The Factors Affect Passenger's Purchasing Decision of A Low-cost Airline Ticket in Thailand During COVID-19 Pandemic Crisis

Chayanin Ratchusanti[1] Phathranit Kitthitinan[2] Sudarat Saengkeaw[3] Jermkhun Ratchusanti[4]

Marketing and Management, Mahidol University, Nakhon Pathom 73000 Thailand [1]

Department of Business Administration, Chiang Mai Rajabhat University, Chiang Mai 50300 Thailand [2]

Department of Business Computer, Chiang Mai Rajabhat University, Chiang Mai 50300 Thailand [3]

Department of Business Administration, Chiang Mai Rajabhat University, Chiang Mai 50300 Thailand [4]

*Corresponding Author E-mail: chayanin.jinny@gmail.com

Abstract

The crisis of COVID-19 pandemic has become a very crucial situation affecting every industry, especially airlines and passengers purchasing behavior. This research aims at the marketing mix (7Ps) which influences the passenger's purchasing decision towards low-cost airline tickets. The quantitative research was conducted by using an online questionnaire. The data of 412 respondents was collected and analysed using Binary logistic regression and Independent-samples t-test. The result has shown influences of factors consisted of people (β =7.486), promotion (β =5.357) to decision making on buying tickets respectively. In addition, the different satisfaction results between passengers who fly 6-11 times/year and more than 12 times/year was observed. Airline carriers should create a medium that makes it easier for customers to understand the process and to communicate it to the customers by a variety of channels. Passengers are more concerned about safety, and

วารสารวิทยาการจัดการและการสื่อสาร คณะวิทยาการจัดการ มหาวิทยาลัยราชภัฏเชียงใหม่
ปีที่ 2 ฉบับที่ 1 มกราคม - มิถุนายน 2566

63

likely to select products or services based on behavioral and attitudinal factors rather than simply price.

Introduction

Thailand is a popular traveling destination for passengers around the world. The tourism industry includes hotels, tourism operators and airline business generate the main income for the country. Low-cost airline industry of Thailand is considered to be a highly competitive market facing an intense price competition. For that reason, the airlines company need to come up with many strategies rather than reducing the price. An interesting strategy for them could be able to attract both new as well as existing customers. (Suwannakul, & Vongsaroj, 2019). They should focus on strategies that encourage them to be an outstanding firm. Nevertheless, in November of 2019, the COVID-19 pandemic has raised as the world main issue to become a critical crisis that has affected many countries around the world. Thailand was also one of the first countries having infectious patients. The disease expanded very fast resulted in the Thai government to launch the lockdown protocol.

The above situation caused many businesses to be halted by the lockdown. People were also afraid of going out in fear of getting infected. Many businesses had to shut down. Some places are temporarily closed. Some places are permanently closed. Because I can't bear the expenses. The airline industry was the industry that has suffered the most from this crisis because Thailand has closed its territorial air space. Therefore, tourism was paused. Nevertheless, the

situation improved, the government allowed people to travel within the country due to the declining number of infectious patients in Thailand. According to the AOT statistic, the number of passengers who traveled with low-cost airlines during January to April of 2019 and 2020 using the main airports of AOT (BKK, DMK, CNX, CEI, HDY, and HKT), has declined from 10,661,353 to 4,876,040 people which is around 45.7% (AOT, 2019).

Furthermore, the airlines launched the rule and regulation that the passengers must sit away from the other and wear masks along the flight. Therefore, the airline could not sell full flight tickets. They were allowed to sell only 70% of the full load capacity of the aircraft.

In addition to this situation, the passengers' behavior and their routine changed from usual because of the "new normal" lifestyle. Therefore, to have a better understanding of the changing behavior of passengers the researcher focused on studying the marketing factors (7Ps) including product, price, place, promotion, people, physical environment and process. This will assist low-cost airline companies adjust their strategies more appropriate to future changing situations.

