FACTORS INFLUENCING THE CUSTOMER SATISFACTION IN THAI LOW COST AIRLINE INDUSTRY: A CONCEPTUAL FRAMEWORK

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Abstract— This study presents the conceptual framework, which determines all factors influencing the customer satisfaction in Thai low cost airline industry. According to that, the study aims to exhibit all the possible factors that impact customer satisfaction in Thai low cost airline industry, to generate the potentials and advantages of Thai low cost airline among worldwide. Because of the attractive travelling destination, Thailand has been one of the countries that most of traveller both Asia and the rest of the world select as their destination, which the low cost airline industry becomes an important alternative of the customers. Nowadays, there are high competitive among low cost airline industry including products, cost and quality that influence the customer satisfaction all are develop in concept of service quality, E-Service quality. Also, increasing the effective and efficiency of the Thai low cost airline industry.

Keywords— E-Service quality, Service quality, Customer satisfaction ,Low cost airline.

I. INTRODUCTION

The transportation is important infrastructure of the country for example the rail, road, sea or air transport. For air transport, it has been the one option that popular because it is low time consuming and high safety compare to other modes of transportation.

Aviation business is a part of Aviation industry and Air transportation that can be set up as personal or legal entity. The Aviation business is classified into 2 types. First, Airline Business means a commercial enterprise that provides scheduled flights for passengers. Second, Air Freight Business can be defined as the business that provides cargo service. With its business competencies, which are fast and secure, the aviation business is well known among passenger and cargo service. Aviation business also categorized by types of business owner, types of services, and types of airline, 1) types of business owner are State Air Carriers and Private Air Carriers. 2) Range of services are Domestic Air carriers and International Air Carriers 3) Types of service are Scheduled Airline and Non- Schedule Airline. For scheduled airline, there are local airline and normal airlines. Non-scheduled airline

Competition between airline businesses has been increased since 2007. It impacts the level of service according to customer demand. In addition, the low cost airlines are competing in the business and they provide customer by launch more different of services such as low cost airline, semi- premium airline etc. As the number of products and passengers has been increasing also the capabilities that airline can implement the cost reduction during difficult circumstances with improving business management and minimize the additional expenses. Not only the growth of aviation business depends on expansion of business, market campaign can generate more market share but also strictly cost management applied. The cost management is divided into two approaches are 1) Asset management consists of reducing expense of procurement (airplane) and maintenance. 2) Overhead cost for example, reduction of selling cost, fuel consumption cost, staff cost, ground service and flight catering service [1].

In 1971, the first low cost airline has begun named as the South West Airline of United State of America. In 20 years later, low cost airline business in Europe and Asia Pacific has been started up accordingly. The principle of this business runs by 2 approaches, which are 1) Provide the highest number of flights per day as possible and 2) minimize the travelling expense. In Thailand, the government has been announced policy makes the number of low cost airline rising up in the country before that there was a monopoly national carrier. This policy helps improving of domestic airline industry be more competitive. Launching of low cost airline industry in Thailand in 2003, there were new 3 first low cost airlines, which are One To Go, belong to Orient Thai Airline Ltd., AirAsia and followed by NokAir, after that in 2012 Thai smile has been officially opened and Thai Lion Air in 2013; one of the Lion Group which is big low cost airline of Indonesia. The compettition by providing of service and built up strategy to create customer satisfaction and attraction, it effects the increasing of market share. Seeing from the entrepreneurs, market share in 2015 displays in percentage that ThaiAirAsiagain about 38.8 followed by Nok Air 27.7, Thai Lion Air 26.9, Thai Smile 4.9 and Orient Thai 1.7 [2].

Utilizing of information technology for running business makes the success of low cost airline industry by several advantages such as customer reservation, communication, publication in order to decrease cost of management, number of employee, supplies in the office, reducing of boarding pass steps and catering service during the flight. So, the low cost airline aims to run the efficacy in the concept of

lowest cost including staff and utilize of airplane. Replacement of technology instead of human, reducing of unnecessary expense an etc. make lower cost of service and determine fare pricing. For IT strategy, providing of innovative equipment help improving system that can meet customer demand. Moreover, providing the infrastructure can develop more secure of the system through company business which utilize the IT and Internet for smooth operating for company. At the same time, application of IT for service generates customer satisfaction and retention because of the ease of use and real-time information assessment via the electronic system [3] ,which create confidential in use of electronic, acknowledgement and loyalty that customer willing to re-purchase and spread the good word of mouth and make decision for the service. However, Implement of IT for service has some drawbacks such as crashing of website and reservation system or risk of website security especially hacking of information through website for example, personal information of customer which is illegal and it impacts the customer loyalty. Hence, securely development of IT is important and need parallel improving both service quality and E-Service quality.

