

Marketing Mix Factor and Consumer Behavior of the Low-Cost Airlines Service

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ABSTRACT

Abstract— This research aimed to investigate the relationship between attitude towards marketing mix and consumer behavior of the passengers of low-cost airlines service. This study employed by quantitative research and the questionnaire was used to collect the data from 400 sampled of the passengers who have ever used the low-cost airline services based in Bangkok, Thailand. The descriptive statistics shown that the respondents had attitudes of the marketing mix of low-cost airlines included products and services, prices, distribution channels, marketing promotion, personnel or employees, service process and physical attributes at the moderate level. The research results revealed that the attitude of the marketing mix of the low-cost airline services including product, price, place, promotion and process had related to the consumer behavior on the aspects of duration of service and frequency of service. While, the marketing mix of the low-cost airline services in the aspect of personnel or the staff and physical evidence had not related to the consumer behavior on the aspects of duration of service and frequency of service.

Keywords— Consumer behavior, Marketing mix, Low-Cost airlines

INTRODUCTION

Aviation business in Thailand before the spread of the Covid-19 virus, it is a relatively large business. From the statistics of 2019, the number of passengers on both domestic and international routes totaled 165 million people / year, divided into international passengers 89 million / year and domestic passengers 76 million / year, representing approximately 1.43 million flights divided into 67 domestic routes 382 more international routes and routes and 679 domestically registered aircraft (National Online, 2020). Aviation business is another business that has made a huge adjustment from the Covid-19 situation in order to survive before the crisis. The aviation business was originally quite competitive, so when the COVID-19 situation different airlines so trying to find a way to return to fly as quickly as possible. But the situation was not as expected until It is likely that a vaccine will be discovered, which may take 2-3 years. Therefore, the airline business that cannot be sustained further therefore had to announce the liquidation or go into bankruptcy in this crisis, 2020 (Ronghanam & Bejrananda, 2019).

The main feature of low-cost airlines is air transport services by selling low-cost airfares which generally sells tickets at a lower price than full service carriers and focuses on providing efficient air transport services which is different from airlines, a full service that focuses on the convenience of travel (Uittenbogaard, 2009). The low-cost airlines are suitable for traveling by plane within Thailand. Due to the short haul time spent by planes, there is no need for a comfortable journey such as a long haul traveling. Traveling with a low-cost airline has similar costs to other long-distance transportation systems such as intercity buses, trains, etc., but flying takes a shorter travel time. As a result, more people have switched to using aviation services for travel.

However, the low-cost airlines receive popular demand from passengers who focus on saving money coupled with on time arrival and safer than a luxury service at high cost. Low-cost airlines are growing fast while other big airlines have to struggle against business aviation crisis over the past 2-3 years, with decrease market share which has been absorbed by low-cost airlines. The popularity of low-cost airlines caused increasing new low-cost airlines dramatically worldwide in recent years. The new low-cost airlines can be founded by new investors in aviation industry or set up as the affiliated establishment by the big airline companies. Low-cost airlines have been established according to aviation liberalization policy so that people can benefit from air travel more with the reasonable airfares. The passenger use air travel is expected to increase to 16-20 million people in the near future. Currently, there are 8 million people per year. The strength of the low-cost airlines is lower price of airfares generally about 40 percent to 50 percent compare to the ordinary airlines.

From the above reasons, the researcher is interested to study the attitude towards the marketing mix and the image that are related to the service usage behavior of the low-cost airlines. Because the country's main airport is in Bangkok, which has a large population and low-cost airlines are mostly domestic routes rather than abroad. The researcher can get feedback from the travel by low cost airline domestically rather than travel by low cost airlines abroad in order to make guide lines for improvements in services, changing marketing factors and conducting the strategic marketing plan in order to be acceptable and meet the needs of consumers in the future.

LITERATURE REVIEWS

Conceptual research framework from the relevant concepts and theories, the researcher used theoretical concepts concerning attitudes about the marketing mix. Essentially, there are four factors: product, price, distribution channel, and marketing promotion (Kotler, 2016). But for the marketing mix of service, business is different from the marketing mix of products which will add the staff, service process and physical evidences, which are the three main factors in service delivery, so the marketing mix of services is comprised of 7P's include products and services, price, place, promotion, people, service process, and the physical environment (Eagle, 1995). Including the concepts and theories of consumer behavior of Kotler (1997) was used on the model of consumer behavior to study the motives that caused the decision to purchase the product by the beginning of the stimulus caused demand through the thought of the buyer (Buyer's black box) The manufacturer or seller unable to predict Buyers' thought will be influenced by the nature of the buyer. There will be buyer's response or buyer's purchase decision. The beginning of this model is a stimulus, followed by the demand then causes a response, so this model is called SR Theory, which the researchers apply these concepts and theories in setting conceptual research framework and questionnaire design.