After this introduction the next section of the article presents a review of the relevant literature. This was followed by the presentation of the conceptual model and the hypothetical relationship between the structure of the model. An empirical study was then presented, testing the relationship of these hypotheses in the context of the low-cost airline in Thailand during COVID-19 crisis.

วารสารวิทยาการจัดการและการสื่อสาร คณะวิทยาการจัดการ มหาวิทยาลัยราชภัฏเชียงใหม่
ปีที่ 2 ฉบับที่ 1 มกราคม - มิถุนายน 2566

65

Research objective

       1. Estimate the factors influence of Thai passenger's low-cost airline tickets purchasing behavior during COVID-19 crisis.

       2. Find relationship between factors and Thai passenger's low-cost airline tickets purchasing behavior during COVID-19 crisis.

Review literature

Factors Influencing Consumers Buying Behavior

       The marketing mix is a factor controlled by a company in order to influence their target market (Kotler & Keller, 2011). Additionally, Kotler and Armstrong (2010) also state that this factor is a tactical marketing tool, which consists of Product, Price. Place, Promotion, Process, Physical Environment and People. The study of low-cost airline in Thailand indicates that price is the most important factor affecting purchasing decisions. Passenger will pay attention to the value for they spend (Kuosuwan, 2015). However, Valkenburcht (2013) has found a contrast between business passengers and leisure passengers. The business passengers are less concerned about the price compared to leisure passengers. The reason for passengers decision to buy a ticket not only based on price but also based on promotion, is a main attraction to stimulate them to buy.

       The Airline's brand image is considered as a second important aspect (Wangpreecha, 2014). In addition, Waraporn and Irsara, (2010) pointed out the difference of three groups of passengers, namely: loyalty group, fence sitter group and price-switcher group. Loyalty and fence sitter group flight ticket purchasing decision mostly influenced by flight-scheduling, while price-switcher are more price sensitive and more likely purchase the ticket based on price only.

Regarding Indonesia, the study also highlighted that safety, convenience of schedule, price and comfort are a significant factor of choosing low-cost airline (Manivasugen & Nova, 2013). However, Valkenburcht (2013) has revealed that there is no difference between the airline expert and regular passengers about selecting the airline according to the safety aspect. But when comparing Generation X and Generation Y in the study of Palnychenko (2017), it showed Generation X was more concerned about physical safety than Generation Y. They feel not secure about the physical safety of low-cost airline carriers.

For Thailand studies revealed factors such as, reasonable price, flight operational reliability, cabin crew and cabin cleanliness as the most important factors, of passengers purchase decisions (Chaisorn, 2016).

Consumer Buying Behavior

The lack of clearly understanding the target segment behavior can cause to failure of product and services. Consumer buying behavior can be identified as progress which consists of selecting, buying, adopting and dealing with the products and services to fulfil the customers wants and needs which could be both individually or groups (Solomon, 1995). Furthermore, Schiffman, Kanuk, & Hansen (2008) also explained that the customer chooses to express their action of choosing and purchasing goods and services via consumer buying behavior to accomplish their desires. Moreover, consumer buying behavior could also be described as a set of actions which related to the purchasing and using of products and services and appeared in a form of emotional and mental need of the customers behavioral responses (Stallworth, 2008). At the same time Gabbot and Hogg (1998) pointed out that there are many different actions and stages in this process.

