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**CUSTOMER SATISFACTION AS A FACTOR OF AIRLINES
LOYALTY PROGRAMS DEVELOPMENT
(THE CASE OF THAI AIRWAYS – DOMESTIC)**

The purpose of this study was to examine the key factors in service quality on the case study of Thai domestic passengers who traveled in various tourist destinations of Thailand. The findings revealed pleasure was the main purpose for travelling (75.5% of the respondents). All considered factors had a positive influence on passengers' perception of service quality, however, timeliness of service showed the highest influence whereas the personality of service provider and satisfaction from service were ranked second and third by influence.

Keywords: air line; Thailand; customer satisfaction; services.

Кевін Вонгліді

**ЗАДОВОЛЕНІСТЬ КЛІЄНТІВ ЯК ЧИННИК ВПЛИВУ
НА РОЗРОБКУ ПРОГРАМ ЛОЯЛЬНОСТІ ДЛЯ АВІАЛІНІЙ
(НА ПРИКЛАДІ ВНУТРІШНІХ РЕЙСІВ «ТАЙСЬКИХ АВІАЛІНІЙ»)**

У статті досліджено ключові фактори впливу на якість сервісу, для чого були опитані пасажери різноманітних внутрішніх рейсів «Тайських авіаліній». Результати опитування показали, що головною метою перельоту для пасажирів є «задоволення» (розважальна мета, 75,5% всіх респондентів). Всі запропоновані на початку фактори мають свій вплив на сприйняття якості послуги, однак своєчасність надання послуги отримала найвищий бал, друге та третє місця відповідно отримали особисті якості надавача послуги та задоволеність від самої послуги.

Ключові слова: авіалінії; Таїланд; задоволеність клієнтів; послуги.

Літ. 11.

Кевин Вонгглиди

**УДОВЛЕТВОРЁННОСТЬ КЛИЕНТОВ КАК ФАКТОР ВЛИЯНИЯ
В РАЗРАБОТКЕ ПРОГРАММ ЛОЯЛЬНОСТИ АВИАЛИНИЯМИ
(НА ПРИМЕРЕ ВНУТРЕННИХ РЕЙСОВ
«ТАЙСКИХ АВИАЛИНИЙ»)**

В статье исследованы ключевые факторы влияния на качество сервиса, для чего были опрошены пассажиры на различных внутренних рейсах «Тайских авиалиний». Результаты опроса показали, что основной целью перелёта для пассажиров является «получение удовольствия» (развлекательная цель, 75,5% всех респондентов). Все предполагаемые факторы имеют своё влияние на восприятие качества услуги, однако своевременность предоставления услуги получила наивысший балл, второе и третье места соответственно заняли личные качества персонала и удовлетворённость от самой услуги.

Ключевые слова: авиалинии; Таиланд; удовлетворённость клиентов; услуги.

Introduction. In order to facilitate a proper definition that helps understanding the meaning of service quality, it is essential to clarify the definition of service quality as such. What is service quality? Service quality is service performance that can enhance the level of consumer satisfaction which can be recognized as a viable marketing strategy for firms striving to achieve service differentiation and consumer satisfaction (Kotler, 2000). Service quality is one of the most important marketing to-

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pics frequently studied and debated by many marketers and researchers. There are many marketing issues that are the consequence of service quality such as consumers' satisfaction, consumer loyalty etc. Many marketing studies (e.g., Overholt et al., 2007). revealed that there is certainly a positive link between high customer satisfaction from service quality and customers' loyalty. Indeed, there are many benefits from high standards of service quality such as sustainable demand from satisfied consumers as well as a positive image at the market. J. Chen and C. Gursoy (2001) stated that consumer loyalty in tourism can be traced back to high standard of quality. J. Chen (1998), who had done many researches on international tourism decision making, revealed that the experience of high service quality often influence future decisions.

And how all of this applies to airline business specifically?

According to S. Shaw (2007), more domestic passengers are satisfied with the quality of service, the more domestic passengers would become loyalty to a particular airline brand. Therefore, airline industry should work on improving their standards of service quality in order to gain reputation and increase the overall level of satisfaction.

A well developed marketing plan aimed to improve the standard quality of service should be the top priority. In order to examine the key factors of service quality we obtained information by conducting a survey of Thai domestic passengers. The focus of this study is the service quality, while the key objective is to find the best possible way to develop the best marketing strategy in order to enhance the level of service quality.

Since there is a lack of research on the topic, this study aims to investigate service quality from the experience and perspective of Thai domestic passengers (Bangkok, Thailand) in order to offer the best guidelines in understanding and revealing the most important key factor of service quality. Further on this would help provide a plan to create a positive attitude and positive image of the airline in general.

