

STRATEGIES, WORK SYSTEMS AND MANAGEMENT AFFECTING THE EFFICIENCY OF LOW-COST AIRLINES SERVICING.

Nopadol Burananuth

Graduate School, Suan Sunandha Rajabhat University, Bangkok, Thailand

E-Mail: nopadol.bu@ssru.ac.th

ABSTRACT

The research objectives represented the study of Strategies, work systems and management affecting the efficiency of low-cost airlines servicing. The research methodology represented the quantitative approach; the population was the low-cost airlines' passengers on the Bangkok Airport (Donmuang) and large numbers with infinite population. The unknown number of sample size was determined by W.G. Cochran with confidence level 0.95 and statistical errors level 0.05 and represented 384 sample group of passengers. The data collection was made on sample group of three low-cost airlines, Nok Air, Thai Lion Air and Thai Airasia with multiple regression on data analysis. The research finding found that the convenience, on board service procedures, current technology, courtesy and reliance affected by servicing efficiency.

Keyword: Strategies, work systems, management, efficiency

INTRODUCTION

The low-fare or low-cost airlines occurred in The United States of America, the first (Low-cost airlines, 2017). The aviation strategies represented the reduction of aviation expenditure like the crew uniform, on board meal that contributed the low-fare tickets, online internet booking and flight schedules and unseated risk reduction (Word Traveler, 2016). The benefits of low-cost airlines represented (1) to stimulus to the travellers to fly and expand the trips with the decreasing of ticket price that motivated the travellers to conveniently travel to other tourist destinations, the spread of travellers and directing flights (2) to contribute the group of travellers especially the middle and low tourists market with budget travel and also the travellers from the neighboring countries and the ASEAN (3) to increase the frequency of travel that the travellers could frequently travel from one time or more because of the decreasing of ticket price and contributed the expansion of the number of tourists and revenue (4) to contribute other tourism businesses such as tourism agencies, tourism firms and hotels who provided the various of budget package tours that promoted the expansion of business sectors because tourists could save the more travelling expense, they could spend more on the accommodation, foods, souvenir and the other expenses, in addition the expansion of hotel businesses could support the middle and low level tourists (5) to contribute the competition on aviation business and other transportation sectors such as the train and bus among the price, quality and servicing, the businesses could improve, change and develop on their efficiency that affected the consumers' choices and (6) to promote the price war among the low-cost airlines that the ticket price dumping attracted their customers to fly and got the benefits on low-fare. The crucial problems represented how to maintain the service standard with the efficiency and brand loyalty to penetrate the market share from premium and low-cost airlines. Due to the mention causes made the researcher to recognize the factors affecting by the efficiency on the low-cost airlines management (Mongkol Sophon,2014).

Research objectives

The research objectives represented to study strategies, work systems and management affecting the efficiency of low-cost airlines servicing.

LITERATURE REVIEW

The efficiency meant the ability to produce the outcome that seemed the effectiveness, but the effectiveness determined the methods or the alternatives on the abilities and the success of operations that compared the input or resources by the outcome of these goals in addition the amount of efficiency determined with the number or quality of results, the input was less than outcome that meant the efficiency of management. The study of Harrington (1913) found that the principles of efficient management comprised of (1) clearly defined ideals (2) common sense (3) competent counsel (4) discipline (5) the fair deal (6) reliable information (7) dispatching (8) standards and schedules (9) standardized conditions (10) standardized operations (11) written standard-practice instructions (12) efficiency-reward and the study of McAfee & Velde (2017) explained the work systems and management affecting by the efficiency on servicing.

Strategies meant the operational plans in business performing, marketing strategies represented an efficient weapon to perform the business, nowadays many appropriated marketing strategies were implemented to business. One of the crucial factors of successful business strategies represented the convenience in service; the complicate selling system made the customers give up the transaction, many businesses provided the interesting products and service but sometime these problems became the threat of these products. The customers faced the complicate like the online store had the complicate and too many steps until the customers gave up the order (the basic principles for responding customer needs and increasing sales, 2017). (Kerdpitak & Heuer, 2016)

The pricing strategies represented the place and promotion that some entrepreneurs formulated the marketing plans, it looked like the pricing strategies were not prioritized by small entrepreneurs although the price represented the consideration of the customer buying in products or services. Price lining represented the producers or stores determine the pricing of the same category but differ on model or quality in order to customers had the choices at the satisfied price. These pricing strategies accorded to the concept of each customer had the different need, someone accepted the higher price to good looking than others.

Some customer group needed the cheap price with no option; the pricing was made on the various price that represented the more sale generating than producing and pricing at the same product level. The example of mobile phones that launched the recent models with the various types and price between one thousand to ten thousand Baht on pricing strategies (pricing strategies, 2017). This finding conformed the finding of low-cost airlines (The Airline's Dilemma, 2017) that explained the strategic implementation by ticket price reduction and contributed the more booking in addition the airlines image on green management affecting trust and reordering (O'Connell & William, 2017).