วารสารวิทยาการจัดการและการสื่อสาร คณะวิทยาการจัดการ มหาวิทยาลัยราชภัฏเชียงใหม่
ปีที่ 2 ฉบับที่ 1 มกราคม - มิถุนายน 2566

67

Conceptual Framework


```
┌─────────────────────────────────┐                    ┌──────────────────────────┐
│ The aspects of marketing factors │                    │  Purchasing decision on  │
│     •   Product                  │         H1         │ low-cost airlines tickers │
│     •   Price                    │  ───────────────▶  │    during COVID-19       │
│     •   Place                    │                    │       pandemic           │
│     •   People                   │                    │                          │
│     •   Physical environment     │                    │                          │
│     •   Process                  │                    │                          │
└─────────────────────────────────┘                    └──────────────────────────┘
```
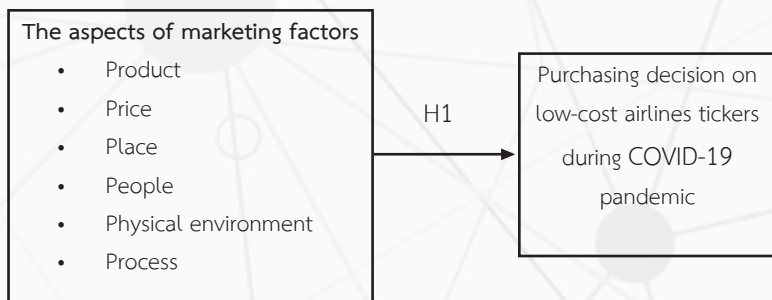
Figure. 1 Conceptual framework

Hypothesis

H1: The aspects of marketing factors (7Ps) affecting purchasing decision on low-cost airlines tickers during COVID-19 pandemic

Methodology

This research is quantitative with data collection survey on Thai passengers who travel with low-cost airline carriers at least 6 flights per year and have enough experience with airline protocol. The data was collected by using a convenience sampling method. After that, using the logistic regression analysis, enables either continuous or discrete variables and identifies relationship between marketing factors (7Ps) on purchasing decision on low-cost airlines tickers during COVID -19 pandemic.

The online questionnaire is a research tool for collecting 412 data which have been tested regarding validity and reliability. The validity testing is used to check the usage of languages and coverage

of the variable measurement. Three experts have checked for the questionnaire items validation. The reliability testing try-out was on 30 samples of non-related target respondents. The Cronbach's alpha coefficient range from 0.836-0.903 is at an acceptable level of reliability (Cronbach & Shavelson, 2004).

The questionnaire consisted of five parts which are:

Part 1 Screening questions for a person who travels with low-cost airline carriers at least 6 flights per year.

Part 2 Personal factors will be questioned in the last part. The questions are related to personal information such as: age, occupation, income, and education.

Part 3 The marketing factors affecting the purchasing decision of low-cost airline tickets after the COVID-19 pandemic crisis. (For instance; does the price ticket attract you the most? Is the service of the staff is the reason for you to choose the airline? did the frequency of schedule impact your decision on choosing an airline?)

Part 4 The effect of COVID-19 pandemic on the decision to travel by airplane. The questions focus on how the crisis impacts their decision to travel.

Results

A total of 412 respondents divided into 126 men and 283 women. Demographics are provided in Table 1. Most of the participants are in the age range of 20-30 years old. 41.3% of respondents have an employee occupation while 26.2% are students, 13.8% are government or enterprise officer, 13.6% are company owner and the others are 5.1% including housewife, retired or freelance. Most of the participants earn an income of less than 40,000 THB. In addition, 78 people have around 40,001 to 60,000 THB per month and only 61 people have an income over 60,001 THB.

วารสารวิทยาการจัดการและการสื่อสาร คณะวิทยาการจัดการ มหาวิทยาลัยราชภัฏเชียงใหม่
ปีที่ 2 ฉบับที่ 1 มกราคม - มิถุนายน 2566

69

Table 1. Demographics data of respondents

Demographical data		Frequency	Percent
Age	20-30 years	240	58.3
	31-40 years	59	14.3
	41-50 years	54	13.1
	51-60 years	51	12.4
	61 and more	8	1.9
Occupation	Student/College	108	26.2
	Government officer	57	13.8
	Private employees	170	41.3
	Business owner	56	13.6
	Other	21	5.1
Revenue	Lower than 20,000 THB	157	38.1
	20,001 - 40,000 THB	116	28.2
	40,001 - 60,000 THB	78	18.9
	60,001 - 80,000 THB	40	9.7
	80,001 bath and more	21	5.1
Frequency of traveling	6-11 times/year	346	83.9
	More than 12 times/year	66	16.1

