roberts-Lombard, and Tonder (2012) also found that commitment has impact on customer loyalty in optometric business. 357 patients who had visited the industry at least twice within the past six years were asked to complete the self-administered questionnaire. Results from multiple regressions showed that commitment has positive and significant relationship with customer loyalty.

Mahajar and Yunus (2010) examined the impact of commitment on customer loyalty by selecting 160 customers from Jusco Store and Tesco superstore in Klang, Malaysia to do survey using self-administered questionnaire. Result from multiple regressions showed that commitment is positively related to customer loyalty.

Jumaev and Hanaysha (2012) also determined the impact of commitment 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.

Rafiq, Fulford, and Lu (2013) determined the relationship of commitment in customer loyalty in Internet retailing. Web-based survey of 491 Internet grocery shoppers is conducted using self-administered questionnaires. Structural equation model test showed the result that commitment has a strong and positive impact on customer loyalty.

TRUST

In Liang (2008) research investigated the impact of 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 trust is a positive and significant associated with customer loyalty.

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

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

Pratminingsih, Lipuringtyas, and Rimenta (2013) have investigated whether trust is significant in influencing customer loyalty towards online shopping industry. Structured questionnaires were distributed to 300 students from Indonesia who has experiences online purchasing. Multiple regression analysis showed that trust has positive and significant affected the customer loyalty.

Deng, Lu, Wei, and Zhang (2010) conducted a study to determine the effect of trust in affecting the customer loyalty in mobile instant message (MIM) service at China. 514 mobile users who had used MIM service were responded in email questionnaire. Structural equation modeling (SEM) was used and result has shown there is a positive and significant relationship between trust and customer loyalty.

Rewards can and do build customers' loyalty and most companies now appreciate how valuable that loyalty can be. As Frederick F, Reichheld 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.

2.3 CONCEPTUAL FRAMEWORK

The student researcher has proposed that the framework to examine the major determinants of customer loyalty in Ethiopian airlines. The below figure shows the relationship between the dependent and independent variables in this research. It shows that customer loyalty is dependent on trust, satisfaction, conflict handling, communication, reward and commitment.

Proposed conceptual framework:

Figure 1 shows the proposed conceptual model for the research. The independent variables are satisfaction, commitment, trust, communication, conflict handling and rewards while the dependent variable is customer loyalty. All of the independent variables are proposed to have positive relationship with the dependent variable.

CHAPTER THREE

3. RESEARCH METHODOLOGY AND DESIGN

3.1 INRODUCTION

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

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

The objective of the study is to examine the major determinants of loyalty program in Ethiopian airlines. The research used a quantitative research methodology.

Quantitative research methods are research methods dealing with numbers and anything that is measurable in a systematic way of investigation of phenomena and their relationships. It is used to answer questions on relationships within measurable variables with an intention to explain, predict and control phenomena (Leedy 1993).

The quantitative method used to analyze closed-ended questions in this research.

3.2 STUDY AREA DESCRIPTION

Ethiopian Airlines, one of the renowned airlines in Africa, despite the escalation of fuel cost and intensive competition by the international aviation industry, has maintained a very positive reputation in the business. It has been growing each year in capacity remaining highly competitive. Ethiopian Airlines is a government-owned company with head quartiers in the capital city Addis Ababa, located at Bole International Airport (Ethiopian Fact Sheet 2011). The airline, which was established in 1945, is one of the world's oldest airlines, with over seventy years of existence. On April 8th 1946, the airline started operation by making its first

domestic flight to Gondar and international flight to Cairo. Today Ethiopian Airlines has over 85 destinations worldwide.

Ethiopian Airlines flies to more countries in Africa than any other airline, along with more destinations spread across Europe, North America, Asia and the Middle East.

Since Ethiopian Airlines is a member of Star Alliance it can take its customers over 1,000 destinations worldwide, beyond its own destinations by using partner/member airlines (Shebamiles manual 2011). The study conducted at Bole International Airport & Shebamiles office that is found in Ethiopian Airlines headquarters.

