

Country of Origin [COO] Influence on Foreign Vs. Domestic Products: Consumers' Perception and Selection of Airlines in the Arab Gulf Region

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ABSTRACT

This paper examines the country of origin effects of airline services in Qatar, a country on the west coast of the Arabian Gulf. The study focuses on consumers' perceptions of quality, price and other factors found important when choosing air service as provided by domestic vs. foreign airlines. Based on an analysis of 324 responses, significant differences were found between the selection of domestic vs. other airlines based upon consumers' perceptions of the quality of the services and consumers' perceptions of price. No significant relationship was found between domestic vs. other airlines and the factors considered important in choosing an airline. Other factors included airlines performance in regards to departure and arrival schedules, trustworthiness, understanding and recognizing regular customers, frequency of flights, accessibility by phone, and politeness and friendliness of the employees.

INTRODUCTION

Numerous studies have been conducted since the mid 1960's on how the country of origin (COO) of a product influences consumers' product evaluations in more developed countries (MDCs). Previous studies have revealed that consumers have different perceptions of quality and price for products "made-in" different sources of origin (Al-Sulaiti and Baker 1997; Baker and Currie 1993; Baker and Michie 1995). However, the literature fails to address the question of whether such effects similarly impact consumers' perceptions of a service provider in less developed countries (LDCs).

Airlines provide an essential service to businesses, industries, and tourism (Hallett 2001). Though a trip by air includes some tangibles such as food and drinks, a ticket stub, and an airline magazine, the primary item airline passengers are buying is transportation

service (Kotler 1997). Airline services are not standardized as they are mainly performed by the personnel of the airline companies (e.g., reservation staff, cabin staff). As a result, passengers' evaluations of airline services might be strongly influenced by the attitude of the airline personnel.

This paper presents the findings of research examining Qatari consumers' perceptions and selections of domestic vs. foreign airlines in the Arabian Gulf region, Qatar. The airlines used in this study are grouped into three categories: Gulf (named as "domestic"), Arab non-Gulf, and foreign airlines (named as "foreign"). First, the authors provide a brief description of Qatar. Second, a discussion of the airline industry is presented. Third, service quality will be defined in the context of air travel. Fourth, Country of origin effects are presented. Fifth, research methodology is discussed. Finally, a discussion of the findings is given.

QATAR

Qatar is situated half-way along the west coast of the Arabian Gulf, east of the Arabian peninsula. Qatar is a peninsula that extends northward covering an area of 11, 437 square kilometers (Al-Sulaiti 1993). Because of the hot climate, the minor amount of rainfall and limited areas of grazing land with little agricultural farm production, the life of Qatari people is very harsh and it is difficult to start any kind of production, agricultural or otherwise (Al-Marzooki 1994).

The present population is estimated at 817,052 inhabitants (Central Intelligence Agency 2003), most of whom reside in Doha (about 60%), while the rest live in other towns and villages (World Population Profile 1996). The country's ethnic composition is Arab 40%, Pakistani 18%, Indian 18%, Iranian 10%, other 14% (Central Intelligence Agency 2003). Thus making it one of the most ethnically diverse countries in the Middle East.

The people of Qatar follow the religion of Islam. It is a faith as well as a way of life for them and the Holy Quran is the main source of all of their laws, ethical codes and social norms. Although English is widely spoken, Arabic is the official language and all correspondence with government organizations is normally in Arabic.

The Al-Thani family has been ruling Qatar since the mid 19th century. From the beginning of the 20th century, close relations developed between Qatar and Great Britain, by a treaty signed in 1916 Qatar to become a British protectorate. The 3rd of September 1971, Qatar gained independence from Britain (Al-Marzooki 1994). Following independence, the state of Qatar joined the Arab League, the United Nations Organization and other international organizations. On the 27th of June 1995, His Highness Sheikh Hamad Bin Khalifa Al-Thani assumed the Emir ship state of Qatar supported by the ruling family, the Qatari people and the armed forces (Central Intelligence Agency 2003; The Economist Intelligence Unit 1997).

The country has two paved airports (Central Intelligence Agency 2003). Gulf Air and Qatar Airways are the two primary airlines serving the country. Emirates Air and Egyptair also provide air service to Doha.

AIRLINE INDUSTRY

The airline industry has experienced significant acceptance and growth through the past few decades. During the turbulent 1970s and the early part of the 1980s, marketing was a comparatively unimportant activity among airline companies around the world, due to stringent industry regulations. After deregulation in 1978, airlines had to begin to differentiate themselves from their competitors through service and price. By the 1990's, three conditions characterized air transport: exceptional growth, intense competition, and vulnerability (Vellas and Becherel 1995). The 1991 Persian Gulf War was followed by four years of losses for the airline industry (Travel Industry Association 2003). The aftermath of the September 11, 2001 terrorist attacks on America have continued to plague the industry (Ascent Pacific 2003). Airlines are just now beginning to recover from the economic downturn and the costs of absorbing excess capacity (Sparaco 2003).

Two countries provide 30 per cent of the world's international services: the United States (20 per cent) and the United Kingdom (10 per cent). The North Atlantic is the busiest route in the world and accounts for 22.3 per cent of the world passengers. The busiest international routes are increasingly towards Asia which is also the region experiencing the strongest growth in tourism and international trade. Some estimates suggest that the year 2010, over half of all international airline passengers will be flying to or from the Asia-Pacific region (Stein, 1996). The Busiest European routes start from London and include London-Paris, London-New York and London-Amsterdam

Globally, there are over 700 airlines (Travel & Tourism Analyst 1992). In the UK there are over 50 airlines, and more than 30 in France. In both countries, the industry is dominated by a single airline. Similarly, though there are over 100 airlines operating in the USA, American and United control nearly 40% of the market (Anonymous 2003b). Since September 11, 2001 every major American airline has operated at a financial loss (Anonymous 2003a).

The high price of fuel and the competitive nature of the airline industry have caused many airlines to find ways to cut over-head costs (Gourdin 1988). One strategy has been for some airlines to eliminate or at least streamline services delivered. Airlines then turned to the reduction or elimination of a number of customer services that had been expected by the flying public in the past. Services such as frequent flyer programs, checked baggage, in-flight meals, movies, and free drinks were either eliminated or reduced (Lieber 2002). The result is a reduction in service quality as airlines continued to emphasize low fares at the expense of service delivered.

Though this had resulted in an increasing number of consumers voicing their irritation and dissatisfaction with the quality of service currently being provided by airlines, things are improving. A Gallup poll conducted for the American Society for Quality Control surveyed 1,005 consumers and found that the percentage of passengers who experienced unsatisfactory airline services almost doubled from 1985 to 1988 (Fried 1980). However, in the post September 11 period, American air travelers are more satisfied with America's commercial airlines than they have been recent years, according to the American Customer Satisfaction Index (ACSI).

Air transport is going through a period of severe upheaval. Many airline companies are facing serious financial difficulties. Deregulation has created major problems in some cases, resulting in higher fares and less competition among international airlines.

SERVICE QUALITY

For many companies, the delivery of high service quality became a marketing priority of the 1980s (Zeithaml et al. 1988). Especially for airline carriers, the delivery of high service quality becomes a marketing requisite in the 1990s, as competitive pressures increase. In other industries, evidence is mounting that effective investment in high service quality results in cost savings, improved profitability and market share (Cina 1990; Daniel 1992; Shycon 1992); and increases customer loyalty (Ostrowski et al. 1993).

Services by their very nature are physically intangible, they cannot be touched, tasted, smelt or seen (Baron and Harris 1995; Bateson 1977; Carman 1990; Edgett and Parkinson 1993; Gabbott and Hogg 1997; Gronroos 1978; Gummeson 1978; Judd 1964; Sasser et al. 1978; Woodruffe 1995). This contrasts with the physical substance of tangibility of goods. Tangibility creates an essential difference as consumers will always attempt an evaluation, and in the case of services, will evaluate what they can (Gronroos 1990). The absence (or lack) of tangible clues of services makes difficulties both for sellers in demonstrating and displaying services, and for buyers in having a sample and evaluating it before and after purchase (Gronroos 1990; Gronroos 1978).