The study of service quality of staff, due to Thailand provide more study of service qualitybecause service quality of staff is significant to aviation industry. The competition of service quality for passenger has been developed and focused also the electronic service such as online ticket reservation and bookings. The efficiency and ease of use may impress the customer and create more opportunity of re-purchase in future. So, the study of electronic service quality is not much or it has been studied separately not include the service quality with electronic service to meet the customer demand.

This study aims to analyze the relationship between E-Service qualityand service quality that influencing the customer satisfaction, customer loyalty and repurchase intention of low cost airline directly and indirectly.

The purpose of this study

1) to study the direct and indirect and all factors influencing the customer satisfaction of Thai low cost airline and

2) to develop a structural equation model of the variables that influence customer satisfaction of Thai low cost airline in order to create benefits and value for Thai low cost airline in short and long term also survive in competitive industry.

II. CONCEPTUAL DEVELOPMENT

2.1. Service quality

Service quality is defined as a critical dimension of competitiveness [4]. Service quality is a significant subject in both private and public sectors in business and service industries [5]. Ziethaml et al. [6] have indicated the service quality is different from the customer expectation for service performance compare to the service encounter and customer perception of service obtained. For other studies determined the service quality as the meaning in comparison of customer make between the quality and they willing to get. Parasuraman, Zeithaml, and Berry [7] defined that the service quality had been measured by SERQUAL model as a tool to measure the service quality of airlines. In many past studies, SERVQUAL was utilized as a tool to measure service quality and there are five dimensions of service quality that can be implement in the airline business consist of 1) Tangible; 2) Reliability; 3) Responsiveness; 4) Assurance; 5) Empathy

Khraim et.al [8] defined the meaning of reliability that the service provider's ability performs the promised service both accurately and dependably. The reliable of service delivery that customer expected including delivery on time with no error every time.

For responsiveness refers to customer service's willingness to help customers and to give prompt service. For example, customer waiting can cause negative perception of quality. Even though the service failure happened, the capability to rapidly recover with professionalism can still obtain the positive perception of quality.

Assurance defines as the courtesy and knowledge of employees along with their ability to convey confident and trust. The assurance dimension consists of following contents: politeness and respect to customer, competence to perform the service, effective communication with the customer, and serving the customer's best interests at heart as attitude.

Empathy means caring and individualized attention with customer gain during the service delivery. This contains the effort to under stand customers demand, sensitivity of service employees and approachability.

Tangible refers to the physical aspect of service delivery i.e. personal, equipment, communication materials, the appearance of physical facilities.

2.2 E-Service quality

Zeithaml, Parasuraman and Malhotra [9] indicates that some of SERVQUAL dimensions can be implemented to E-service quality, whereas some additional dimension in e-service specifically related to technology. The original E-S-QUAL scale comprises 11 dimension includings1) Reliability 2) Responsiveness 3)Access 4) Flexibility 5) Ease of navigation 6) Efficiency 7) Assurance/Trust 8) Security/Privacy 9) Price knowledge 10) Site Aesthetics11) Personalization. However, This study has been selected 5 dimensions which are

1) Ease of use means functionality, accessibility of information, ease of ordering and navigation in the Web service. Easy-to-remember URL address, easy in site navigability, well-

organized, concise and understandable contents, terms and conditions all are related to the ease of use[10].

2) Assurance refers to Customer perception of the confidence and trust toward the website [11].

3) Security is defined as the freedom from danger, risks or doubt during the service process that it is significant barrier to customer who purchase online .

4) The dimension of efficientcy measured from the user-friendly website which appropriately and orderly designed and when customer just entering few data , they can easily access the website

5) Responsiveness refers to customer perception of getting the help when needed by automated or human factors [12].

