

International passengers' satisfaction: A case study of low-cost airlines

Natnaporn Aeknarajindawat
Graduate School

Suan Sunandha Rajabhat University, Bangkok, Thailand

Keywords

Passengers' Satisfaction, Low-cost Airlines, International Passengers

Abstract

Low-cost airline business, certainly, has an increasing demand for both domestic and international passengers. The purposes of this study was to survey international passengers' satisfaction in the low-cost airlines industry in Thailand in order to compare factors of satisfactions of low-cost airlines. A total of 400 international passengers were selected from four low-cost airlines from four major airports of Thailand. The questionnaire of this study was designed to compare level of satisfaction in ten different areas which were location of agency, low-price, convenience of ticket purchasing, service, safety, check-in counter, discount promotion, brand, on-time performance, and Image. Statistics analysis utilized in this study included percentage, means, standard deviation and t-test. Based on their different experiences of international passengers, the findings revealed that the international passengers rated low-price, conveniences of ticket purchasing, and discount promotion at the highest mean.

1. Introduction

Nowadays, there is an increasing demand for low cost airlines business from both domestic and international passengers. The question often comes to the minds of passengers why pay high price for full service airlines when there is not much different service quality between the two modes of airplane, especially in the short flight which last only less than two hours. In fact, what are the major differences between low-cost airlines and full service airlines? The best answer come to general passengers is the significance of low prices. By offering low prices, does it mean the low-cost airline must have low quality, low safety, low benefits, low comfy, and so forth, The most important question is, in the passengers' mind, do the low prices a reflection of lower level of satisfaction? This is a very vital question to find the answer.

In fact, airlines business is a business that require a huge investment. Many of these needs helps from local government. In addition, it use a lot of energy or fuel which the price of fuel is often not steady. The price of fuel has a direct effect to the price of airline tickets. In addition, it is imperative to comprehend that there is a cyclical market the Airline market (Hatty and Hollmeir, 2003). Therefore, during the boom period or the expanding economy, the airline industry often makes a killing in the market or high profit, whereas in the bust period or contraction period of economy, the airline industry may lose a lot of opportunity for profit. In fact, the airlines business is subjected to many rules and regulations governed the airline industry. Therefore, deregulated leads to the new kinds of airline service such as low-cost airline with low prices.

In fact, it is true that the majority of low-cost airlines have created to provide the same service in the sense that bring passengers from point A to point B safety, but with lower cost. 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 (Morrell, 2005). 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 (Snyder, 2014). 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.

2. Literature Review

In general, many studies on customer satisfaction often focus on the service quality which leads to the high level of satisfaction and satisfaction, in turn, leads to the high customer loyalty. This is due to the fact that customer satisfaction has a link to a strong influence of customer retention rate and profitable rate. In fact, from many researches, there are many factors that can lead to profit but clearly one of the most important factors that can lead to customer's loyalty is the attitude of customer satisfaction (Baker, 2013). The definition of customer satisfaction can be coined as customer's fulfillment response which means it is a judgement that a product or service provides a pleasurable level of consumption (Oliver, 1997). The meaning of customer satisfaction can also be defined by using the gap concept which explains the gap between the customers' expectation and customers' real experience of the consumption of a particular goods or services (Wongleedee, 2013). In other words, level of satisfaction is the difference between what customers anticipate and what they really receive. In fact, customer satisfaction has direct impact not only to customers themselves as well as to the circle of customers' friends and family. The high level of satisfaction, the more they are likely to talk about their experience positively to the circle of customers' friends and family.

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 (Shin and Elliot, 2001). In fact, low-cost airline business is the same as other service businesses that it requires loyalty from their regular customers or passengers. To have ability to satisfy passengers and offering low prices to customers, it is not an easy task. However, the fact is that customer satisfaction is one of the major factors contribute to the organization success, it is important for low-cost airline business to focus on customer satisfaction in the ten market factors: location of agency, low-price, convenience of ticket purchasing, service, safety, check-in counter, discount promotion, brand, on-time performance, and Image.

3. Methodology

It is important to survey the level of satisfaction of ten factors of low-cost airline business. A quantitative method to study the level of satisfaction for international passengers of both low-cost airlines was utilized to find the answer to the research questions. An English questionnaire was designed to collect data and to measure international passengers' satisfaction by utilizing likert five scales. There were three parts of questionnaires. The first part of the questionnaire was aimed to collect their demographic data such as gender, age, education, country of origin, income, and main motive to travel by patronizing low-cost airlines. The second part of the questionnaire was aimed 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 400 samples of international passengers was randomly choose at four major airports of Thailand. A pilot study of 30 samples of international passengers was tested in order to make proper adjustments to the method of the research. Also, the validity of the research was tested by using three experts in the areas of tourism and airline management to read and comment on each question in questionnaire by utilizing the method of Item Objective Congruency or IOC Index.

4. Findings

Table 1. TEN MARKET FACTORS AND LEVEL OF SATISFACTION

Factors	Mean	S.D.	Rank
1. Low ticket price	4.89	0.980	1
2. Convenience	4.70	0.793	2
3. Discount Promotion	4.65	1.002	3
4. Location of Agency	4.61	0.692	4
5. Check-in Counter	4.57	0.794	5
6. Safety	4.45	0.690	6
7. Brand	4.32	0.899	7
8. On-time performance	4.01	0.742	8
9. Service	3.89	0.568	9
10. Image	3.56	0.917	10
Overall	4.36	0.808	

The findings from the data collection and data analyze revealed important information. The main purposes of this paper were to study the demographic information as well as to survey the level of satisfaction of international passengers. The characteristic of the samples revealed that the majority of low-cost airline samples were young and middle age, or in the age between 25-45 years old. Half of the samples were from international passengers of low-cost airline were male and the other half were female international passengers. The majority of the samples of international passengers were from three groups or Australia, European nations or Asia nations. Only a few were from North America and South America. Moreover, the majority of sample or about 61 percent had an undergraduate degree or associated degree. The majority of the samples or about 67 percent had an income between 45,000- 65,000 US Dollars, 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, 68 percent of the respondents reported they choose to buy mainly low-cost first and if not available, they will choose full service airline which may depend on the different circumstances and different situations. When 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 international 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, check-in counter, safety, brand, on time performance, service, and image. The overall level of satisfaction was 4.35 and SD of 0.808.

5. Limitations and Future Research

One of the major limitation of this research paper was about the 400 of samples utilized by this paper which need to be more vary of the origin of international passengers. The future research needs to collect a variety of samples to obtain a more reliable conclusion. Certainly, there should be a comparison between different group of passengers to different products and service. Also, there should be investigate the real motive of international passengers to show how different group of passengers rated their level of satisfaction within its own expectation. The future research might need to use a variety group of passengers, who travel both low-cost and full-service airlines, to determine their level of satisfaction of both low-cost and full service airlines. More importantly, the erudition link between customer satisfaction and customer loyalty is also need to explore deeply in the future.

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