In evaluating consumers' perceptions of airlines in the United States, respondents who used domestic airlines had more favorable attitudes towards domestic airlines than those who did not use a domestic airline; those who used both domestic and foreign airlines demonstrated no differences between them. Further, the reliability of the airline, past satisfactory experience with the airline and low price of the ticket were the three most important reasons for choosing an airline for foreign destinations (Kaynak et al. 1994).

How customers perceive such performance depends on many variables including customers themselves who may sometimes give staff wrong information or who may experience the same service in a different mental state each time they do so. There is a greater chance of variability in the output of a single firm and even of a single employee (Bateson 1977; Bateson 1979; Sasser et al. 1978; Zeithaml et al. 1985). For example, "the service rendered by the flight attendant varies from flight to flight and from person to person on the same flight" (Sasser et al. 1978, p. 17). Therefore, it is impossible for service firms to ensure that the same level and quality of service is provided each and every time the service is provided (Buttle 1989). Of course, there will be variation in the quality of service provided, not just between branches of the same company but within the same branch. That is why it is difficult to achieve quality control, standardization and so centralized mass production of services (Cordell 1991; Edgett and Parkinson 1993; Sasser et al. 1978). Since the provision of services is dependent on both customers and staff, variability in the quality of service will exist. Therefore, it is not easy to completely control and standardize all service roles.

The quality of services is much more difficult to measure, inspect, and control than the quality of manufactured goods (Gummeson 1993). It is impossible for management to be present during every service delivery, and so it must depend heavily on employees to

complete the customer interaction satisfactorily. Otherwise, the firm's customer base could be eroding without their knowledge, because dissatisfaction spreads very fast by word-of-mouth (Bitran and Lojo 1993). Service quality is a measure of how well the delivered service level matches consumer expectations (Donaldson and Runciman 1995). This quality depends on the size and direction of the gap between expected and perceived service (Bolton and Drew 1997). In the airline industry the providers, the baggage handlers, employees at the ticket counter, flight attendants and so on, are the main deliverers of the service.

In service production, the customer interacts with contact personnel (e.g., Flight attendant) for all or part of the time the service is being performed (Lehtinen 1985). The consumer's style of participation in the service delivery process may be dependant on the lifestyle and the personal attitude of the customer and this may cause a difference in the service delivered. Although a service is an interaction between a customer and a complex system, a very important element of many services is a person-to-person encounter (Mattsson 1994).

Part of the service providing system is the physical environment, which plays an important role in affecting consumer perceptions of service quality (Bateson 1979). Physical environment clues, such as colors, lighting, smells, sounds, temperature help to shape an image for service firms, and set up the customer's expectation for what they are about to experience (Lovelock 1981). The physical environment has the potential to influence one's impression of the service (Shostack 1977), such that the environment affects behavior by influencing the meaning a customer draws from a particular setting (Fox and Bender 1986).

The appearance of staff can provide evidence about the nature of the service (e.g., a tidily dressed ticket Clerk for an airline) suggests that the airline operation as a whole is run with care and attention. Buildings are also frequently used to give evidence of service nature. The physical environment affects the customers' perception of the service provider, even when all other conditions are equal (Bitner 1990). Bitner (1990) compared customer reaction to a travel agent where in one case the customer encountered a well-organized workplace and in the other case a more casual environment. According to Bitner the customer who encountered the well-organized workplace had significantly more positive response on all the variable tested, without technically receiving more qualified service. Thus, the ideal physical environment will prepare the customer by giving visual, procedural and psychological clues, which both support and define service quality expectations. Moreover, by giving unique physical environment, a service firm can differentiate itself and its services from others, and ultimately it can gain competitive advantage in the market (Ballantyne et al. 1995).

For this study, consumers' perceptions of services were investigated rather than their experiences. It is believed that attitudes can be formed even in the absence of actual experience with a product or a service (Baker 1996). Marketers are very interested in the attitudes and perceptions that people formulate about specific products or services, because these perceptions and attitudes make up product and brand images that affect buying behavior (Kotler et al. 1996). If a consumer has a favorable attitude towards an object and the opportunity arises to behave, then his or her behavior would reinforce this attitude in establishing a

buying intention which causes purchase (Fishbein and Ajzen 1975).

Customers' perceptions about service quality and what is being delivered are of course determined partly by what is actually being delivered (Stone and Young 1992). Services often encompass multiple interactions between the customer and differing employees. On a typical flight, a passenger may interact with (or be exposed to) baggage handlers, employees at the ticket counter, flight attendants, gate attendants, cockpit crew and others. A poor performance by any of these may lead to perceptions of poor service because a service cannot be put into inventory, consistency of performance is difficult to attain and sustain (Ostrowski et al. 1993). Second, good service may have little to do with what the provider believes; rather it depends on the beliefs of the individual customer. Customer satisfaction can occur when the customer's perceived experience either matches or exceeds the customer expectations. However, customer loyalty (leading to repeat business) occurs only when the perceived experience can be considered "excellent," a level far exceeding merely good service (Zemke 1992).

COUNTRY OF ORIGIN EFFECTS

Country of origin effects have been defined in many ways in the literature. According to Wang and Lamb (Wang and Lamb 1983) country of origin effects are intangible barriers to enter new markets in the form of negative consumer bias toward imported products. Johansson, Douglas and Nonaka (Johansson et al. 1985) and Ozsomer and Cavusgil (Ozsomer and Cavusgil 1991) define country of origin as the country where corporate headquarters of the company marketing the product or brand is located. Typically, this is the home country for a company. Country of origin is inherent in certain brands. IBM and Sony, for example, imply US and Japanese origins, respectively (Samiee 1994). Others have defined the product's country of origin as "the country of manufacture or assembly" (Bilkey and Nes 1982; Cattin et al. 1982; Han and Terpstra 1988; Lee and Schaninger 1996; Papadopoulos 1993; White 1979).

In the modern market place defining the country of origin can be a very complicated task. The growth of multinational companies and the evaluation of hybrid products, which have components from many source countries have in many cases blurred the accuracy or validity of made in ----" labels (Baker and Michie 1995; Baughn and Yaprak 1993; Chao 1993; Yaprak and Baughn 1991). For example, Sony is a Japanese manufacturer but some of its products are assembled outside Japan in a country Singapore (Baker and Michie 1995). With this example, the product assembled in Singapore would be denoted "assembled in Singapore" and that assembled in Japan would be considered as "made in Japan" .

Schooler (Schooler 1965) conducted a study in Guatemala, presenting four groups of 200 respondents of part-time students with a juice product and a swatch of fabric. These products bore fictitious labels denoting four different South American countries (e.g., one group presented with products labeled as Guatemalan, second group presented with products labeled as Costa Rican, etc.). The study showed that products made in less developed countries were not evaluated as quality products. Consumers were biased for or against products from a less developed country when they were evaluating products made in different, less developed countries. Schooler (1965) found that Guatemalan students gave over evaluations to products made in El Salvador and Costa Rica than to domestic and Mexican products and that this bias was related to a general negative attitude toward people from the

former two countries. Schooler (1965) concluded that the country of origin of a product can have an effect on a consumer's opinion of the product.

Reierson (Reierson 1966) tried to determine the attitude of American consumers toward foreign products. A survey of 105 business administration students and 50 psychology students indicated their opinions of products from ten different nations (the United States, Germany, Japan, France, Canada, Italy, England, Sweden, Belgium and Denmark). Products were mechanical, food, and fashion merchandise. Reierson (1966) found that stereotyping of foreign products was present among the American students.

Reierson (Reierson 1967) continued his work of investigating American students' attitudes towards foreign products and concluded that if the "prejudice of consumers toward a nation's product is not too intense, consumers' attitude may be made significantly more favorable by even slight exposure to communication and promotional devices" (p. 386).