3.3 DATA SOURCES

The study employed both primary and secondary source of data. As to the primary sources, data was collected from Ethiopian Airlines frequent flyer members/Shebamiles members. Secondary data was collected from company manuals, Star alliance manual & related literatures of loyalty programs. The secondary data sources were compared with the primary sources of data to strengthen the reliability of the study.

3.4 NATURE AND DATA COLLECTION INSRUMENT

The target population in this study were Shebamile members of Ethiopian airlines. 184 questionnaires were distributed to the target respondents to collect the primary data. The researcher also used secondary sources of data from company manuals, star alliance manual & different books to broaden the knowledge on the subject matter. The researcher developed the questionnaires based on the major determinants of customer loyalty program in this research. All the questionnaire items were placed on a 5-point Likert scale from (1 strongly disagree up to 5 strongly agree). In order to distribute the questionnaires to the selected respondents/customers. The researcher personally participated and also used ground handling agents at Addis Ababa airport as a means to reach to respondents. The researcher collected the data in three days of the week: Tuesday, Thursday and Saturday. The researcher selects these

days based on the departure of most international flights. Good time for distributing the questionnaires were in the morning time starting from 6; 00 am to 10; 00 am and during the night time starting from 7; 30 pm to 10; 30 pm; because, the departure of most international flights is during this time.

The researcher planned the activities carefully and allocated the required resources before starting the survey and committed on fulfilling the job. Upon the distribution of questionnaires, the researcher has got full support from Ethiopian airlines ground staffs at Addis Ababa airport.

3.4.1 PRIMARY DATA COLLECTION

This research collects primary data. Primary data is the initial information gathered (Malhotra & Peterson, 2006), it is suitable to address problems on hand although it requires higher time and cost. A self-administered questionnaire which consists of 35 questions was distributed to the target respondents. The questionnaire was developed based on the review of empirical studies.

All the questionnaire items were placed on a 5-point Likert scale from (1 strongly disagree up to 5 strongly agree). In order to distribute the questionnaires to the selected respondents/customers. The questionnaires were distributed to 184 target respondents to collect the primary data.

3.4.2 SECONDARY DATA COLLECTION

The secondary data was gathered from company manual, the airline records, star alliance manuals, internet in order to assess past working tradition of Ethiopian Airlines regarding its loyalty program and compare it with the primary data which strength the reliability of research data and supplement the information missing in the questionnaire.

I. TARGET POPULATION

The target population in this research was Ethiopian airlines Shebamile members. All the participants are members of the loyalty program.

II. SAMPLE FRAME AND SAMPLE SIZE

Sampling is the systematic selection of research participants or individuals that the research wants to take part in the study (Creswell, 2014).

Sampling technique is the methods used in drawing samples from a population was driven by the objectives of a given research activity (Robon, 2004; Creswell, 2004).

Both convenience and judgmental/purposive sampling techniques from non-probability sampling technique was used in this research.

Non-probability convenience sampling technique has been used in selecting the sample due to the unavailability of details of target respondents. Marshall (1996) stated that convenience sampling is an easier technique to access to the sample and it is the least costly to the researcher, in terms of time, effort and money, Due to the time and financial constraint, convenience sampling is the right choice for this research.

Purposive sampling is a non-probability **sample** that is selected based on characteristics of a population and the objective of the study. **Purposive sampling** is also known as judgmental, selective, or subjective **sampling**.

Both convenience and judgmental sampling technique was used in this research to select the participants for the qualitative interview. The researcher was used open ended questions to collect the qualitative data.

Sample Size

The potential sources of information for the study were the incoming passengers of Sheba mile members that are found at Addis Ababa Bole International airport while waiting for their flight.