Table 2. Inter-item correlation matrix between independent variables

Factors	Product	Price	Place	Promotion	People	Physical evidence	Process
Product	1.000						
Price	0.633	1.000					
Place	0.704	0.705	1.000				
Promotion	0.615	0.558	0.729	1.000			
People	0.727	0.595	0.708	0.680	1.000		
Physical evidence	0.700	0.609	0.716	0.600	0.780	1.000	
Process	0.701	0.669	0.768	0.660	0.742	0.788	1.000

Table 2. shows inter-correlation between independent variables range from 0.454-0.788, not over 0.80 which aligns with the Binary Logistic Regression's assumptions. The assumptions described as independent variable should not have high relationship. It can cause a problem of multicollinearity when estimate for model. The coefficient estimates instability under measurement error and reduces the precision of estimated coefficients (Lindner, Puck, & Verbeke, 2020).

Table 3. Omnibus tests of model coefficients.

		Chi-square	df	Sig.
Step 1	Step	**35.253**	9	.000
	Block	**35.253**	9	.000
	Model	**35.253**	9	.000

วารสารวิทยาการจัดการและการสื่อสาร คณะวิทยาการจัดการ มหาวิทยาลัยราชภัฏเชียงใหม่
ปีที่ 2 ฉบับที่ 1 มกราคม - มิถุนายน 2566

71

Table 4. Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	9.647	8	0.291

As shown in table 3, the chi-square value for model is 35.253. Besides, the significance level determined for Hosmer and Lemeshow test (table 4), which shows the goodness of fit, being close to 1 supports the feasibility of the model. Therefore, it can be understood that there is more than 1 factor influencing purchasing decisions of Thai frequent flyer on Low-cost airlines.

Table 5. The effect of marketing factors towards purchasing decisions of Thai flyer on low-cost airlines.

Factors	B	S.E.	Wald	df	Sig.	Exp(B)
Constant	16.325	3340.196	.000	1	.996	12303397.823
Product	-.871	1.272	.469	1	.494	.419
Price	-.104	1.149	.008	1	.928	.902
Place	.211	1.735	.015	1	.903	1.235
Promotion	5.357	1.950	7.548	1	.006**	.005
People	7.486	3.113	5.781	1	.016*	1782.279
Physical	-2.308	1.367	2.849	1	.091	.099
Process	-2.306	2.022	1.301	1	.254	.100

** Described as statistical significance in the level of 0.01

* Described as statistical significance in the level of 0.05

72

วารสารวิทยาการจัดการและการสื่อสาร คณะวิทยาการจัดการ มหาวิทยาลัยราชภัฏเชียงใหม่
ปีที่ 2 ฉบับที่ 1 มกราคม - มิถุนายน 2566

Table 5 demonstrates three factors effect purchasing decisions of Thai passengers. Regarding to the β values the most effect factors are people (7.486) promotion (5.357) and psychology (4.857) respectively. Thus, two hypotheses are partially accepted (H1, H2). Moreover, the results in table 5 show Nagelkerke R Square score is 0.519, which could be described that all factors could define variation of purchasing decisions of Thai flyer on Low-cost airlines. 51.9% of variation could be represented by Logistic equation.

Table 6. Nagelkerke R Square Statistic Data

-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
35.679[a]	.082	.519

The above result shows that the marketing mix of product, price, place, process and physical are insignificant to ticket purchasing decisions. This may be due to the fact that frequent flyer customers who have more experience as they are flying more than 6 times/year, are among the respondents. Thus, the researcher has doubt on the issue of flight frequency, which may affect the different influence of factors. Therefore, many factors are not important when deciding to buy a flight ticket. Then we conducted additional tests to get more information on the group of passengers who have low frequent travel (6-11 times/year) and high frequent travel (more than 12 times/year). The results revealed differences in price, product, place, people, process and psychology. The high frequent travel passenger trend to have higher satisfaction than low frequent travel passengers (Table 6).