Schooler and Wildt (Schooler and Wildt 1968) measured the elasticity of product bias. 236 student respondents were selected randomly and divided into six groups. Each group examined two pieces of glassware, one of which was labeled as American, and the other as Japanese. The labels were authentic, but the products were identical pieces of a domestic manufacturer. Subjects were asked to indicate a purchase preference. Schooler and Wildt (1968) noticed that many American consumers were biased against Japanese products because of their national origin. Later, Schooler and Sunoo (Schooler and Sunoo 1969) investigated the consumer's perception of international products: regional versus national labeling. The purpose of the study was to determine how consumers responded to the manufactured goods of developing areas if the products were labeled regionally. The findings of the study did not show any evidence of bias against the manufactured goods which were labeled regionally. He concluded that "regional labeling" (e.g., made in Asia, made in Latin America, etc.) might work to reduce intra-regional product bias.

In his follow-up study, Schooler (Schooler 1971) attempted to test bias phenomena with a broadly based representative consumer sample. The results showed significant differences amongst products of foreign origin, and a hierarchy of bias effect was observed. In addition, the results indicated that neither national nor regional labeling appeared to be more effective than the other. The products of Germany were rated better than those of Asia, India and Western Europe. On the other hand, US products also were rated better than those of India and Western Europe.

Krishnakumar (Krishnakumar 1974) attempted to examine the influence of country of origin on the product image of American and people from developing countries and to investigate the effect of demographic variables on the "made in" image among those countries. Product classes used in this study were mechanical products, food products and fashion products. Specific products used for evaluation in this study were automobiles, television sets, soft drinks and dress shirts. The results of the study showed that people from developing countries tended to have an unfavorable "made in" image of their home country's products in terms of workmanship, reliability, durability, technical superiority, and other characteristics.

Al-hammad (Al-hammad 1988) investigated the Saudi Arabian market for selected imported goods (with specific reference to UK suppliers) at both

country and brand levels. The study examined Saudi Arabian economic and cultural factors and the attitudes of the Saudi consumer and reseller to the product and its suppliers. The results showed that the majority of Saudi consumers considered price to be the most important attribute in the case of products necessitating higher expenditure.

Other researchers (Ahmed and d'Astous 1995; Becker 1986; Darling and J.R. 1987; Dornoff et al. 1974; Ettenson et al. 1988; Festervand et al. 1985; Ghadir 1990; Han 1989; Heslop and Wall 1985; Khachaturian and Morganosky 1990; Levin et al. 1993; Lin and Sternquist 1994; Nagashima 1977; Nagashima 1970; Ofir and Lehmann 1986; Okechuku 1994; Papadopoulos et al. 1987) have examine a wide variety of products across many countries, variety of personal buying situations, and a variety of attributes including price, quality, and image of foreign goods. The findings support that a country of origin effect does exist, buyers are affected by "made in" images", "made in" stereotypes can be changed, and price may affect foreign product perceptions.

Most of these studies involve single cue models (e.g., the country of origin was the only information supplied to respondents on which to base their evaluation) which tend to bias the results in the direction of detecting positive country of origin effects (Johansson et al. 1985). Later studies adding multiple cue models appear to show a much lesser role of country of origin influencing consumer product evaluation (Ahmed and d'Astous 1995; Ahmed and d'Astous 1993; Ahmed et al. 1994; Ettenson et al. 1988; Johansson et al. 1985; Roth and Romeo 1992). These results are not surprising, because as consumers have a greater number of cues, the efficacy of one particular cue, such as country of origin, in influencing consumer product evaluations can be expected to be reduced.

The literature regarding country of origin suggests a general home-country selection bias with alternative product choice selection affected by product class. Most researches to date have focused primarily on country of origin effects on product evaluation and nationality differences in the consumption of a product in more developed countries. To date there are few studies which have examined the impact of country of origin effects on the consumption and evaluation of services (Bruning 1997; Bruning 1994; Harrison-Walker 1995; Kaynak and Kucukemiroglu 1993; Kaynak et al. 1994; Shaffer and O'Hara 1995; Wetzels et al. 1996). Most of these researchers examined consumers' perceptions towards services in the USA.

RESEARCH DESIGN AND METHODOLOGY

Seven hypotheses were formulated to examine Qatari perceptions of airlines and to relate this information to their domestic and foreign preferences. The hypotheses were developed based on a comprehensive literature review of theories and concepts on the subject . Due to the lack of empirical testing of consumer behavior in Qatar, the convention, suggests that hypotheses are best phrased as null hypotheses (Good and Huddleston 1995; Murray and Schlacter 1997). To investigate consumers' perceptions and selections of domestic versus foreign airline services, the following hypotheses are tested:

H1: There is no significant difference between the consumers' perceptions of the quality of Gulf and Arab non-Gulf airline services .

H2: There is no significant difference between the consumers' perceptions of the quality of Gulf and foreign airline services.

- H3: There is no significant difference between the consumers' perceptions of the price of the Gulf and Arab non-Gulf airlines.
- H4: There is no significant difference between the consumers' perceptions of the price of Gulf and foreign airlines.
- H5: There is no significant difference between the customers' selection of a Gulf or a foreign airline.
- H6: There is no significant difference in the customers' perceptions of any of the airline service quality and price variables and their selection of a Gulf or a foreign airline.
- H7: There is no significant relationship between the users of Gulf, Arab non-Gulf and foreign airlines and the factors considered important in choosing an airline.

Based upon the success of previous researchers (El-Omari 1991; Ghadir 1990; Kaynak et al. 1994; Lovelock et al. 1976; Niffenegger et al. 1980; Papadopoulos et al. 1987; Shams 1996; Stover and Stone 1974) it was decided that personal delivery (and collection) of a self-administered questionnaire would provide the most suitable form of data collection. Lovelock et al. (1976) recommended personal delivery and collection of self-administered questionnaires as being particularly appropriate for conducting detailed surveys of consumer attitudes and behaviour patterns as was the case in this study. The personal drop-off and pick-up method of data collection was found to be more appropriate for this study not only because it allowed respondents the opportunity to fill out their questionnaires at a convenient time (Niffenegger et al., 1980), but also because it gave high response rates as the consumer might have felt obliged to answer the questionnaire as promised (Kaynak, Kucukemiroglu, and Kara 1994; Papadopoulos 1987). In addition respondents were not subjected to interviewer bias because it was self-administered (Faria and Dickinson, 1996).

Questionnaires translated into Arabic were hand-delivered by the researcher to headmasters and mistresses who were then asked to distribute them as randomly as possible among teachers in 100 schools in order to determine their perceptions and selections of Gulf vs. foreign airlines. In the cover letter, a request was made to the respondent to answer all the questions. After three weeks' waiting time, questionnaires were personally collected. Of the 430 teachers, 380 responses received, of which 324 were usable questionnaires for final analysis resulting in a response rate of 75.3%.

A structured-non-disguised questionnaire was found to be the most useful method for this study. There are a few limitations associated with this type of questionnaire: answer may not accurately reflect the true state of affairs; misunderstanding the questions may bias the data; and potential for lower validity of the data (Kinnear and Taylor 1996). The main reason for choosing this method lies in its simplicity of administration, and ease of tabulation and analysis (Churchill 1995a).

The source of the ideas for the questions followed a comprehensive review of the literature available regarding country of origin effects on product and service evaluation. In order to ensure the validity and reliability of the questions that were to be used in this study, a number of previous studies were consulted because they had been shown to possess a high level of validity and reliability (Al-hammad 1988; Baker and Michie 1995; Ghadir 1990; Kaynak et al. 1994).

The questionnaire that was used in this study was carefully translated into Arabic by members of staff from the Arabic literature department at the University of Qatar so that the "associative value of the English language is not lost in the translation" (Lillis and Narayana 1974; Nagashima 1970). Moreover the English and Arabic drafts of the questionnaire were given to staff from the department of English at the same University to revise the Arabic translated version of the questionnaire and to ensure of its equivalence to the English version.