Literature review. According to L. Heracleous, J. Wirtz and N. Pangarkar (2009), there are 4 attributes of service quality. First, services are intangible. This means service cannot be verified and tested for quality before sale. Second, inseparability. This means that consumers are involved in the production process of a service they are getting. Third, service implies heterogeneity. This means the quality of service can vary depending on a particular employee of a service provider. Fourth is perishability. This means service cannot be stored for another period of time. This study of the main factors influencing the service quality of Thai domestic airlines was based on the adaptation the service quality theory (Brian, 2013).

As standpoints for identifying the factors of custom loyalty and stages in competitive custom-oriented strategy creation and implementation the famous we used Porter's competition model (Porter, 2008) that shows not only the driving forces of corporative competitiveness in the globalizing world but also highlights the directions and important tools for company's strategy on own competitiveness development – from the lowest price level to the highest one, based on customers loyalty.

It is critical to understand the factors that make passengers select the same airline brand again and again.

The next question is how to enumerate the benefits of having loyal passengers? S. Shoemaker and L. Lewis (1999) stated that loyal consumers lead to steady revenue

as well as free of charge positive word of mouth advertising which is often more effective than commercial ads. Satisfaction from high service quality is an important condition for airline business to gain loyalty.

Planning of this research and choosing the methodology was based on the findings of D. Ushakov and A. Arkhipov (2014) concerning the economic role of airlines and tourism industries development within national urban systems globalization and networking (in particular, the methods for numerical evaluation of inter-cities economic and social relationships).

Methodology. The major purpose of this study is to investigate the key factors in service quality using the case study of Thai domestic passengers who traveled in major tourist destinations in Thailand (Thai Airways annual report, 2014). The influencing factors can connect to quality of service. The total sample 400 respondents, and using the methodology of T. Yamane (1973) we got the 95% level of confidence and the 0.05 level of significance. Statistic description included mean, standard deviation, and testing the relationship of factors at the 0.05 level of significance. Likert five-point scale questions were chosen to measure the importance of factors for service quality. The target population was Thai domestic passengers during the year of 2014. The total time we spent on collection was 3 months. The random sampling and quota sampling method were used to obtain 400 sets of answers. For the validity and reliability, three experts were asked to conduct the IOC test. Moreover, prior to that the total of 20 pilot samples were tested to achieve the Cronbach Alpha value of at least 0.70.

Findings. The findings of this research study revealed important demographic information: male and female respondents were represented in almost the same proportion, 49:51 respectively. The majority of respondents were in the age between 30–40 years old. About 55% of the respondents reported themselves as single, 33% were married, and the remaining of were either divorced, or widowed. About 59% of the respondents had undergraduate degrees. The majority of respondents or about 85% would be considered to be a standard middle class of Thailand with the average monthly income between 25,000–30,000 baht. The majority of respondents were from big cities such as Chiang Mai, Udon, and Song-Kla. "Pleasure" was chosen as the main purpose for their travelling which was about 75.5% of all the purpose. All the main factors indicated a positive influence on service quality. The key factors of service included timeliness of service, knowledge of service provider, personality of service provider, and satisfaction of service. All factors had a positive influence on passengers' perception of service quality, however, timeliness of service showed the highest influence whereas the personality of service provider and satisfaction of service factors showed the second and third highest influence. The overall service factor was rated with the mean of 4.63 and 0.897 SD, which was rated as high level.

Discussion. From the findings it can be concluded that the majority of respondents had rated the overall importance of the factors as high level of importance since the overall mean is 4.63 (which is more than 4.5). Timeliness of service was rated to have the highest rank level of importance. Even though service quality factors generally received good level of positive attitude, there is still a room for improvement in order to enhance the standard of service quality of the airline. Certainly, there is a need for airline industry of Thailand to provide a new and better control over the

quality standards of their services in order to compete with other ASEAN national airlines in terms of quality.

Moreover, there should be brainstorming between public and private stakeholders of airline business in setting up guidelines on service quality. Excellent services will lead to the increase of Thai domestic passengers' satisfaction and enhance the intentions to revisit.

Future studies. In order to get more specific results, in our future research we plan to survey inbound tourists considering their country of residence to obtain more representative opinions and perspectives from a variety of tourists in Bangkok, Thailand. Then, the findings may be further generalized to get a better understanding of tourists' loyalty. Future research should use stratified sampling and random sampling techniques with a more diverse group of tourists and try to increase the variety of sample size if time and budget allow. Moreover, future studies should use small group interviews with also indepth interview to investigate the reasons behind their level of satisfaction for each particular factor of influence on tourist choice.

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