Work system represented the procedures or methods, the nature of good work systems represented the systematic procedures that required the science, the art with good governance which comprised of (1) rule of laws represented the fairness of codification, enforcement and state authority (2) moral principles aimed to administrate the society in terms of morality, ethics, culture and norms that society recognized and accepted (3) the transparency represented a matter of performing on public disclosure and can be inspected by the third parties (4) principles of participation allowed relevant parties to involve in the working process (5) the accountability of authority (6) valuable principles represented the careful usage and the quality in working skills and abstract quality (7) principles of quality or

standardization, good administration required quality assurance mechanism that required criteria, standard or rules, respondents and the mechanism of checking and balance and (8) principles of satisfaction represented organization required the dedication of participants, responded their needs and maintained the principle of equilibrium with clearly mechanism to resolve the conflicts of satisfaction on the specified standard controlling and inspection (Nittaya, 2017)

At this time, airlines represented one of the global businesses that adapted themselves to survive from the effects of sluggishness and economic downturn, in the past almost airlines tried to recover and reduce operating costs as much as possible including to focus more on digital marketing (360 degrees, Manager, 1974) and the survey of Power & Associate (2017) represented the ranking of passengers' satisfaction with airlines service in North America and found that the satisfaction level increased 10 to 12 from the former year, the low-cost or low-fare airlines named JetBlue won the highest of passengers' satisfaction for the 5th year among the low-cost airlines, Southwest Airlines respectively while Air Trans Airlines was down rated on passengers' satisfaction level under the group average.

Management represented the systematic preparation or performing, management remained general term in the business that differed from administration in public sectors. Management represented the process or activities that people in organization work together to attain the objectives with planning, organizing, commanding, coordinating and controlling. (Management, 2017)

The rapid technology advancement at the present required the management to require change and impact for organizational survive and growth, responded to the stimulus on short term and expanded term to maintain the organizational competitiveness on the application of the technology, understanding, experience, simultaneous procedures on organizational structures, strategies and information technology (Parichat Kaewkachang, 2017). The study of Jennex, Smolnik & krosdell (2017) found that the knowledge management affecting the successful business strategies that according with the finding of MacAfee, Glassman & Honycutt (2017) that the successful factors in business represented the managing of logistics, strategies, information technology and human resources.

RESEARCH METHODOLOGY

The research methodology represented the quantitative approach; the population was the low-cost airlines' passengers on the Bangkok Airport (Donmuang) and large numbers with infinite population. The unknown number of sample size was determined by W.G. Cochran with confidence level 0.95 and statistical errors level 0.05 (Kunlaya Vanichbuncha, 2006, page 74) and represented 384 sample group of passengers. The data collection was made on sample group of three low-cost airlines, NokAir, Thai Lion Air and Thai Airasia. The research instrument represented the questionnaire that comprised of servicing efficiency, strategies, work systems and management, data collecting was performed on three airlines' passengers with hierarchical regression analysis. (Kunlaya Vanichbuncha, 2006, page 74)

FINDING

Factors affected to the servicing efficiency

Table 1 the first analysis indicated business strategies which comprised of convenience, reasonable price and good corporate image, only the convenience and good corporate image affected by the servicing efficiency of low-cost airlines with the statistical significant that meant the more convenience and good corporate image, the more of the

servicing efficiency, but the less convenience and good corporate image, the servicing efficiency was also reduced.

Determining the work systems found that the convenience, good corporate image, current technology and fast response affected by the low-cost airlines' efficiency. The more convenience, good corporate image, current technology and fast response, the more servicing efficiency but the less convenience, good corporate image, current technology and fast response, the servicing efficiency was also reduced.

Determining the management found that the convenience, servicing processes, advanced technology, courtesy and reliability affected by the servicing efficiency of low-cost airlines with the statistical significant that meant the more the convenience, servicing processes, advanced technology, courtesy and reliability, the more of the servicing efficiency, but the less convenience, servicing processes, advanced technology, courtesy and reliability, the servicing efficiency was also reduced, but the more servicing procedures, the less servicing efficiency.

Table 1 Factors affecting the efficiency (N=384)

Independent variable	Standard regression co-efficiency			
	Strategies	Work systems	Management	
Convenience	.681***	.402***	.326***	
Fair price	.071	.024	.051	
Good brand image	.108**	.117**	.059	
Service procedures		-.126	-.165***	
Advanced technology		.453***	.370***	
Fast response		.092*	.029	
Courtesy			.126*	
Reliability			.176***	
Discrimination			.028	
	R ²	.607	.700	.719
	SEE	1.087	.954	.927
	F	203.634	152.520	110.569

Remark * = p<.05, ** = p<.01, *** = p<.001

DISCUSSION

The finding from hypothesis test found that the convenience, servicing procedures, current technology, courtesy and reliability affected by the servicing efficiency which according to the finding of Quick (2017) and Lee & Mo (2017) besides the fair ticket, rapid response and discrimination.

ACKNOWLEDGEMENT

This research was completed with courtesy from Suan Sunandha Rajabhat University and all university administrators, especially Associate Prof. Dr. Luedech Girdwichai, who had supported this research and would like to thank all informants for sacrificing their valuable time in answering questionnaires and researcher interviews. In addition thank you to Dr. Sudawan Somjai, the director of this project for the benefit and valuable experience to the researcher.

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