Since most of the questions used in this research are structured-non-disguised and self-administered, they are generally closed-ended as they are generally "handled better by self-administered procedures" (Fowler 1993). Moreover, the analysis of these types of questions is straightforward (Nachmias and Nachmias 1981).

Pre-testing of the translated Arabic questionnaire was undertaken among a small sample of twenty (20) teachers obtained conveniently from three different schools in Qatar (Parasuraman 1991). The questionnaire was personally hand-delivered to the respondents and completed questionnaires were collected during the following week (Weiers 1984). To achieve a high response rate, we asked the head of each school to encourage the teachers to participate.

Comments were provided from these teachers on some aspects of the questionnaire, particularly the measure of service quality attributes and factors influencing the customers' decision in selecting an airline for international travel. The completion of the pre-test provided the satisfaction that the questionnaire was able to solicit the data needed to accomplish the objectives of the study.

The results of the reliability test of this study for the Likert type scale used for measuring the consumers' perceptions of the quality of the Gulf, Arab non-Gulf and foreign services together with consumers' patriotic feelings, showed an internal alpha reliability of .90 for the Gulf services, .92 for Arab non-Gulf services, .95 for foreign services and .65 for consumers' patriotic feelings variables.

The semantic differential scale that was used to measure the consumers' perceptions of the price and the level of quality in relation to the price provided by airlines and the factors considered important in choosing an airline, showed an internal alpha reliability coefficient of .71 and .91 respectively. Thus, both the Likert and semantic differential type scales were reasonably reliable in this research (Davis and Cosenza 1988). Additionally, content validity, was assessed through a complete review of literature to determine the appropriate concepts to be included and the design of the conceptual framework which served to guide the construction of the survey questionnaire.

ANALYSIS AND DISCUSSION

Respondents were asked to indicate whether they had ever had experience of any Gulf, Arab non-Gulf or foreign carriers. Results showed more than half of the respondents (56%) had experience of Gulf, Arab non-Gulf and foreign carriers whereas 45% had experienced some combination of the three types of carriers.

Results indicated that of the 35 airlines selected for the study, the respondents had flown with 23 of them. In addition, some other airlines that were not included in the 35 airlines selected had also been experienced by some of the respondents, namely, American Airlines, Bulgarian, Continental, Delta, Indonesian, Royal Thai, UK and USairline. Approximately three quarters (75%) of the respondents had

used Gulfair, one fifth (20%) Qatar Airways, 15% Emirates, 7% Saudia, and 5% and 4.0% had used British Airways and Egypt Air respectively.

A clear majority (84%) of the carriers used by respondents for overseas travel during the last year were Gulf carriers, 5% were Arab non-Gulf and around 11% were foreign (for the purpose of this study, Arab non-Gulf and foreign carriers were considered as "foreign"). Surprisingly, most of the respondents had used the Gulf airline services for their travel either locally or world-wide. This may undoubtedly affect the significance of any statistical results that might be carried out on the data because of the possible bias arising from this skewed distribution. Therefore, this source of potential bias was considered as a limitation in this study

Respondents were asked to indicate their preferred airlines for international travel. They were given the option of selecting their top three airlines out of a total of six Gulf airlines, six Arab non-Gulf airlines and twenty-three foreign airlines assuming that they all serve the same international destinations. Respondents were then asked to rank them in order of preference. Results indicated no significant differences between consumers' demographics in selecting Gulf, Arab, and foreign airlines. The top three rankings for the three types of airlines almost remained the same. The top three Gulf airlines selected were Emirates, Gulf Air and Qatar Airways. In terms of the travelers' selection of Arab non-Gulf airlines, the top three were Egypt, Royal Jordanian and MEA (Lebanon), whereas the top three foreign airlines selected were British Airways, KLM and Cathay Pacific/Air France. The remaining foreign airlines selected most frequently were Lufthansa, Singapore Airlines, Malaysian Airline System, Royal Brunei Airlines, Swissair, Japan, Alitalia and Austrian.

Respondents were also asked to choose the airline category that they prefer most for international travel out of the three airline categories (Gulf, Arab non-Gulf and foreign). Exactly two thirds of the respondents (66%) had selected Gulf carriers for international travel, while around one third said that they would select foreign carriers for their overseas trip if they were given the option to do so. Of the remaining respondents, nearly 3% had chosen Arab non-Gulf carriers for their foreign trip. Due to this marginal preference for the Arab non-Gulf carriers, it was decided to exclude this category from further analysis and focus instead on the Gulf and foreign carriers.

Since measurements were taken from respondents for the three different types of air carriers, it would be possible to make a direct comparison between the domestic and Arab carriers. Consumers were asked to evaluate the services on 29 selected concepts which contributed to service quality attributes and factors. A paired T-test was performed on each of the 29 quality variables. Table 1 summarizes the results of the test. The last column of the Table showed the significance of the differences between the quality of the two airline services. As seen from the Table, statistically significant results were detected for 18 out of 29 items at $P < .05$ level of significance.

To understand the direction of the significance, column four was reported. It indicated the superiority of the domestic carrier to that of the Arab non-Gulf carrier. This conclusion was consistently significant in thirteen quality variables at $P = .05$ or less.

Whereas the negative sign of the T-value for attributes like calling customers in case of any changes, performing services at the designated time, giving prompt service, efficient handling of problems and arriving and departing on schedule indicated that the difference was to the benefit of the Arab non-Gulf carriers. The difference in the remaining variables were considered statistically insignificant, because they were far above the cut point of .05 per cent at 5 per cent significance level.

Table 1:A Comparison of the Consumers' Perceptions of the Quality of the Domestic Versus Arab Airline Services

Quality Variables	Gulf Mean	Arab Mean	Dif	t-value	df	Sig
Perform service at designated time	2.8276	3.0596	-.2320	-3.67	318	.000
Call customer for any changes	2.6909	3.0032	-.3123	-4.18	318	.000
Give prompt service	2.7217	3.1489	-.4272	-6.69	303	.000
Service is accessible by phone	3.4219	3.0906	.3312	5.62	319	.000
Convenient schedule	3.4537	3.1629	.2907	4.23	712	.000
Polite and friendly cabin staff	3.8994	3.5723	.3270	5.17	317	.000
Handling the problems	2.7906	2.9594	-.1688	-2.93	317	.004
Good airline reputation	3.4606	3.1577	.3028	4.76	317	.000
Excellent safety records	4.0406	3.3844	.6563	11.61	31)	.000
Clean and neat Cabin staff	4.1761	3.7516	.4245	8.53	317	.000
Arriving/departing on schedule	1.9561	2.7743	-.8182	-11.57	313	.000
Handle the baggage carefully	3.2648	3.0561	.2087	3.11	33	.002
Serve tasty food	3.5559	3.1087	.4472	6.37	321	.000
Comfortable seats	3.5741	3.1893	.3849	5.69	316	.000
Efficient check-in procedure	3.5844	3.0000	.5844	8.86	319	.000
Excellent In-flight services	3.5831	3.1285	.4545	6.99	318	.000
Special attention for children	3.2671	2.9969	.2702	4.22	321	.000
Have frequent flight	3.8464	3.4671.46	.3793	6.54	318	.000

Evaluations were done on a 5-point Likert-type scale. 5 = strongly agree, 4 = agree, 3 = neither agree nor disagree, 2 = disagree, 1 = strongly disagree.

* Only values with significant differences at the .05 level or below were reported.

Hypothesis 1: There is no significant difference between the consumers' perceptions of the quality of Gulf and Arab non-Gulf airline services.

Paired T-test showed significant differences between the consumers' perceptions of the quality of Gulf and Arab non-Gulf airline services. These differences are statistically significant for 18 out of 29 quality attributes and factors at $P < .05$ level of significance. This seems reasonable; since most of Arab countries are not highly advanced in terms of technological and managerial

know how which may suggest that the amount technological complexity of goods or services may have a strong impact upon perceived variation in quality. The null hypothesis is therefore rejected.