So, the sample frame for the study was considered on the basis of the number of Shebamile members served on a daily basis. The daily Shebamile member incoming passengers vary from 3050 to 3110. Hence, the daily average number of Shebamile passengers is 3080. So, determining a sample size for this study is very crucial, because the researcher cannot cover the entire population. Although using large sample size is better, if the researcher uses very large as large as the entire population, it could led him to wastage of time, resources and money. Therefore, the researcher decided to use the Kothari's (2004) sample size determination formula to determine the sample size of the target population.

$$n = \frac{z^2 * p * q * N}{e^2(N-1) + z^2 * p * q}$$

Where:

N= the population size

p = Sample proportion of successes

n= Sample size

q = 1 − p

z = the value of the standard deviate at 95% level of confidence

e = Acceptable error (the precision)

Thus, N=3080, p=0.5 z= 1.96 e=0.07

Therefore,

$$n = \frac{(1.96)^2(0.5)(0.5)3080}{(0.7)^2(3080-1) + (1.96)^2(0.5)(0.5)}$$

n=184.33

Therefore, the sample size of the study is 184 incoming Sheba mile member passengers'.

3.5 DATA PRESENTATION AND ANALYSIS

The researcher used five Likert scale to examine the relationship between the dependent and independent variables. Descriptive analyses were used in this study.

Descriptive analysis has been used to describe the demographic profile of target respondents in frequency and percentage of the sample characteristics in the form of table and written explanations as well as central tendencies measurement of constructs that included mean and standard deviation. These demographic profiles consist of gender, age, educational level and number of flight experience.

3.6 MODEL SPECIFICATION

The goal of this study is to examine the major determinants of customer loyalty program in Ethiopian airlines. The key variables in this research are:

$$Y = S\,X_{i1} + C\,X_{i2+}\,CH\,X_{i4+}\,CMX_{i5+}\,RdX_{i3}$$

Dependent variable = Customer loyalty   **Y= Customer Loyalty**

Independent variable
- ➢ **S=Satisfaction**
- ➢ **C=Communication**
- ➢ **CH=Conflict handling**
- ➢ **CM=Commitment**
- ➢ **Rd= Reward**

CHAPTER FOUR

4. DATA ANALYSIS, INTERPRETATIONS AND PRESENTATIONS

4.1. DEMOGRAPHICS OF RESPONDENT

4.1.1 Socio-Demographic Characteristics of Respondents

The study analysed the demographic characteristics of respondents involved in the study. Areas investigated included respondents Gender, Age, educational level and occupations, source of income. Analysing these variables was meant to provide any evidence of association between these variables and the various responses. The various findings are presented under the respective headings.

Demographic distribution of sample (N=184)

Table 1 gender distribution

Gender (n=184)		
male	137	74%
female	47	26%
Total	184	100%

*****Source from respondent's field survey, 2018.

When we see the demographic variable of gender of the respondents, majority of the respondents were males, i.e. 74% representing a bigger part of the sample group. However, 26% of the respondents were females. This study was only targeted Shebamile member passengers that were waiting for their flight at departure area at bole international airport terminal.

Table 2 age distribution

	Frequency	Percent
18-30	41	22%
31-45	82	45%
46-60	54	29%
Above 60	7	4%
Total	184	100%

*****Source from respondent's field survey, 2018.

Respondents represented customers from a range of ages. The highest percentage of 45% of the respondents was in the age group of 31-45 years of age. 29 % of the respondents were between 46 and 60 years of age. 22 % of the respondents were between 18 and 30 years of age while 4% was above 60 years of age and is the lowest percentage of the respondents group.

Table 3 educational level of respondents

	Frequency	Percent
High school	17	9%
Diploma	41	22%
degree	75	41%
postgraduate	51	28%
Total	184	100%

*****Source from respondent's field survey, 2018.

When we see the distribution of educational status, most of the respondents have an educational level of first degree. Only 9% of the respondents accomplish high school.

When we see the specific qualification level of the others 22% have a college diploma and 28% of the respondents have an educational qualification of masters and above.

Table 4 frequency of flights

	Frequency	Percent
Once	9	5%
Twice	23	13%
Three times	37	20%
Four times	32	17%
Five and more times	83	45%
Total	184	100%

*****Source from respondent's field survey, 2018.

As it can be seen from the above table, the other main variable that the respondents were asked is the number of flights they had made using Ethiopian airline. For this question majority (45%) of the respondents answered they had made a flight with the airline more than five times, 17% of the respondents answered they made four times a flight with the airline, 20% of the respondents made flight with the airline three times, 13% of the respondents made flight twice with the airline and 5% of the respondents made their flight with Ethiopian airlines for the first time.

