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MARKET FACTORS INFLUENCING DOMESTIC PASSENGERS' DECISION TO PATRONAGE "THAI AIRWAYS"

The objectives of this research were to investigate the decision of domestic passengers who frequently flied with "Thai Airways" and to examine important market factors which could influence the decision making of these passengers. The paper used mainly a quantitative research technique, the total of 400 "Thai Airways" passengers were approached and interviewed. The findings revealed that respondents were male and female at a similar proportion with majority having undergraduate degree, working for private sector, with income in the range of 25,000–35,000 baht per month. The findings demonstrated that the top 3 market factors influencing the decision of the respondents to patronage "Thai Airways" were national brand name, high service quality, and promotion price.

Keyword: "Thai Airways"; domestic passengers; decision-making factors; national brand; service quality.

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РИНКОВІ ФАКТОРИ ВПЛИВУ НА РЕГУЛЯРНИЙ ВИБІР «ТАЙСЬКИХ АВІАЛІНІЙ» ПАСАЖИРАМИ ВНУТРІШНІХ РЕЙСІВ

У статті досліджено причини, з яких пасажирів, що регулярно користуються авіалініями, зупиняють свій вибір саме на «Тайських авіалініях». Фактори впливу на такий вибір визначено за результатами опитування 400 пасажирів даних авіаліній. Респонденти опитування: приблизно однакова кількість чоловіків та жінок, переважно з бакалаврською освітою, працюють у приватному секторі, щомісячний прибуток – від 25 до 35 тис. бат. Результати опитування допомогли визначити топ-3 причини вибору саме «Тайських авіаліній»: це бренд національного рівня, висока якість послуг та наявність пропозицій за спеціальною ціною.

Ключові слова: «Тайські авіалінії»; пасажирів внутрішніх рейсів; фактори впливу на прийняття рішень; національний бренд; якість послуг.

Літ. 10.

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РЫНОЧНЫЕ ФАКТОРЫ ВЛИЯНИЯ ПОСТОЯННОГО ВЫБОРА «ТАЙСКИХ АВИАЛИНИЙ» ПАССАЖИРАМИ ВНУТРЕННИХ АВИАЛИНИЙ

В статье исследованы причины, по которым часто летающие внутренними авиалиниями пассажиры останавливают свой выбор именно на «Тайских авиалиниях». Факторы влияния на такой выбор выбраны по результатам опроса 400 пассажиров данных авиалиний. Респонденты опроса: примерно поровну мужчины и женщины, в большинстве своём с бакалаврским дипломом и работающие в частном секторе, ежемесячный доход – в диапазоне 25–35 тыс. бат. Результаты анализа данных опроса помогли выделить топ-3 причины выбора именно «Тайских авиалиний»: это бренд национального уровня, высокое качество услуг и наличие предложений по специальной цене.

Ключевые слова: «Тайские авиалинии»; пассажиры внутренних рейсов; факторы, влияющие на принятие решений; национальный бренд; качество услуг.

Introduction. "Thai Airways" have dominated the Thai airline industry for many decades already due to its national brand name and reputation of having high stan-

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standard service. However, the entry of low cost airlines has reduced the domestic market share of "Thai Airways" significantly. Low-cost carriers focus on cost strategies by managing costs more effectively than regular airlines and thus they are able to pass the low cost to their passengers. Popularity of low-cost airlines implies that low price and mediocre service quality together are more important than high price under high service quality. In fact, the growth of low-cost airlines in the ASEAN members has shown that they can successfully compete with full-service carriers, especially in the areas where demand is highly price sensitive, especially during an economic downturn or recession. Whenever the price gap between low-cost airline and full-service airline is widened, it is certainly a time for an increasing demand for low-cost airlines. However, low price alone is not a sufficient factor; there should be other market factors that can increase passengers' satisfaction and in this way contribute to the success of an airline. The research findings of this study can help in implementing an airline marketing strategy to improve "Thai Airways" performance in a sustainable manner. This research paper is aimed to investigate the behavior of Thai passengers when they make decision to purchase "Thai Airways" tickets and to examine the market factors behind their decision to choose these airlines. The important market factors included product, price, distribution channel, promotion, people, process, physical environment, and product quality.

Literature review. In general, there are many ways to define consumer behavior and service quality. For instance, S. Serirut (1999) explained that it is possible to use 7 simple questions to investigate consumer behavior. These questions included: Who are the main tourist target market? What exactly tourists want to purchase? Why do tourists purchase? Who involve in purchasing? When do tourists purchase? Where is the tourist market? and How do tourists feel during the post purchase?