The paired T-test was performed on the 29 quality variables. As seen from Table 2, statistically significant results were detected for 25 items at $P < .05$ level of significance (see Table 18, appendix D). Column four in Table 7.4 indicated the superiority of the foreign carrier to that of the Gulf carrier. This conclusion was significant in 23 quality variables at $P = .05$ or less.

The greatest difference between the services of the two groups was related to the following cues: arriving and departing on schedule (-2.0410), calling customers in case of any changes (-1.447), and providing prompt service (-1.2597). The least difference was related to having comfortable seats (-.2194). The mean ratings for having excellent safety records and well-presented cabin staff indicated that the difference is to the benefit of the domestic services.

Table 2: A Comparison of the Consumers' Perceptions of the Quality of the Domestic Versus Foreign Airline Services

Quality Variables	Gulf Mean	Foreign Mean	Dif	t-Value	df	Sig.
Perform service right first	3.1824	3.9748	-.7295	-11.36	317	.000
Perform service at designated	2.8276	4.0031	-1.1755	-16.29	318	.000
Call customer for any	2.6918	3.8365	-1.447	-13.98	317	.000
Give prompt service	2.7370	3.9968	-1.2597	-16.38	307	.000
Knowledgeable/skilled	3.4937	4.1171	-.6234	-9.19	315	.000
Service is accessible by	3.4188	3.7781	-.3594	-5.02	319	.000
Waiting time is not extensive	3.0475	3.7962	-.7484	-10.40	313	.000
Have convenient schedule	3.4551	3.7372	-.2821	-3.82	311	.000
Explain the service itself	3.0213	3.8037	-.7819	-11.48	320	.000
Handling the problems	2.7911	3.7310	-.9399	-13.13	315	.000
Have a good airline	3.4574	3.9937	-.5363	-7.05	316	.000
Have excellent safety records	4.0435	3.7205	.3230	4.56	321	.000
Provide individualized	3.0906	3.7281	-.6375	-9.04	319	.000
Recognize the regular	3.0892	3.6210	-.5318	-8.33	313	.000
Have clean and neat Cabin	4.1818	4.0596	.1223	2.22	318	.027
Have good reservation	3.2764	4.0062	-.7298	-9.92	321	.000
Arriving & departing on	1.9590	4.0000	-2.0410	-25.49	316	.000
Handle the baggage carefully	3.2570	3.9505	-.6935	-9.16	322	.000
Have comfortable seats	3.5705	3.7900	-.2194	-3.12	318	.002
Have excellent In-flight	3.5719	3.9073	-.3355	-4.62	321	.000
Excellent entertainment	2.8944	3.6863	-.7919	-10.60	321	.000
Special attention for children	3.2693	3.9721	-.7028	-9.30	322	.000
Convenient flight connections	2.9843	3.8339	-.8495	-12.16	318	.000
Good frequent flyer programs	2.7256	3.4164	-.6909	-9.54	316	.000
Use quick route/direct flight	3.1069	3.6509	-.5440	-7.58	317	.000

Evaluations were done on a 5-point Likert-type scale. 5 strongly agree, 4 = agree, 3 = neither agree nor disagree, 2 = disagree, 1 = strongly disagree.

* Only values with significant differences at the .05 level or below were reported.

These results do not support previous research findings performed in the United States and other developed countries which indicated that there was a bias against foreign product or service in favour of domestic ones (Brown et al. 1987). The literature revealed that UK consumers prefer their home country's products over foreign ones (Baker and Michie, 1995; Bannister and Saunders 1978; Hooley et al. 1988; Peris and Newman 1993), US consumers prefer US products and services (Gaedeke 1973; Johansson et al. 1994; Kaynak and Kucukemiroglu 1993; Kaynak, Kucukemiroglu and Kara 1994; Khachaturian and Morganosky 1990; Levin et al. 1993; Nagashima 1970; Okechuku 1994; Olsen, Granzin and Biswas 1993;

Reierson 1966; Schooler and Wildt 1968; Schooler 1971; White and Cundiff 1978), French consumers are more in favour of products "made in France" (Baumgartner et al. 1978), Japanese consumers favour Japanese products (Lillis and Narayana 1974; Narayana 1981), Canadian consumers purchase Canadian goods and services when foreign goods and services are in competition with national goods and services (Bruning 1997; Kaynak and Cavusgil 1983; Heslop and Wall 1985; Wall and Heslop 1986), Polish and Russian consumers prefer their home country's products (Good and Huddleston, 1995), Jordanian consumers prefer Jordanian products (Ghadir, 1990), Spanish consumers prefer home-made products (Peris and Newman, 1993), Turkish managers prefer national suppliers (Gudum and Kavas, 1996), and German prefer domestic products (Diamantopoulos et al. 1995).

Although the research findings with regard to domestic product quality in comparison with foreign product quality were in contradiction with most of the research in this field, it was found to be consistent with other research where consumers rated the foreign products higher than their own country's products (Abdul-Malek 1975; Akaah and Yaprak 1993; Baker and Michie 1995; Bannister and Saunders 1978; Chao 1993; Dornoff et al. 1974; Ghadir 1990; Harrison-Walker 1995; Heslop and Wall 1985; Hooley et al. 1988; Johansson et al. 1985; Khanna 1986; Kochunny et al. 1993; Krishnakumar 1974; Lin and Sternquist 1994; Strutton et al. 1994; Nagashima 1977; Niffenegger et al. 1980; Papadopoulos et al. 1989; Roth and Romeo 1992; Showers and Showers 1993; Tse et al. 1996; Wall and Heslop 1986; White 1979).

One explanation for Qatari consumers higher ratings for foreign services is that they believe that foreign services would give them more quality. This idea is confirmed by the findings of Koruetm, Abourokbah and Alusi (1981). Their findings indicated that 100 per cent of their 400 respondents perceived imported products to be superior to national Products. Moreover, they also found, interestingly, that 100 per cent would purchase a national product only when the same imported product was not available. It would appear that this belief in a higher level of quality of foreign goods/services is not only found within Qatari society, but also throughout the Gulf and Middle Eastern regions (Al-Hammad 1988; Cavusqil and Amine 1985; Ghadir 1990; Metwally 1993). Cavusqil and Amine (1985) reported: very often in this region (Middle East), a "made abroad" label is considered synonymous with a guarantee of quality and reliable performance, not always assured with local-made items" (p. 171-72).

Hypothesis 2: There is no significant difference between the consumers' perceptions of the quality of Gulf and foreign airline services.

Paired T-test showed significant differences between the consumers' perceptions of the quality of domestic and foreign airline services. The differences were statistically significant for 23 quality variables at ($P < .05$) level of significance (see Table 2) The null hypothesis is therefore rejected.

The results of the paired T-test showed that the differences between the Gulf and Arab carriers, and between the Gulf and foreign carriers were statistically significant. One may conclude that the domestic carriers had an unfavorable image in comparison to the foreign carriers and a favorable image in

comparison with the Arab non-Gulf carriers. Findings indicated that the T-value was greater for the difference between the foreign carriers and the domestic than between the Arab non-Gulf and the domestic carriers. This may indicate that the quality of the foreign countries' carriers when compared to the domestic carriers is more appreciated than the quality of the domestic carriers in comparison to the Arab non-Gulf carriers.

Consumers were asked to show their perceptions in general towards the price and the level of quality in relation to the price paid for each of the three airline categories. The paired T-test was performed to test the significance of differences between the prices of Gulf versus Arab non-Gulf carriers. Results revealed that Qatari consumers perceived the price of Gulf services to be higher than the price of Arab non-Gulf services. The difference was statistically significant with a P-value of (.000) level of significant (see Table 3). With regard to the level of quality provided in terms of value for money, it was indicated that the difference was statistically significant with a P-value of (.000) level of significance. It was noticeable that the domestic services had more value for money than the Arab non-Gulf services.