Table 5 Trust (T)

Item	Description	mean	St. Deviations
T1	I am willing to rely on the airline services.	3.3362	0.8424
T2	I have confidence on the airline's services.	3.2300	0.8524
T3	I consider the airline staffs are concerned for my wellbeing.	3.6211	0.6284
T4	I consider the airlines staffs have high integrity.	3.2300	0.6272
T5	The airline is consistent in providing quality services.	3.5200	0.7141
T6	I feel secured and comfortable with the airline.	3.7697	0.6272
	Grand mean =	17.4773	4.2917

Source: Developed for the research

Table_ results that the mean for T6 (3.7697) is the highest while for T2 and T4 (3.2300) are the lowest. This implies that most of the target respondents agree with "I feel secured and comfortable with the airline" and disagree with "I have confidence on the airline's services" and "I consider the airlines staffs have high integrity". The standard deviation for T2 (0.8524) have the highest dispersion from the mean while for T4 (0.6272) have the lowest dispersion from the mean.

Table 6 Commitment (CM)

Item	Description	Mean	St. Deviations
CM1	I feel I am emotionally attached to the airline.	3.2303	0.7638
CM2	I will continue flying with the airline because I genuinely enjoy my travel with them.	3.4211	0.8200
CM3	It is important for me to maintain relationship with the airline.	3.5600	0.8206
CM4	I am very committed to this airline.	3.2000	1.0801
	Grand mean	13.4114	3.4845

Source: Developed for the research

Table 6 results that the mean for CM3 (3.5600) is the highest while for CM4 (3.2000) is the lowest. This shows that most of the target respondents agree with "It is important for me to maintain relationship with the airline" and disagree with "I am very committed to this airline". The standard deviation for CM4 (1.0801) have the highest dispersion from the mean while for CM1 (0.7638) have the lowest dispersion from the mean.

Table 7 Conflict handling (CH)

Item	Description	Mean	St, deviations
CH1	Customer's complaints are handled carefully by the airline.	3.7342	0.8624
CH2	The procedures the airline takes in complaint handling is straight forward.	3.3553	0.8602
CH3	Prompt response of the employees of the airline to our complaints is good.	3.2000	1.0801
CH4	The airline undertakes corrective action to avoid situations that may originate complaints.	3.1408	0.8156
CH5	I feel my comments and concerns are highly valued by the airline.	3.4079	0.7703
	Grand mean	16.8382	4.3886

Source: Developed for the research

Table ___ results that the mean for CH1 (3.7342) is the highest while for CH4 (3.1408) is the lowest. This shows that most of the target respondents agree with "Customer's complaints are handled carefully by the airline" and disagree with "The airline undertakes corrective action to avoid situations that may originate complaints". The standard deviation for CH3 (1.0801) have the highest dispersion from the mean while for CH5 (0.7703) have the lowest dispersion from the mean.

Table 8 Communication (C)

Item	Description	Mean	St, deviations	
C1	Employees of the airline are willing to help customers.	3.9342	0.9000	Table
C2	Employees' communication is good.	3.4000	1.3142	8
C3	The degree of understanding of the needs and wants of customers is good.	3.3550	0.8157	Comm
C4	Customers are well informed about the loyalty program.	3.6400	0.6100	unicati
	Grand mean	14.3365	3.8754	on (C)

Source: Developed for the research

Table ____ results that the mean for C1 (3.9342) is the highest while for C2 (3.3553) is the lowest. This shows that most of the target respondents agree with "Employees of the airline are willing to help customers" and disagree with "The degree of understanding of the needs and wants of customers is good". The standard deviation for C2 (1.3142) have the highest dispersion from the mean while for C4 (0.6100) have the lowest dispersion from the mean.

