DOMESTIC PASSENGERS' ATTITUDE AND EXPECTATION TOWARDS LOW-COST AIRLINES' SERVICE QUALITY

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Abstract: In general, domestic passengers pay a low price for low-cost airline ticket. What could be their expectations for service quality? The purposes of this paper were to investigate domestic passengers' attitude and their expectation towards low-cost airlines' service quality in Thailand as well as to examine the level of satisfaction from the inflight service they received during their short flight in domestic areas of Thailand. The main focus of this research study was on domestic passengers who travelled in Thailand during the first quarter of the year 2017. A purposive sampling technique was utilized to obtain about 400 domestic passengers from four major different low-cost airlines in various Thai airports. Statistics included mean, standard deviation, ANOVO, and Multi-regression. The finding revealed that the majority of domestic passengers rated their level of satisfaction at a medium level and had a low expectation for service quality. They generally had a very positive attitude about price and channel of ticket purchasing. Since the majority of domestic passengers had a very low expectation of service quality, most of the service quality they received had met domestic customers' expectation.

Keywords- Domestic Passengers, Service Quality, Expectation

I. INTRODUCTION

For the last two decades, there is obviously an increasing demand for low cost airlines business from domestic passengers. The question often comes to the minds of passengers why pay high price for full service airlines? Is there a different service quality between the two modes of airplanes? In fact, what are the major differences between low-cost airlines and full service airlines? The obvious answer come to the majority of passengers is the significance of low prices. By offering low prices, does it mean the lowcost airline must have low quality, low safety, low benefits, and long lines. The most important question is, in the passengers' mind, do the low prices a reflection of lower level of satisfaction? This is a very important question. In fact, airlines business is a business that require a huge investment. Many of these companies need assistances to be able to compete in world market. In addition, it use a lot of expensive energy or fuel which is unsteady prices. The price of fuel has a direct impact to the price of airline tickets. In fact, there is a cyclical market to world airline market. Therefore, during the boom market or the expanding economy, the airline industry often makes a killing in the market or gain high profit, whereas in the bust period or contraction period of economy, the airline industry often make a big loss. In addition, the airlines business and airline companies are subjected to many complexed rules and regulations governed the airline industry and local governments. Therefore, deregulated leads to the new kinds of airline service such as low-cost airline with low prices.

In fact, it is a common sense that the majority of low-cost airlines provide the same services with full service airlines in the sense that they can bring passengers from point A to point B safety, but with lower cost and a little cut in services.

Therefore, the low-cost airlines often are attractive to the majority of passengers who are price sensitive, especially young passengers with limited incomes and leisure travelers. In fact, the low-cost airlines have the advantages of low costs which can be pushed to passengers as low price tickets in the areas of three main groups: service saving, operational saving, and overhead saving. Many research studies, however, try to find the ways to compare different groups of passengers with different prices and services. By using a Likert five scale, this research study aimed to investigate the level of satisfaction from international passengers who travelled low-cost airlines and rated the ten different areas of products and service that leads to their conclusion of their level of satisfaction from their own experiences. These ten factors were location of agency, low-price, convenience of ticket purchasing, service, safety, check-in counter, discount promotion, brand, on-time performance, and Image. Loyalty is the key of success for any business, especially service business. The important facts is that customer satisfaction helps a firm to retain its customers in the long run or in a sustainable way. In other words, customer loyalty causes by customer satisfaction and the benefit of customer satisfaction is to come to patronage the same service with the same providers again and again. In modern business concept and philosophy, business can be survive in the long run by maximizing profit and maximizing customer satisfaction, a business enterprise must make certain that their customers are highly satisfied because a business organization can boost up their market share as well as profit in the long run.

II. RESEARCH METHODOLOGY

The low price is the key for low-cost airline passengers. Thus, it is vital to survey the level of

satisfaction of ten factors of low-cost airline business. A quantitative method to survey the level of satisfaction for international passengers of both lowcost airlines was utilized. An English questionnaire was designed to collect data and to measure passengers' satisfaction by utilizing likert five scales. There were three parts of questionnaires. The first part of the questionnaire was designed to collect their demographic data such as gender, age, education, income, and main motive to travel by patronizing low-cost airlines. The second part of the questionnaire was designed to measure their level of satisfaction in ten different market factors. The last part was aimed to ask their comments and other feedback about the airlines. Sample size was determined by utilizing ideas of Taro Yamane (1973). A total of 300 samples of passengers was conveniently select at four major airports of Thailand. A pilot study of 20 samples of passengers was tested in order to make changes and re-adjustments to the method of the research. Moreover, the validity of the research was tested by using three experts in the areas of tourism and airline management to read and evaluate on each question in questionnaire by utilizing the method of Item Objective Congruency (IOC)

III. RESULTS AND DISCUSSION

The results from the research revealed important key information. The characteristic of the sample data revealed that the majority of low-cost airline samples were young and middle age, or in the age between 20-40 years old. About half of the samples were from passengers of low-cost airline were male and the other half were female passengers. Moreover, the majority of sample or about 72 percent had an undergraduate degree or associated degree. The majority of the samples or about 70 percent had an income between 25,000- 50,000 baht per month, which was an indication that they were in a middle class group. When asked about their ticket purchasing of low-cost airline in the past, 72 percent of the respondents reported they choose to buy mainly lowcost first and if not available, they will choose full service airline which may depend on the different

circumstances and different situations. When they were asked about the main motive to buy low-cost airline, their responses was about the low price. When ranked by using the mean rated by low-cost passengers for their level of satisfaction on each ten market factors, the results were as follow: low ticket price, convenience of the channel of purchasing ticket, discount promotion, location of agency, checkin counter, safety, brand, on time performance, service, and image. The overall level of satisfaction was 4.78 and SD of 0.902. In other words, they are happy with the service quality as long as the ticket price is low and the perception is good as long as the ticket price is low.

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