Table 3: A Comparison of the Consumers' Perceptions of the Price of the Domestic Versus Arab Airline Services*

Variables	Gulf Mean	Arab Mean	Dif	t-value	df	2-tail Sig.
Price in general	3.9887	3.5338	.4549	8.72	265	.000
Value for money	3.4796	2.8885	.5911	11.61	268	.000

*Evaluations were done on a 5-point semantic-type scale. For price in general variable, 5= Very high, 4 = High, 3 = Fair, 2 = low, 1 = Very low, and "don't know" reply was treated as missing. For level of quality in relation to value for money variable, 5 = Very high, 4 = High, 3 = Fair, 2 = low, 1 = Very low, and "don't know" reply was treated as missing.

Upon analysis of previous literature, one can find very little research which compares an Arab product or service to a product or service from another group of Arab countries. In addition, there are few studies which compare the prices of domestic products or services to the price of the various product or service sources. Very few of these studies were conducted in countries with similar circumstances to Qatar. However, most of the previous studies were performed in the United States and other developed nations.

Hypothesis 3: There is no significant difference in consumers' perceptions of the price of the Gulf and Arab non-Gulf airlines.

Paired T-test showed significant differences in consumers' perceptions of the price variables of the Gulf versus Arab non-Gulf airlines. The differences were statistically significant at ($P < .05$) level of significance (see Table 3). The null hypothesis is therefore rejected.

The T-test pairs were also used to test the significance of the differences between the services of domestic and foreign carriers. Table 4 shows further the key features of price variables from each airline service. Results indicated a significant difference at $P < .05$ between the price in general of domestic and foreign services.

Again, Qatari consumers perceived the price of Gulf services higher than the price of foreign services. The difference was statistically significant at P-value of (.018).

Statistical significant difference also existed between the value for money variable of the domestic and foreign services. It was noticed that although the Gulf airline services were perceived to be slightly more expensive in general, it was still perceived that they offered less value for money. It was also observed that the price of the foreign services was perceived to be slightly more competitive than the domestic.

Table 4: A Comparison of the Consumers' Perceptions of the Price of the Domestic Versus Foreign Airline Services*

Variables	Gulf Mean	Foreign Mean	Difference	t-Value	df	2-Tail Sig.
Price in general	3.9665	3.7993	.1673	2.38	268	.018
Value for money	3.4796	4.0743	-.5948	-9.27	268	.000

*Evaluations were done on a 5-point semantic-type scale. For "price in general" variable, 5 = Very high, 4 = High, 3 = Fair, 2 = low, 1 = Very low, and "don't know" reply was treated as missing. For level of quality in relation to "value for money" variable, 5 = Very high, 4 = High, 3 = Fair, 2 = low, 1 = Very low, and "don't know" reply was treated as

The literature revealed that no attempts were made to compare the price of the domestic services to that of foreign countries in general. Most of the studies were focused on an individual comparison of products (Ghadir, 1990). Having said that, it may be useful to integrate the study findings to that of previous studies on the basis of how the consumers perceive the prices of their own countries' products or services in comparison to the products or services of foreign countries.

The above findings are in direct contrast to previous studies which has found that the domestic product prices were perceived to be less expensive than those of foreign countries (Nagashima 1970; Lillis and Narayana 1974; Darling and Kraft 1977; Niffenegger et al. 1980; Khanna 1980). Therefore, these results do not correspond with the research results with regard to the competitive prices of the domestic product against those of the foreign countries.

On the other hand, the research findings correspond with findings from other research where consumers perceived the prices of their home country's product to be higher than products from foreign countries (Nagashima 1970; Lillis and Narayana 1974; Cattin and Jolibert 1978; Narayana 1981).

When it came to value for money, it was found that research findings supported the argument of previous research where consumers perceived their own product to have less value for money than products from foreign countries (Hooley et al., 1988). This may indicate that while the Qatari consumers considered the price of domestic services to be high, they felt that it had less value for money than the services of foreign countries.

Moreover, it was found that the literature in relation to consumers' perception

of the prices and value for money of their domestic products was not consistent in this matter. In some studies, the price of a domestic product was evaluated as higher than the competing goods from foreign developing countries, whereas in other studies the price of a domestic product was evaluated as lower than the price of some other advanced foreign countries.

Hypothesis 4: There is no significant difference in the consumers' perceptions of the price of the Gulf and foreign airlines.

Paired T-test showed that the difference in the mean ratings between the two services was statistically significant at $P < .05$ level of significance for both price in general and only value for money variables. The null hypothesis is therefore rejected.

The results indicated that the Gulf services were perceived to have higher prices in general and to offer more value for money than the Arab non-Gulf services. On the other hand, when Gulf services were compared with foreign services, it was indicated that foreign services were perceived to have cheaper prices but offer better value for money.

Hypothesis 5: There is no significant difference between the customers' selection of a Gulf or a foreign airline.

This hypothesis is explored by the results of a one-sample chi-square test. A one-sample chi-square test is a non-parametric test that uses a comparison between observed (data on a nominal-scaled variable and expected frequencies to determine whether observed results are in accord with a stated null hypothesis (Churchill, 1995; Norusis 1990). The SPSS output for this test showed that the observed chi-square value was 40.53 and the associated significance level was .0000 (see Table 5).

Table 5: One-sample Chi-square Test for the Difference between the Customers' Selection of a Gulf or a Foreign Airline

<u>Selection</u>	<u>Cases observed</u>	<u>Expected</u>	<u>Residual</u>
Gulf	214	157.50	56.50
Foreign	<u>101</u>	157.50	-56.50
	315		
<hr/>			
Chi-square = 40.53		D.F.=1	Significance = .0000

Since the observed significance level was too small, the null hypothesis is therefore rejected (Norusis, 1990). This analysis suggests that there is a significant difference in customers' selection of a Gulf or a foreign airline. It was found that around 68 per cent of the total respondents preferred Gulf services and the remainder admitted a preference for foreign services.

One reason for the unexpectedly favorable selection of Gulf airlines may be the consumers' tendency to prefer domestic services. Therefore, preference for domestic services might be due to ethnocentrism and Patriotism. A number of studies on country of origin effects have shown that consumers all over the world generally tend to prefer products or services made or provided by their home-countries to foreign ones. Thus, this finding

offers support to the conclusion of Baker and Michie 1995; Baumgartner and Jolibert (1978); Bruning (1997); Han (1988); Darling and Kraft (1977); Gaedeke (1973); Han and Terpstra; Kaynak and Kucukemiroglu (1993) ; Kaynak, Kucukemiroglu and Kara (1994); Lee, Kim and Miller (1992); McLain and Sternquist (1991); Nagashima (1970); Narayana (1981); Reiersen (1966); and Shimp and Sharma (1987).

Another reason for the favorable selection of services "provided by Gulf countries" may be that, in the mind of Qatari consumers, the word "Gulf" is connected with predominantly favorable associations at an emotional level. In general, individuals tend to have more favorable attitudes towards countries and regions which are close in a geographic sense and similar in a cultural sense than towards very distant and dissimilar countries (Schweiger et al. 1995). It has been noticed that this also holds for "made-in images". Wang and Lamb (1983) found that respondents tended to buy goods produced in close and culturally similar countries. In addition, some authors found that similarities between the value system of countries had an impact on "made in images" and preferences for products "made in" certain countries (Schweiger et al., 1993). Therefore the affinity of Qatari consumers with the Gulf in terms of cultural background may be one of the main factors causing the favorable selection of the services "provided by Gulf States" relative to those of foreign countries. Preference for domestic service providers also may be due to the perceived risk in choosing foreign service providers (Gudum and JKavas 1996; Samiee 1994).

For consumers' perceptions of the quality of Gulf services and their selection of an airline, the customers who selected the Gulf airline category were found to be more likely to perceive the Gulf service as having a significantly superior service to those who selected the foreign airline ($P < .05$ for 24 variables). See 6 below. The exception was having a convenient schedule, not having to wait too much, serving tasty food, offering an excellent entertainment program, and having frequent flights, where no differences were noted.