วารสารวิทยาการจัดการและการสื่อสาร คณะวิทยาการจัดการ มหาวิทยาลัยราชภัฏเชียงใหม่
ปีที่ 2 ฉบับที่ 1 มกราคม - มิถุนายน 2566

73

Table 7. T-test for group different of passenger on low frequent travel (6-11 times/year) and high frequent travel (more than 12 times/year)

Factors	t	df	Sig. (2-tailed)	Mean Difference	Std.Error Difference
Product	-1.965	410	.050	-.15105	.07688
Price	-2.680	106.386	.009*	-.24356	.09090
Place	-2.958	106.268	.004*	-.24911	.08421
Promotion	-.932	410	.352	-.09798	.10509
People	-1.453	410	.147	-.13207	.09090
Physical evidence	-2.813	100.996	.006*	-.23393	.08316
Process	-4.454	113.840	.000**	-.34757	.07803

** Described as statistical significance in the level of 0.01

* Described as statistical significance in the level of 0.05

Discussion

According to the above findings, the aspect of Marketing mix factors (7Ps) is partially significant on people and promotion, but found contradicting results regarding the impacts of product, price, place, physical and process. Results show that passengers attitudes toward people is the most important during a COVID-19 pandemic crisis because they may be more concerned on safety issues, which align with the consumer decision theory suggesting that consumers are likely to select products or services based on behavioral and attitudinal factors rather than simply price (Blythe, 2013). It reflects that passengers are concerned about the professionality of service staff according to COVID-19 pandemic prevention procedure and their

ability to solve upfront problems. These requirements on airline staff have an impact on the low-cost airline chosen by passengers. Due to the COVID-19 pandemic, airline staff need to perform professional and be alert toward the prevention procedure to increase the confidence of passengers towards traveling by airplane. At the same time, airline staff must skillfully interact with customers to take immediate action when facing problems. This will develop a positive airline image in the passengers minds.

The findings also indicate that promotion is a key factor because customers foresee the uncertainty that may occur. Therefore, they require information about the supporting process should there be any subsequent issues such as claims, refunds, and redemption procedures. According to Zheng et al., (2013), Asian clients are not risk takers. They tend to avoid risks and uncertainties in their purchasing decisions. During the COVID-19 pandemic, passengers need to perceive information about rules and regulations of the airline before they travel, so they can prepare themselves and avoid breaking the rules. Airline carriers should have strategies on promoting the prevention process to increase the trustworthiness of the airlines. Moreover, the airlines should have provided a way to solve the passengers' problem by assisting them with the refund program and change their tickets to airlines' points for further booking. Airline carriers should create a medium that makes it easy for customers to understand the process and communicate it to the customers in a variety of channels. In our view, online marketing is another important way the airlines should not miss. The airline could continue to promote local travel and enable passengers to transfer their international tickets to use on domestic flights. Additionally, the airlines should do online marketing and provide friendly-use and easy to access for the airlines online channel. Additionally, airline staff are the representatives of the airlines.

วารสารวิทยาการจัดการและการสื่อสาร คณะวิทยาการจัดการ มหาวิทยาลัยราชภัฏเชียงใหม่
ปีที่ 2 ฉบับที่ 1 มกราคม - มิถุนายน 2566

75

Therefore, staff should understand the characteristics of the airlines and perform the same way. According to the current situation, the act of professionalism towards pandemic prevention is another way to the research finding could help the airlines' marketing department and management level to launch the right strategies to their valuable customers.