The developed research conceptual framework draws on various theoretical perspectives derived primarily from the synthesis of the integrated literature. The study variables in this conceptual framework according to the reviewing of study variables and the conceptual framework of research. The hypotheses are proposed that the attitude of the marketing mix consists of product, pricing, place or distribution channels, marketing promotion, personnel and staff, service process and the physical attributes has correlation with the use of low-cost airline carriers.

METHODS

The target population is the consumers who have ever used the services of low-cost airlines in the country and live in Bangkok. The exact number of populations is unknown. A total of 400 samples in this study are the consumers who have ever used the services of low-cost airlines in the country and live in Bangkok. The method of sampling was randomly selected using the purposive sampling with the travelers at Don Muang Airport and then using convenience sampling by collecting data from 400 samples at Don Muang Airport.

The research conducted pre-test with 40 sampled consumers who have ever used the services of low-cost airlines in the country and live in Bangkok to find the reliability of the questionnaire by using Cronbach's Alpha coefficient. Cronbach's Alpha value is an indicator of the stability of the questionnaire. It has a value between 0 to 1, the value close to 1 indicates that there is very high confidence of the questionnaire. Reliability values were between .808-.914. The statistics used for data analysis were descriptive statistics and inferential statistics were used to test the hypothesis of this study which were factors of marketing mix 7 P's and image have correlation with behavior service usage of low-cost airlines in Bangkok, by adopting statistical analysis of simple correlation of Pearson Product Moment Correlation Coefficient.

RESULTS

The study found that most of the respondents were male, aged less than 25 years old, single, working as employees of the company. Their average monthly income was less than or equal to 20,000 baht and they held a bachelor's degree. Most of the respondents had the behavior of using the low-cost airlines one time was the least and most 10 times was the most by an average of about four times. The least frequency of using low cost airlines was one time per year, and the most frequency was 20 times per year, with an average of about five times. The

minimum airfare of low-cost airlines spending of most of the respondent cost was 800 baht / visit and the most spending was 10,000 baht/time by an average of about 3,235 baht per one trip.

Hypothesis testing results

The respondents had attitudes of the marketing mix of low-cost airlines included products and services, prices, distribution channels, marketing promotion, personnel or employees, service process and physical attributes at the moderate level. The service usage behavior of low-cost airlines on the duration of using, the results of the hypothesis testing revealed that the attitude of the marketing mix for product, price, place, promotion, and the process had correlation with the service usage behavior of low-cost airlines in the aspect of duration of using the service of low-cost airlines at the significance level of .05. For the attitude of marketing mix on staff, and physical evidence, there were no correlated with the service usage behavior of low-cost airlines on the duration of using the service of low-cost airlines. The service quality and the company had correlation with the service usage behavior of low-cost airlines on the duration of service using low-cost airlines at the significance level of .05 shown in Table 1.

**Table 1
Summary of Correlation Between Marketing mix 7P's and Behavior of Duration of Using Low-cost Airlines**

Factor	Duration of using		
	Pearson Correlation	Sig. (2-tailed)	Level of Correlation
Marketing mix 7P's			
Product and service	.553*	.000	Moderate
Price	.574*	.000	Moderate
Distribution channels	.549*	.000	Moderate
Marketing promotion	.597*	.000	Moderate
Personnel or the staff	.418	.742	No correlation
Service process	.537*	.000	Moderate
Physical Evidence	.423	.747	No correlation

*Statistical significant at .05 level

As well, the service usage behavior of low-cost airlines on the frequency of service usage, the results of the hypothesis testing revealed that the attitude of the marketing mix on product, price, place, marketing promotion and the process had correlation with the service usage behavior of low-cost airlines on the frequency of service usage of low-cost airlines at the significance level of .05. For the attitude of marketing mix in the aspect of staff and physical evidence had no correlation with the service usage behavior of a low-cost airline on the frequency of use. Moreover, the results of the hypothesis testing revealed that the image of the low-cost airlines in the aspect of the brand, the operational features of the organization, service quality and the company had correlation with service usage behavior of low-cost airlines in the aspect of the frequency of service using of low-cost airlines at the level of statistical significance .05 shown in Table 2.