For the consumers' perceptions of the quality of the Arab services and their selection of an airline, the difference was found to be significant for eighteen of the Arab service quality attributes and factors at ($P < .05$) level of significance. Again, for respondents who selected the Gulf carrier, the mean scores of the eighteen quality variables were significantly higher than those who opted for the foreign carrier. With regard to the consumers' perceptions of the quality of the foreign services and their selection of an airline category, significant differences were produced for almost all of the foreign quality variables ($P < .05$). The exception was the availability of Arabic speaking staff where no difference was obtained ($T\text{-value} = 1.45$, $P\text{-value} = .145$). T-test results showed that between the two groups of airline selections, the foreign selecting group gave higher service quality ratings for all of the quality variables of foreign services than the Gulf selecting group.

Table 6: T-test of Mean Differences in Customers' Perceptions of the Quality of Airline Services and their Selection of a Gulf or a Foreign Airline*

Quality attributes and factors	Perception towards Gulf quality by selection	Perception towards Arab quality by selection	Perception towards Foreign quality by selection
Perform the service right	YES	NO	YES
Perform service at designated time	YES	NO	YES
Call customer for any changes	YES	YES	YES
Give prompt service	YES	NO	YES
Knowledgeable & skilled personnel	YES	NO	YES
Service is accessible by phone	YES	YES	YES
Waiting time is not extensive	NO	YES	YES
Have convenient schedule	NO	YES	YES
Have polite & friendly cabin staff	YES	YES	YES
Explain the service itself	YES	YES	YES
Have staff that speak Arabic	NA	NA	NO
Handling the problems	YES	YES	YES
Have a good airline reputation	YES	YES	YES
Have excellent safety records	YES	YES	YES
Provide individualized attention	YES	YES	YES
Recognize the regular customer	YES	YES	YES
Have clean and neat Cabin staff	YES	NO	YES
Have good reservation services	YES	YES	YES
Arriving & departing on schedule	YES	YES	YES
Handle the baggage carefully	YES	YES	YES
Serve tasty food	NO	YES	YES
Have comfortable seats	YES	NO	YES
Have efficient check-in procedure	YES	YES	YES
Have excellent In-flight services	YES	YES	YES
Excellent entertainment program	NO	YES	YES
Special attention for children	YES	NO	YES
Have convenient connections	YES	NO	YES
Have good frequent flyer programs	YES	NO	YES
Have frequent flight	NO	NO	YES
Use the quickest route & direct flight	YES	NO	YES

*Evaluations were done on a 5-point Likert-type scale, 5 = Strongly agree, 4 = Agree, 3 = Neither agree nor disagree, 2 = Disagree, 1 = Strongly disagree YES = significant at $P < .05$ or better, No = not significant

In terms of the difference between the consumers' perceptions of the price of

airline service and their choice of airline, T-test results revealed no significant difference in the consumers' perception towards the "price in general" of Gulf, Arab and foreign services and their selection of an airline category.

With regard to value for money, results were significant for the three providers ($P < .05$). Consumers who selected the foreign airline for their international flights perceived the Gulf and Arab services to offer lower quality (less value for money) than the foreign services, while those who selected the Gulf airline, perceived the Gulf and foreign services to offer higher quality (more value for money) than the Arab services.

Hypothesis 6: There is no significant difference in the customers' perceptions of any of the airline service quality and price variables and their selection of a Gulf or a foreign airline.

This hypothesis is explored by the results of the independent sample T-Test. Results summarized in Table 8 showed significant differences between the customers' perceptions towards the quality of Gulf, Arab and foreign services in relation to their selection of an airline category. The differences between the selection groups and the customers' perceptions of the quality of each of the participating category of airlines was statistically significant ($P < .05$) in most of the cases and the results of the T-value revealed that the difference was in the same direction in all the cases. For customers' perceptions towards the quality of Gulf and Arab services, it was noticed that these two services were perceived more positively by the Gulf selection group than the foreign one. In contrast, the quality of the foreign services was perceived to be lower by the Gulf selection group.

On the other hand, the summary of Table 7 indicated significant differences in the customers' perceptions of the prices of Gulf, Arab and foreign airlines and their selection of an airline only in the value for money variable. This difference was statistically significant with P-values of .002 (Gulf service), .032 (Arab service) and .001 (foreign service).

This analysis confirmed that there was a significant relationship between the consumers' perceptions of quality and price and their selection of an airline. The null hypothesis is, therefore rejected.

Table 7: Factors and Loadings

Quality Variable of Gulf airline		Loa
Factor 1: (eigen value = 4.1: % of variance = 31.4)		
Performan	Perform service at designated time	.83
	Perform the service right the first time	.81
	Good airline reputation	.68
	Have knowledgeable and skilled personnel	.60
	Arriving and departing on schedule	.57
Factor 2: (eigen value = 1.55: % of variance = 11.9)		
Added value: Provide special attention for children		.83
	Have excellent entertainment program	.74
	Have good frequent flyer programs	.66

Factor 3: (eigen value = 1.17: % of variance = 9.0)	
Accessibility: Service is easily accessible by phone	.86
Waiting time is not extensive	.73
Have good reservation service	.55
Factor 4: (eigen value = 1.1: % of variance = 8.4)	
Food tasty: Serve tasty food	.84
Factor 5: (eigenvalue = 1.003% of variance = 7.7)	
Frequent flights: Have frequent flight	.89

As Table 7 illustrates, the first factor reflected performance of a service at a designated time (.83), performance of a service "right the first time" (.81), good airline reputation (.68), having knowledgeable and skilled personnel (.60) and arriving and departing on schedule (.57). This factor accounted for 31.4 per cent of the total variance. According to Hair et al. (1995) a variable with a higher loading influences to a greater extent the name or label selected to represent a factor. Hair et al. (1995) believed that naming or labeling factors "is not very scientific and is based on the subjective opinion of the analyst. Different analysts in many cases will no doubt assign different names to the same results because of the difference in their background and training" (p. 398). Therefore, this factor may be labeled as a performance factor.

The second factor included issues of providing special attention for children (.83), having excellent entertainment programs (.74), and having good frequent flyer programs (.66) which together accounted for 11.9 per cent of the total variance. This factor may be labeled as an added value factor.

The third factor accounted for 9 per cent of the total variance that included easily accessible service by phone (.86), short waiting time (.73) and having a good reservation service (.55). This factor may be labeled as an accessibility factor.

Only one criteria loaded on the fourth factor. This factor involved the issue of serving tasty food, which accounted for 8.4 per cent of the total variance. Likewise, only one criteria loaded on factor five. It produced 7.7 per cent of the total variance and was concerned with the availability of frequent flights.

Churchill (1995) describes Cronbach's Alpha as the recommended measure of the internal consistency of a set of items. Hair et al. (1995) and subsequent authors all report coefficient alphas as evidence of the internal consistency of both individual factors and the total scale. This approach has been duplicated in the present study where the internal reliability of the 29 items was high (alpha = .91) and the internal reliability for each factor was: performance (.79), added value (.69), and accessibility (.65)

Factors considered important in choosing an airline (32 variables) were subjected to principal components factor analysis with varimax rotation to define customer airline selection criteria in Qatar. Based on the eigenvalue-greater-than-one rule, factor analysis identified six factors as evaluative criteria used in airline selection, accounting for 61.6 per cent of the total variance.

Again, those items with low correlations, whose deletion might improve the overall coefficient alpha score were omitted in order to increase the reliability of the factor (Hair et al. 1998). Table 8 shows the six underlying factors obtained and the criteria contributing to each factor.