Consumer behavior can be defined as the behavior regarding a decision on purchasing and consuming a product or a service which include both before and after purchasing decisions. The behavior often includes activities and purchasing process such as where to buy, when to buy, and how much to buy (Knosiriet al., 2005). S. Serirut et al. (2003) suggested a way to analyze consumer behavior is by using 6 W questions and 1 H question (see above). These important market questions can also be explained by using the market concept of P. Kotler (2003). The first W question is who is at the target market? This question asks about the demographics of target customers. The second W question is what does consumer buy? This question asks about product components that consumer really wants to buy. The third W question is why does the consumer buy? This question asks about the objective or the purpose of buying this particular product. The fourth W question is who participates in buying? This question is about the role of people around the consumer who might have any influence on buying decision. The fifth W question is when does the consumer buy? This question asks about timing and occasion of buying a particular product. The sixth W question is where does consumer buy? This question asks about the distribution channel of where the consumer can get this particular product or service. The H question is how does the consumer buy? Many studies recommend that there should be 3 more special questions to investigate the topic of quality. It is necessary for this paper to identify the important factors concerning service quality. SERVQUAL is an important topic of service quality. This idea was based on the original research on quality

known to many researchers all over the world. Service quality is based on the famous theory of SERVQUAL, developed and improved many times in many papers starting the classic research papers of (Parasuraman, Zeithamal and Berry, 1993, 1999). Service quality can be defined as the gap between the service quality that passengers hope to get and the real experience of the service received by these passengers. Big gap implies lower passengers' satisfaction while small gap implies higher satisfaction. Hence, service quality means the measurement of the level at which passengers can be satisfied with service quality, the original measurement was designed to measure 22 important service items in 5 important areas of service including assurance, empathy, reliability, responsiveness, and tangibility.

Methodology. The study of market factors influencing the decision of passengers to patronage "Thai Airways" was based on quantitative method. Since the general population of passengers of "Thai Airways" is obviously unknown, this research paper used the sampling method of T. Yamane (1967) to obtain 400 samples.

The data was collected at both Don Muang and Suvanabhumi international airport (both in Bangkok the capital of Thailand). The questionnaire was aimed to collect opinions and comments consolidated in 4 main parts. The first part of questionnaire included the questions on demographics such as gender, age, level of education, level of income, and occupation. The second part of questionnaire included the behavior of domestic Thai passengers such as how often they fly by Thai airline, what time and when do they fly etc. The third part of the questionnaire included questions concerning the influence of market factors on their decision to choose "Thai Airways". The fourth part was left for comments and opinion of these domestic passengers.

In order to obtain higher validity and reliability, IOC test was performed and each question in the questionnaire was approved by 3 experts in the field of Airline and Tourism business research. Moreover, 20 pilot tests were conducted, each question was tested until it passed at least 0.70 of Cronbach alpha.

Findings. The demographic features of this survey revealed that male and female respondents were roughly at the same proportion or 51:49, mostly between 25–35 years of age. Most were married and with children. The majority had at least undergraduate degree as their highest level of education. The majority are working in the private sector. Most of them have monthly income between 25,000–35,000 Baht. The majority prefer to buy ticket during the promotion week via Internet, with an open date. They prefer to travel late at night or early in the morning when prices are cheaper than during the business time. The frequency of travelling by "Thai Airway" was 4–6 times a year. The respondents' attitudes towards the marketing factors demonstrated their significant attention to this national brand name. The findings also revealed that the main decision factor for the respondents to choose Thai airline was a national brand name which implies high service quality. Also, the findings indicated that the first 3 market factors influencing the decision of the respondents to patronage Thai airline was national brand name, high service quality, and promotional price.

Recommendations. Since the most 3 important factors were national brand name, high-quality service, and promotional prices, there should be a strategic marketing plan developed basing on these finding. For example, advertising and promo-

tion should focus on special promotional prices, the sense of pride for flying with national airlines, the high service quality. High demand comes mainly from promotional price which make these airlines rather competitive with other low cost airlines. Therefore, there must be a radical cut on unnecessary costs without losing the necessary quality.

Since majority of passengers are in the age between 21–40 years old, there should be a special marketing campaign targeting directly this age group which may have different needs and wants from other groups.

Future studies. The main limitation in this research paper exists due to the fact that this paper concerned only one dimension of service quality which was the perception dimension, without the inclusion of behavioral dimension. Therefore, future research should cover both behavior and attitude dimensions. Also, a simple random sampling technique as well as stratified random sampling could be applied to a more diverse group of passengers. Future studies should also consider the use a mixed method (both qualitative and quantitative). Indepth interviews and focus group should be additionally used to find the insight reasons behind passengers' decisions to patronage "Thai Airways".

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