Table 9 Satisfaction (S)

Item	Description	Mean	St, deviations
S1	Overall I am satisfied with the airline.	3.3342	0.6
S2	The airline services always meet my expectations.	2.9	0.8157
S3	I am happy with the services provided by the airline.	3.15	0.9142
S4	I am satisfied with the performance of services provided by the airline	3	0.61
	Grand mean	12.3842	2.9399

Source: Developed for the research

Table 10 Rewards (R)

Item	Description	Mean	St. deviations
R1	Overall I am satisfied with the rewards the airline gives to Shebamile members.	3.6474	0.9
R2	I am very satisfied with the priority check-in, boarding, baggage delivery and lounge access for Shebamile members.	3.95	0.8602
R3	We are able to purchase tickets to self and family members using our Shebamile points.	3.3289	0.874
R4	We are encouraged by the increase of the rewards as we get upgrade our membership status.	3.3001	1.161
R5	We make progress points, which translate into some type of rewards: discounts, gifts and special treatment for us.	3.6711	0.7703
	Grand mean	17.8975	4.5655

Source: Developed for the research

Table ____ results that the mean for R2 (3.9500) is the highest while for R4 (3.3001) is the lowest. This implies that most of the target respondents agree with "I am very satisfied with the priority check-in, boarding, baggage delivery and lounge access for Shebamile members" and disagree with "We are encouraged by the increase of the rewards as we get upgrade our membership status". The standard deviation for R4 (1.1610) have the highest dispersion from the mean while for R5 (0.7703) have the lowest dispersion from the mean.

Table 11 Customer Loyalty (CL)

Item	Description	Mean	St. deviations
CL1	I would recommend the airline to my friends.	3.6400	0.7000
CL2	I say positive things about the airline to other people.	3.4800	0.7703
CL3	I consider this airline the first choice for air transport.	3.6800	0.8524
CL4	I encourage my friends and relatives to fly with this airline.	3.7200	0.8907
CL5	I consider myself to be loyal to this airline.	3.1600	1.0677
CL6	I will consider this airline for air transport in the next few years.	3.4400	0.7681
CL7	I refuse to change to another airline.	2.6800	0.9000
	Grand mean	23.8000	5.9492

Source: Developed for the research

Table ___ results that the mean for CL4 (3.7200) is the highest while for CL7 (2.6800) is the lowest. This implies that most of the target respondents agree with "I encourage my friends and relatives to fly with this airline" and disagree with "I refuse to change to another airline". The standard deviation for CL5 (1.0677) have the highest dispersion from the mean while for CL1 (0.7000) have the lowest dispersion from the mean.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1. Summary of Findings

- The respondents are diversified in age, gender, educational level and number of flights they made with the airline.

- Majority of the respondents (74%) are males

- 45% of the respondents aged between 31 to 45 years

- 41% of the respondents are undergraduates

- 45% of the respondents flew five and more times with the airline.

- Majority of the respondents feels secured and comfortable with the airline.

- The respondents agree with the airline staffs are concerned for the wellbeing of passengers.

- Most of the respondents agrees with the airline is consistent in providing quality services.

- Most of the respondents have neutral thought towards the airline staffs integrity.

- Majority of the respondents agrees it is important for them to maintain relationship with the airline.

- Most of the respondents think they will continue flying with the airline because they enjoy traveling with the airline.

- The majority of the respondents have a neutral opinion about how they are emotionally attached to the airline.

- Most of the respondents have neutral thought towards their commitment to the airline.

- Majority of the respondents agree with how Customer's complaints are handled carefully by the airline.

- Most of the respondents feel their comments and concerns are highly valued by the airline.

- ➤ The respondents have neutral response towards the procedures the airline takes in complaint handling is straight forward.

- ➤ Most of the respondents have neutral response towards the employees prompt response to their complaints.

- ➤ Majority of the respondents disagree with the airline undertakes corrective action to avoid situations that may originate complaints.

- ➤ Most of the respondents agree with the airline employees are willing to help customers.

- ➤ Most of Shebamile members agree with they are well informed about the loyalty program.

- ➤ Majority of the respondents agree with employees communication is good.

- ➤ Majority of the respondents have neutral opinion towards the degree of understanding of the needs and wants of customers.

- ➤ Majority of the respondents agree with they are very satisfied with the priority check-in, boarding, baggage delivery and lounge access for Shebamile members.

