

## Psychology and Marketing factors influenced on Low-Cost consumers' expectations

Theppaluk Komolvaniij

International College, Suan Sunandha Rajabhat University,  
Bangkok, Thailand

theppaluk.ko@ssru.ac.th

### Abstract

Safe service is the main important concept for the airlines serving consumers. As the present, the low-cost airlines market extremely grow and competing each other in the airlines market, while they must maintain provide Safe and Satisfaction service for consumers. The aim of this paper is to identify the air traveler major perspective factors before selecting low-cost airlines in Thailand. This paper also finds how low-cost airlines constitute best service quality as per consumer expectations and to examine the casual relationships between two consecutive frameworks of perspective before consumers decide to select the airlines. The methodology investigates by combining both quantitative by using the 400 respondents and qualitative by second-order confirmatory factor analysis using 5W1H (Who, What, When, Where, Why, and How) correlation in factors affecting consumers' intensions regarding using low-cost airlines. The first perspective framework analyzed on four consumers' psychological perspective factors; behavioristic, cognitive, psychodynamic, and humanistic. While the second conceptual framework analyzed on classic four marketing mix factors which are product, price, place, and promotion. This paper found the consumers' major impacts on expectation before deciding to select the airlines are psychodynamic (self); to serve them the best in a low rate cost and behavior (stimulus and response); the airlines must serve as the consumers satisfaction. When proceeding further correlated analyzes found that airlines should provide high responses in product (reputation); the strong internal profile of the company and price; valued price for both consumer and airlines. Conversely, the behavior (loyalty) is not a major factor on low-cost airlines' selection in this paper.

### Key-words

Factors, Low-cost, Airlines, Behavior, Psychology

### Introduction

Airline Business has been changed the personality since millennium period including the world economic crisis. Most of the airlines were adapting self to match with the stage of the world current economic. This causes major change in the airlines' service industry through all type of service, example: in-flight service changed. Meanwhile, the Low-cost airlines were entering into industry. As per the research report by Department of Civil Aviation, analyzed that the airline industry was affected from the economic crisis in year 2009, but expect the passenger growth would be in 2015. With the access of AEC, the airlines have been in fierce competition especially for the low-cost airlines. The airlines are trying to create more promotions about the low price for consumers. The consumers are looking for airlines that suitable to them. Base on mentioned information, the researcher is interested to study a relationship between psychological perspective and the marketing mix. Classic four marketing mix is used and analyzed as factors related to consumers' psychological perspective.

### Literature review

#### *2.1 Psychological perspective*

The first framework is analyzing on four consumers' psychological perspective factors which are behavior, cognitive, psychodynamic, and humanistic. The psychological perspective views behavior as the result of psychological processes within each person. Behavioristic view: Behavior is shaped and controlled by one's environment. Behavioral emphasized on learning, reinforcement, and imitation. John Dollard and Neal Miller (1950) explained habits make up the structure of personality. Habits are governed by four elements of learning: A drive is any stimulus strong enough to goad a person to action, Cues are signals from the environment. These signals guide responses (actions) to bring about rewards (position reinforcement). Cognitive view: Much human behavior can be understood in terms of the mental processing of information. Cognitive learning is higher learning involving thinking, knowing, understanding, and anticipation. Also revealed by latent learning that occurs without obvious reinforcement and that remain unexpressed until reinforcement is provided. Psychodynamic view: Behavior is directed by forces within one's personality that are often hidden or unconscious. Psychodynamic refers to Sigmund Freud work, personality. Freud's model portrays personality as a dynamic system directed by 3 mental structures, Id, Ego, and Superego. Id operates on the pleasure principle, controlled by Ego which is the system of thinking, planning, problem solving, and deciding. Superego acts

as a judge or censor for thoughts and actions of Ego. The first part of Superego is conscience, when standard consciences were not met, it will be punished internally by guilt feeling. The second part of Superego is the Ego ideal, reflect all behavior one's parents approved for rewarded, source of goal and aspirations. Humanistic view: Behavior is guided by one's self-image, by subjective perceptions of the world, and by needs for personal growth. Humanistic emphasized on subjective experience which is private perceptions of reality. Refer to Carl Roger's self theory consists of self-image, ideal self (the person you would like to be) and true self (the person you actually are).

**2.2 Marketing Mix**

The second framework is analyzing on classic four marketing mix factors which are product, price, place, and promotion. Product: views on objects and processes which provided to consumers. Price: the most important mix for all company because price can generate income, price can be influenced to consumers to choose, and price can be affected to the company's image. Place: views on accessibility and availability. Promotion: views on communication channels to inform, educate, persuade, and remind consumers about the company.