Table 8: Factors and Loadings

Factors considered important in choosing airline	Lo
Factor 1: (eigenvalue = 6.4: % of variance = 29.2)	
Performance: Arriving and departing on schedule	.77
Perform service at designated time	.70
Problems handling	.61
Calling customers in case of any changes	.55
Perform the service right the first time	.54
Halal food	.53
Factor 2: (eigenvalue = 2.1: % of variance = 9.7)	
Assurance: Politeness & friendliness of the contact	.67
Clean and neat personnel	.66
Airline reputation	.62
Explainizla the service itself	.61
Have knowledgeable and skilled personnel	.60
Factor 3: (eigenvalue = 1.5: % of variance = 7.0)	
Accessibility: Service is easily accessible by phone	.74
Waiting time is not extensive	.69
Giving prompt service	.60
Factor 4: (eigenvalue = 1.3: % of variance = 6.0)	
Flight frequency: Frequency of flights	.77
Entertainment programs	.73
Frequent flyer membership program	.61
Quickest rout direct flights	.55
Factor 5: (eigenvalue = 1.07 : % of variance = 4.9)	
Understanding & Recognising the regular customer	.83
Knowing: Providing individualized attention	.80
Factor 6: (eigenvalue = 1.04 : % of variance = 4.7)	
Trustworthiness: Food Quality	.81
Baggage handling	.61

As shown in Table 8, the first factor was composed of: arriving and departing on schedule (.77), performance of a service at the designated time (.70), efficient handling of problems (.61), contacting customers in case of any changes (.55), getting the service "right the first time" (.54), and provision of Halal food (.53). This factor accounted for 31.4 per cent of the total variance and appeared to explain the performance dimension of the airline service. Thus, this factor may be labeled as a performance factor.

The second factor accounted for 11.9 per cent of the total variance. It

included mostly the assurance variables of service. Those variables were: politeness and friendliness of the contact personnel (.67), neatness and cleanliness of the personnel (.66), airline reputation (.62), explaining the service itself (.61), and knowledgeable and skilled personnel (.60). Therefore, this factor could be reasonably labeled as an assurance factor.

The third factor accounted for 9 per cent of the total variance; easily accessible service by phone (.74), short waiting time (.69) and giving prompt as a service (.60). This factor may be labeled accessibility factor.

Factor 4 consisted of four variables: frequency of flights (.77), entertainment program (.73), frequent flyer membership program (.61), and quickest direct rout flights (.55). This factor, which explained 6 per cent the total variance might be labeled as flight frequency.

Factor 5 was composed of two variables. These variables are: recognizing the regular customer (.083) and providing individualized attention. This factor may be named as understanding/knowing the customer factor. It explained 5 per cent of the total variance. Likewise, two criteria loaded on factor 6. This factor involved issues of serving quality food (.81) and baggage handling (.61) which accounted for 8.4 per cent of the total variance. This sixth factor can be identified as the trustworthiness factor.

The internal reliability of individual factors was demonstrated utilizing Cronbach's Alpha. (Baker 1991; Churchill 1995). The coefficient alpha across the six factors was: performance (.80), assurance (.74), accessibility (.67), frequency of flights (.68), understanding and knowing the and trustworthiness (.58).

Hypothesis 7: There is no significant relationship between the users of the Gulf, Arab non-Gulf foreign airlines and the factors considered important in choosing an airline.

Using a one way analysis of variance test, variable of airline users (data on a nominalscaled variable) was tested for its relationship with the factors considered important in selecting airline. The results are presented in Table 9.

Table 9: One-Way-Anova: Factors Considered Important in Choosing an Airline: By Origin of Airline Used

Dependent/Independent	Group	F	F Prob
Performance	means	Rat	Comparison
carriers	4.6341	2.1	.0961
and Arab carriers	4.5556		
and Foreign	4.7610		
A Arab and	4.5989		
Assu	4.5447	2.0	.1013
carriers		915	
and Arab carriers	4.4000		
and Foreign	4.4000		
Arab and Foreign	4.3503		
Accessibility	4.1232	1.3	2548
carriers		608	
and Arab carriers	4.0081		
and Foreign	4.2564		
Arab and Foreign	4.1742		

Frequency of flights	3.8989	1.0	.3557
carriers		848	
and Arab carriers	3.7202		
and Foreign	3.9375		
Arab and Foreign	3.9276		
Understanding/knowing the	4.0444	.11	.9520
carriers		38	
and Arab carriers	3.9405		
and Foreign	4.0192		
Arab and Foreign	3.9972		
Trustworthiness	4.5435	2.2	.0773
carriers		996	
and Arab carriers	4.2738		
and Foreign	4.5566		
Arab and Foreign	4.4635		

As can be seen from the table, no significant relationship at .05 significance level was observed among the group of airlines experienced by consumers and factors considered important to their choice of an airline. This analysis confirmed that there is no significant relationship (at $P < .05$) between users of airline type and factors considered important in choosing an airline. The null hypothesis is therefore accepted. This finding seemed to be inconsistent with past research findings by Kaynak et al. (1994) in which they found significant differences at .05 or less among users of US carriers, foreign carriers and users of both types of carriers. Their findings revealed that "users of foreign airlines placed more importance on in-flight entertainment, free alcoholic beverages and availability of frequent flights. Whereas, users of US carriers placed significantly more importance on airport ticket counter service. Users of both US and foreign carriers placed significantly more importance on competitive fare than domestic and foreign airline user alone" (p.244-245).

SUMMARY AND CONCLUSION

During the turbulent 1970s and the early part of the 1980s, marketing was a comparatively unimportant activity among airline companies around the world, due to stringent industry regulations. In addition, the industry was operating in a sellers' market around the world. In particular, protected by government ownership and regulations, airlines were safe from the serious competitive effects of the market place. In most cases, the industry showed an oligopolistic market structure (Kaynak, et al. 1994). Thus, price competition was non-existent, promotional efforts were limited, product/service quality was uneven and little effort was given to the development of an efficient distribution system through "hub and spoke" networks (Borenstein 1989).

Nowadays, there have been a number of changes in the global airlines industry which have had profound effects on the development of this rapid growing sector of the economy in most countries of the world (Pustay 1992). The continuous relationship between airlines and their customers has become the watchword and airline industry standard.

The findings of the research reported indicated that domestic carriers had an unfavorable image comparison to the foreign carriers and a favorable image compared

with the Arab non-Gulf carriers. This may indicate that the quality of the foreign countries' carriers when compared to the domestic carriers is more appreciated than the quality of domestic carriers in comparison to the Arab non-Gulf carriers.

The results revealed that the Gulf services were perceived to have "higher prices in general" and to offer "more value for money" than the Arab non-Gulf services. On the other hand, when Gulf services were compared with foreign services, it was indicated that foreign services were perceived to have prices that are slightly more competitive and to offer better value money than the Gulf services.

Like other studies on country of origin effects, the findings of this research indicated that Qatari consumers tended to prefer services provided by their home-country to foreign ones. Two thirds of the total respondents preferred Gulf services and the remainder showed a preference for foreign services. The affinity of Qatari consumers with the Gulf in terms of cultural background may be the main factor causing the favorable selection of the services "provided by Gulf States" relative to those of foreign countries.

With regard to the relationship between factors considered important in choosing an airline and the users of the Gulf, Arab non-Gulf and foreign airlines, the findings indicated no significant relationship between users of airline type and factors considered important in choosing an airlines. Likewise, no significant relationship was observed among consumers' selection of a Gulf and a foreign carrier and factors considered important in choosing an airline.

Despite the importance of the research findings of the present study, the study has some limitations. A quantitative technique was used in this research, limiting the richness of information that could have been obtained from some qualitative methods of data collection. Due to the lack of knowledge of country of origin effects in Middle Eastern countries and particularly in Qatar, the questions asked in the questionnaire were based heavily on western literature and research, this may have reduced the validity of some of the questions. Due to financial and time limitations, the sample was drawn from only Qatari consumers. If other states of the Gulf (Bahrain, UAE, Oman, Saudi Arabia, Kuwait) had been included, the information gathered would have been more comprehensive, and more generalizable.

Another important limitation was related to the length of the questionnaire. A number of respondents pointed out that the questionnaire was too lengthy. Due to the descriptive nature of the study, the length of the questionnaire was required to capture a wide range of aspects of the consumers perceptions. This limitation can be reduced to a greater extent through the improvement of the research questionnaire by future researchers. Generalization beyond the airline service industry is tenuous. For example, in a service industry such as an airline, high involvement services such as airline, have different service quality definitions than low involvement services such as fast food or dry cleaning (Cronin and Taylor 1997). Therefore, managers and researchers must be very careful when making cross-sectional comparisons between different types of service industries.

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