**Table 2
Summary of Correlation Between Marketing mix 7P's and Behavior of Frequency of Using Low-cost Airlines**

Factor	Budget of travel		
	Pearson Correlation	Sig. (2-tailed)	Level of Correlation
Marketing mix 7P's			
Product and service	.675*	.000	Moderate
Price	.541*	.000	Moderate
Distribution channels	.486*	.000	Moderate

Factor	Budget of travel		
	Pearson Correlation	Sig. (2-tailed)	Level of Correlation
Marketing promotion	.434*	.000	Moderate
Personnel or the staff	.421	.465	No correlation
Service process	.586*	.000	Moderate
Physical Evidence	.443	.251	No correlation

*Statistical significant at .05 level

Moreover, the results of the hypothesis testing showed that the attitude of the marketing mix on product, price, place, marketing promotion, the staff and physical evidence had no correlation with the service usage behavior of a low-cost airline for the spending of the service of low-cost airlines. However, the results of the hypothesis testing revealed that the image of the low-cost airlines in the aspect of the operational features of the organization, service quality, and the company had correlation with service using of low-cost airlines on the airfares of low-cost airlines at the level of statistical significance .05

CONCLUSION AND FUTURE WORK

Conclusion and discussion

The consumer attitudes of marketing mix had correlation with service usage behavior of low-cost airlines in Bangkok on the frequency of the use of low-cost airlines which corresponded to Kotler (2016). Generally, marketing mix has four aspects: product, price, distribution channels, and marketing promotion. Engel, James (1995) noted that for service business, marketing mix is different from the marketing mix of products because there are three more factors; the staff, service process, and physical evidence, which is a mix of the three main factors in service delivery, so the marketing mix of service business is comprised of 7P's include products and services, price, place, promotion, people, serving process and the physical evidence, e.g. The product, consumers are motivated in such products from public relations, product packaging, service to consumers, guarantee the quality of products, and low-cost airlines has limited budget made lesser public relations. For the price, consumers use the money to obtain goods and services according to the principle of value for money. Most consumers take decision from various sources such as reasonable prices on services, the differences of various services, price reduction of the service and discounts to those who use the service. Since the low-cost airlines sell tickets cheaper they have to save money in other areas cause the services become low quality. For the channel of distribution in the aspect of the place that offers the convenience to consumers as the venue ticketing, parking lots, etc. The low-cost airlines have low budget, often have a problem in arranging the place to sell ticket. For marketing promotion, consumers often pay attention to the information from both direct and indirect services such as direct sales or public relations from various media. Low-cost airlines should provide some services such as sending information to the consumers. Since the low-cost airlines have low budget and less promotion, they could not build confidence and impression on service users. For personnel and staff, good service is what consumers expect and require from the staff at every level. Yet, the low-cost airlines often have problems of staff in every operational level of the company, thereby causing the consumer to feel disappointed in service using and would not repurchase. For service process, consumers want good service and innovative tools that can satisfy the needs of the customer and causes the impression of them in the service, but the lower costs airline often have problems of service from the bottom to the top, thereby causing the consumer, do not want to reuse the service. For physical environment, most consumers perceive the physical environment as one factor in the choice of services because it means that the quality of services such as uniforms, furnishing a place, clean toilet on the plane and posters, etc. However, the low-cost airlines have a small budget, thus the physical environment has been reduced that makes the passengers dissatisfied in using the services.

Therefore, the consumers perceive the image of the low-cost airlines more negative rather than the general airlines since they often think or imagine that the low-cost airlines offer cheap service because of low price airfares. Sometime, the consumers have their bad first experiences in using the services of low-cost airlines or receive the information on the services by those who have used the service of the low-cost airlines in the bad side. So, they do not appreciate the services of low-cost airlines and there is no incentive to go back for the services.

Recommendations and future work

Implication of this research suggested as low cost airline business should improve the attitude on the marketing mix of low-cost airlines about goods and services by increasing the variety of routes and the number of flights. Even the ticket price is, but it should improve good services to consumers such as no charge for boarding luggage provide more distribution channel with revised better system. If there is any problem with the consumer should receive feedback and resolve, not to pass them. In addition, low cost airline business should have marketing promotion of attracting consumers such as member card of the airline, frequent flyer program by traveling with the airline 10 flights, free one flight or making a gift in return for the consumer etc. The personnel should be trained in the service mind program. The service process should serve as a quick check of boarding pass and baggage with punctuality and should be liable for any damages of the consumer. For physical evidence, the airlines should provide the security to the airlines whether they are internal or external aircraft. These will stimulate the consumers to use more low-cost airlines. Moreover, low cost airline business should improve the service usage behavior of consumers on low-cost airlines by creating incentives for service, increase punctuality, security measures, a variety of routes, increasing number of flights, reasonable price of the airfare, more distribution channels and ensuring the safety of the aircraft to motivate the consumers to have loyalty in using the services of the low-cost airlines.

For further research should be studied in conjunction with other relevant or expected factors influencing purchasing decisions in order to gain more insights covering all dimensions such as factors of brand equity, brand image, service quality and word-of-mouth marketing, etc. In addition, it should study in other population groups or other areas to get wider and more comprehensive information and compare the differences of each area.

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