**2.3 Related research**

Sittichai Charoensettasilp and Chong Wu studied A relationship between expectation (before) and satisfaction (after) receiving services of Thai consumers from domestic low-cost airlines described that the results of all aspects are different both in general and for each aspect of the service marketing mix. Average level of expectations are higher than satisfaction in all aspects. Vittavat Udomkitti studied Factors influencing customers' buying decisions process of low-cost airlines services in Thailand found that marketing mix are related with the decision making of the customers especially in the service area. The studied also found that customers considered about the safety, then the price that related to distance. Bavornluck Kuosuwan studied Market factors influencing the decision to patronage low-cost carriers found that the first three market factors influencing the decision to patronage the low-cost were low price, channel of purchasing, and promotion. Milioti C. and group studied Traveler perceptions and airline choice: A multivariate probit approach, found the result of fare, safety and reliability, and friendly-and-helpful staff during flight are the most important determinants of airline choice. These factors depict differences among passengers with different socio-demographic and trip characteristics.

**Methodology**

The methodology for this paper use both qualitative and quantitative analysis. This investigates by compulsory of second-order confirmatory factor analysis using 5W1H (Who, What, When, Where, Why, and How) with the marketing mix in factors affecting consumers' intensions regarding using low-cost airlines. The 400 questionnaires were conducted with accidental sampling from customers who were using low-cost airlines in Thailand. The questionnaire was designed with Index of Item-Objective Congruence which brought total value of questionnaire standard. The quantitative analysis uses the primary source including related research to review the main factors the mostly affected to the decision. The paper using the correlation method to cross between psychometric factors and marketing mix with acceptable possible at 0.05.

**Conclusions**

The findings of this study revealed that the concern factors on low-cost airlines choosing decision were a total of 400 respondents accidentally sampling at the airport in Bangkok, Thailand, male and female en respectively proportion with the majority age between 25-35 years old, bachelor degree, average income between 20,000-40,000 baht living in outbound area of Bangkok.

TABLE I – Who (Income and Product)

Psychometric / Marketing Mix	Low	Medium	High
Low			0.10
Medium			0.14
High			0.07

The findings of TABLE I using 'Who' show the correlation between Income of consumer (Behavior) and Product of airlines, which all types of income consumers need the high valued product includes good reputation, aircraft, in-flight service from airlines. This reflects on Id of consumers to drive the behavior which mostly require quality items when spending money. In marketing area this reflects the airlines must develop and provide all the products.

TABLE II – What (Purpose and Product)

Psychometric / Marketing Mix	Low	Medium	High
Low			
Medium			0.07
High			

The findings of TABLE II using ‘What’ show the correlation between Purpose of consumer (Cognitive) and Product of airlines, which both leisure and business consumers need the high product performance from airlines. This reflects on Ego of consumers that most consumers control and require high performance in any occasion of travel. The airlines must provide high product to all types of consumers.

TABLE III – When (Usage and Promotion)

Psychometric / Marketing Mix	Low	Medium	High
Low			
Medium			
High			0.09

The findings of TABLE III using ‘When’ show the correlation between Consumers’ usage (Behavior) and Promotion of airlines, which high usage type of consumers (more often) need more promotion from airlines. This means more often the airlines launch the promotion, the consumer will be easily consider to travel but not concern about loyalty to the airlines. This reflects on Id of consumers that whoever more often travel need the promotion and also the promotion can drive the consumer to travel on low-cost airlines.

TABLE IV – Where (Gender and Destination)

Psychometric / Marketing Mix	Low	Medium	High
Low			
Medium		0.05	
High			

The findings of TABLE IV using ‘Where’ show the correlation between Gender of consumer (Humanistic) and Destination of airlines, found that both gender consider only main destination of airlines. This means both gender of consumer consider about the destination with non-differential. This reflects on Ego of consumers that all genders can accept the destinations that airlines provide with the reason. In the marketing term, the business might consider to add more routes in the future.

TABLE V – Why (Necessity and Price)

Psychometric / Marketing Mix	Low	Medium	High
Low			
Medium	0.09		
High			

The findings of TABLE V using ‘Why’ show the correlation between Necessity of consumer (Behavior) and Price of airlines, found that medium necessity consumers related with the low price.

This means consumer consider about the price prior necessity. This reflects on Id of most consumers that they still are in need of low-price.

TABLE VI – How (Education and Distribution Channel)

Psychometric / Marketing Mix	Low	Medium	High
Low			
Medium			
High			0.10

The findings of TABLE VI using ‘How’ show the correlation between Education of consumer (Psychometric) and Airlines distribution channel, found that high education consumer related to the fast and easy distribution channel from airlines. This reflects on Ego of consumer who has higher education needs more quicker access through the channel.

From the findings of this study, it can be concluded that Psychometric, mostly Id and Ego, related to Marketing factors before the consumers were choosing the airlines. The major factors concerning to choose the airlines on psychology are the consumers psychometric and behavioristic which mostly the consumers think about themselves no matter in which side, that means Id is presenting the need through income feeling, need of using the airlines, and the necessity. Once Id needs, the Ego is representing drive control the behavior of each person through purpose of using the airlines, gender, and education which these factors had been in time-developed of each consumer. In the marketing term can be concluded that product must response to the need of consumers at all times, price must response to the consumers’ acceptance about the price, place of distribution must be fast and easy to access, promotion must apply most of the time to support the consumers’ need.

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