- ➤ Most of the respondents agree with they make progress points, which translate into some type of rewards: discounts, gifts and special treatment for us.

- ➤ Most of the respondents agree with Overall I am satisfied with the rewards the airline gives to Shebamile members.

- ➤ Most of the respondents agree with they are able to purchase tickets to self and family members using our Shebamile points.

- ➤ Most of the respondents have neutral feelings how they are encouraged by the increase of the rewards as we get upgrade our membership status.

- ➤ Majority of the respondents agree with I encourage my friends and relatives to fly with this airline.

- ➤ Majority of the respondents agree with I would recommend the airline to my friends.

➢ Most of the respondents agree with I consider this airline the first choice for air transport.

➢ Most of the respondents agree with I will consider this airline for air transport in the next few years.

➢ Most of the respondents have neutral opinion towards I consider myself to be loyal to this airline.

➢ Majority of the respondents disagree with I refuse to change to another airline.

5.2. CONCLUSIONS

Ethiopian airlines mainly provide air transportation in five continents. The airline used a customer loyalty program called Shebamiles program.

Loyalty program plays a vital role in customer relationship marketing nowadays. And many airline companies find it an important method to be competitive in the market.

The six major determinants of customer loyalty program in this research i.e. trust, commitment, conflict handling, communication, satisfaction and rewards has been examined using a five point Likert scale in the following manner: strongly agree, agree, neutral, disagree and strongly disagree.

Accordingly, the result of this research proves that the trust level customers have about the airline influences them to be a loyal customer of the airline. Passengers feel secured and comfortable whenever they fly with the airline.

The study revealed that commitment has a positive influence on customer's loyalty to the airline. And the study shows that most passengers think it is important for them to maintain relationship with the airline. But their emotional attachment with the airline is not on satisfactory level. Due to this reason they are not very committed to the airline. This will increase the probability of switching to other competing carriers in the future.

The study also revealed that, the performance of the airline in conflict handling determines customers' willingness to come back to the airline. Passengers of the airline have a neutral opinion on how the airline handles conflicts after they manifest. And most of the passengers are dissatisfied with the corrective action the airline takes to avoid situations that may originate conflicts.

In conclusion, all the independent variables which are trust, commitment, conflict handling, communication, satisfaction and rewards have positive and significant influence on the dependent variable customer loyalty.

5.3. Recommendations

In six major determinants of customer loyalty program i.e. trust, commitment, conflict handling, communication, satisfaction and rewards, Passengers feel secured and comfortable whenever they fly with the airline. The study shows that most passengers think it is important for them to maintain relationship with the airline. But their emotional attachment with the airline is not on satisfactory level. In addition, Passengers of the airline have a neutral opinion on how the airline handles conflicts after they manifest. And most of the passengers are dissatisfied with the corrective action the airline takes to avoid situations that may originate conflicts. In order to alleviate the problems in the emotional attachment with the airline and conflict handling, the company should set high standard in its customer loyalty program based on best industry practice so that the probability of switching to other competing carriers in the future will be minimized and the airline will be able to achieve passenger emotional attachment by providing personalized and customer focused services. The airline should also work hard to resolve and take proactive measures to minimize customer complaints.

Only six independent variables which are trust, commitment, conflict handling, communication, satisfaction and rewards have been examined in this research. According to the previous researchers, there are some other factors that will affect the customer loyalty in term of relationship quality such as opportunism, customer orientation and ethical profile (Dorsch et al., 1998). In order to achieve higher customer loyalty, future researchers should add in few more independent variables when doing comparable researches. More accurate result will be generated when higher percentage of customer loyalty can be explained by the independent variables.

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Annex 1

St Mary's University

School of Graduate Studies

Department of Marketing Management

Questionnaire to be filled by Shebamile members & employees of Ethiopian Airlines

Dear Respondent

This research questionnaire is formulated for partial fulfillment of Master's Program in Marketing Management. The research is regarding the major determinants of Customer Loyalty Program in Ethiopian Airlines. I would like to kindly request that you fill in my questionnaire. The information you provide will help me to better understand the effectiveness, use and attitudes towards Customer Loyalty Program. Because you are the one who can give me a correct picture of how you experience Customer Loyalty Program at Ethiopian Airlines, you are kindly requested to respond to the questions frankly and honestly.