This paper has limitations on Thai passengers and low-cost airline carriers, and COVID-19 pandemic crisis only. It may have a difference result in others context, such as the situation after COVID-19 9. Furthermore, other research could explore farther influencing factors apart from marketing mix and psychological factors.

References

AOT. (2019). *Annual Report 2019–Airports of Thailand Public Company Limited.* https://corporate.airportthaico.th/wp-content/uploads/2019/12/AnnualReport2019en.pdf

Blythe, J., 2013. *Consumer Behavior.* Sage Publications, Thousand Oaks, CA.

Chaisorn, M. P. (2016). *A Study of Factors Influencing Purchase Decision in Thailand Domestic Flight Ticket of Thai Passengers in Bangkok.* Doctoral Dissertation, Thammasat University.

Cronbach, L. J., & Shavelson, R. J. (2004). My Current Thoughts on Coefficient Alpha and Successor Procedures. *Educational and Psychological Measurement,* 64(3), 391-418.

Kotler, P., & Armstrong, G. (2010). *Principles of Marketing.* Pearson Education.

Kotler, P. and Keller, K. (2011). *Marketing Management.* 14th edition, London: Pearson Education.

Kuosuwan, B. (2015). Market Factors Influencing the Decision to Patronage Low Cost Carriers. *Procedia-Social and Behavioral Sciences,* 197, 2097-2102.

Lindner, T., Puck, J., & Verbeke, A. (2020). Misconceptions About Multicollinearity in International Business Research: Identification, Consequences, and Remedies. *Journal of International Business Studies,* 51(3), 283-298.

Manivasugen, T., & Nova, R. (2013). Factors Affecting Customer Preferences While Choosing a Low-Cost Airline. *Global Journal of Commerce and Management Perspective,* 2(3), 19-26.

Palnychenko, D. (2017). *Perception of Service in Airlines: A Comparison of Generation X and Generation Y.* Signature. Bachelor Thesis, International Management Faculty, Modulvienna University.

Schiffman, L. G., Kanuk, L. L., & Hansen, H. (2008). *Consumer Behavior-An European Outlook, 2008.* UK: Pearson Educational Limited.

Solomon, M. (1995). *Consumer Behavior.* 3rd edition. New Jersey: Prentice Hall.

Stallworth, P. (2008). Consumer Behavior and Marketing Strategic. *International Journal of Management and Commerce Innovations,* 2(1), 44-52.

Suwannakul, E., & Vongsaroj, R. (2019). The Adaptation of Low–Cost Airline Business Model in Thailand: The Consequences of Competitive Pressures and Challenges. *Journal of Thai Hospitality and Tourism,* 14(2), 102-115.

Valkenburcht, R. (2013). The Role of Safety Perceptions for Airline Passenger Loyalty and the Influence of Aviation Expertise, *Master of Science in Management,* 33-35.

วารสารวิทยาการจัดการและการสื่อสาร คณะวิทยาการจัดการ มหาวิทยาลัยราชภัฏเชียงใหม่
ปีที่ 2 ฉบับที่ 1 มกราคม - มิถุนายน 2566

77

Wangpreecha, E. (2014). *Marketing Strategy Influenced Low-Cost Airline Choosing in Thailand.* MBA Independent Study. http://203.131.219.242/cdm/compoundobject/collection/thesis/id/19

Waraporn, U. & Irsara. U, (2010). *The Study of Marketing Factors Affecting the Repurchasing of Low–cost Airline Customers.* Kasetsart University.

Zheng, L., Plaisent, M., Pecquet, P., & Bernard Jr, P. (2013). Chinese and French Consumer Perceived Risk in Online Shopping: The Role of Uncertainty Avoidance. *IAMURE International Journal of Business and Management,* 5(1), 1-1.

78

วารสารวิทยาการจัดการและการสื่อสาร คณะวิทยาการจัดการ มหาวิทยาลัยราชภัฏเชียงใหม่
ปีที่ 2 ฉบับที่ 1 มกราคม - มิถุนายน 2566