Your time and assistance would be greatly appreciated. Please note that the information contained in this questionnaire will only be used for research purposes and your anonymity is guaranteed.

Thank you very much for your time and cooperation. I greatly appreciate your help in furthering this research endeavor.

Thank you in advance for your cooperation!

Instruction:

- No need of writing your Name

- For close ended questions put ''√ '' mark or circle on the box corresponding for your choice.

Part 1. General Characteristics of the Respondents

1- What gender are you?

a) Male   b) Female

2 - How old are you?

a) 18-30

b) 31-45

c) 46-60

d) Above 60

3- What is your highest educational achievement?

    a) High School

    b) Diploma

    c) Degree

    d) Postgraduate

4- How many flights you made with Ethiopian Airlines?

    a) Once

    b) Twice

    c) Three times

    d) Four times

    e) Five and More times

Part 2. Rating Scales

Pleas rate the following related with trust, commitment, conflict handling, communication, satisfaction, rewards and customer loyalty.

1- Strongly agree   4- Disagree

2- Agree   5- Strongly disagree

3- Neutral   …according to your convenience.

Items/Statements					
1.Trust	1	2	3	4	5
1. I am willing to rely on the airline services.	1	2	3	4	5
2. I have confidence on the airline's services.	1	2	3	4	5
3. I consider the airline staffs are concerned for my wellbeing.	1	2	3	4	5
4. I consider the airline staffs have high integrity.	1	2	3	4	5
5. The airline is consistent in providing quality services.	1	2	3	4	5
6. I feel secured and comfortable with the airline.	1	2	3	4	5
2.Commitment					
7. I feel I am emotionally attached to the airline.	1	2	3	4	5
8. I will continue flying with the airline because I genuinely enjoy my travel with them.	1	2	3	4	5
9. It is important for me to maintain relationship with the airline.	1	2	3	4	5
10. I am very committed to this airline.					

3. Conflict handling					
11. Customer's complaints are handled carefully by the airline.	1	2	3	4	5
12. The procedures the airline takes in complaint handling is straight forward.	1	2	3	4	5

13.	Prompt response of the employees of the airline to our complaint is good.	1	2	3	4	5
14.	The airline undertakes corrective action to avoid situations that may originate complaints.	1	2	3	4	5
15.	I feel my comments and concerns are highly valued by the airline.	1	2	3	4	5
4. Communication						
16.	Employees' of the airline are willing to help customers.	1	2	3	4	5
17.	Employees' communication is good.	1	2	3	4	5
18.	The degree of understanding the needs and wants of customers is good.	1	2	3	4	5
19.	Customers are well informed about the loyalty program.	1	2	3	4	5
5. Satisfaction						
5.	Overall I am satisfied with the airline.	1	2	3	4	5
6.	The airline services always meet my expectations.	1	2	3	4	5
7.	I am happy with the services provided by the airline.	1	2	3	4	5
8.	I am satisfied with the performance of services provided by the airline.	1	2	3	4	5
6.	**Rewards**					
9.	Overall I am satisfied with the rewards the airline gives to Shebamile members.					
10.	I am very satisfied with the priority check-in, boarding, baggage delivery and lounge access for Shebamile members.					
11.	We are able to purchase tickets to self and family members using our Shebamile points.					
12.	We are encouraged by the increase of the rewards as we get upgrade our membership status.					
13.	We make progress points, which translate into some type of reward: discount, gifts, or special customer treatment for us					

7. Customer loyalty	1	2	3	4	5
1. I would recommend the airline to my friends.	1	2	3	4	5
2. I say positive things about the airline to other people.	1	2	3	4	5
3. I consider this airline the first choice for air transport.	1	2	3	4	5
4. I encourage my friends and relatives to fly with this airline.	1	2	3	4	5
5. I consider myself to be loyal to this airline.	1	2	3	4	5
6. I will consider this airline for air transport in the next few years.	1	2	3	4	5
7. I refuse to change to another airline.	1	2	3	4	5