2.3 Customer satisfaction

According to Oliver [13], satisfaction is the response of customer fulfillment. It can be decided that the product or service feature, or the product or service itself, provide (or is providing) a pleasurable level consumption-related fulfillment including levels of under or over-fulfillment. In addition, satisfaction refers to an "overall customer attitude towards a service provider"

For quality of service, it is the focus of the assessment that reflects the customer's perception of the five specific dimensions of service. Conversely, satisfaction is more inclusive, that is, satisfaction is determined by the perception of service quality, product quality, price, situation factors, and personal factors [14].

Aday and Andersen [15]said that theory which indicates the fundamental of satisfaction and perception of customer who obtain the service; it is the assessment of satisfaction and the convenient of service, service facility, the methods of providing service and the service quality.

The satisfaction is the feeling after purchasing of product or service of personnel or customer that it results from the comparison between the perception of perceived performance of product or service from service provider and customer expectation. The impact of getting product or service can be caused by under expectation that result a customer dissatisfaction, but if the receiving of product or service meet customer expectation, it will create customer satisfaction and if customer perceive the product or service is over expectation , it will display a delighted customer. In this case, it depends on customer experience ,which the level of satisfaction can be occurred from the different between the product benefits and the personal expectation [16].

2.4. Proposed Conceptual Framework (Fig.1)

The theory of creativity from Amabile described the causal factors of the creative individual. These steps are consistent comparison between E-service quality and Service quality(Fig.1)

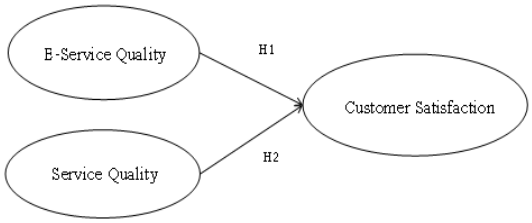


Fig.1. Determinants of customer satisfaction within the Thai low cost airline Industry

2.5. Research Hypothesis

H1: **E-service quality** positively influences the **customer satisfaction** in Thai low cost airline.

H2: **Service quality** is positively influence the **customer satisfaction** in Thai low cost airline

III. METHODOLOGY

This research aims to model the structure of the factors influencing the satisfactionof industrial low cost airline in Thailand, so the researchers wish to determine the details and procedures from the methods below:

3.1. The study's approach

For this research the researchers used both quantitative and qualitative research from both primary and secondary data. The researchers have determined the following steps for this study:

3.1.1. Primary and Secondary Data Research

Primary data is most generally understood as data gathered from the information source and which has not undergone analysis before being included in the analysis. Primary data is collected directly from the surveyed population and involves face to face interviews or discussions with members of the surveyed community [17]. Secondary data can comprise published research, internet materials, media reports, and data which has been cleaned, analyzed and collected for a purpose other than the needs assessment.

3.1.2. Quantitative Research Study

Quantitative research will be undertaken by collecting a questionnaire from the target sample. Questionnaires are designed to be easily understood and structured. Further reliability validation will be undertaken as follows:

3.1.2.1 Review of the questionnaire will be conducted by academic scholars to validate the investigation questions and the use of rhetoric and the simplicity and comprehension of the questions.

3.1.2.2 During the question trial period, questions will undergo and continual review for their clarity and ability to the meet the objectives of the research.

3.1.2.3 Update the survey questions after completion of the trial period.
3.1.2.4 Perform both data collection and statistical analysis.
3.1.2.5 Review of the questionnaire will be conducted by academic scholars to validate the investigation questions and the use of rhetoric and the simplicity and comprehension of the questions.

3.1.3. Qualitative Research Approaches
Qualitative research will involve confirming the model of quantitative research. It is a collection of interviews with those involved in Thai Air Asia production manager and Thai smile managing director.

3.2. Populations and Sampling
The population in this study used 500 sample size of passenger who use the low cost air line at Suwanabumi Airport and Donmueng airport ans 5 Low cost airline are Thai Air Asia , NokAir, Orient Thai, a Loin Air and Thai smile. Questionnaires are constructed as a tool to measure concept definition and practice using a 5-Point Likert Scale [18]. Structural Equation Modeling (SEM) used in the research will use several statistical tests to determine the adequacy of model fit to the data. Specifically, confirmatory factor analysis (CFA) will be used to verify the factor structure of the observed variables. The chi-square test is also employed which indicates the amount of difference between expected and observed covariance matrices.

3.2.1. Sample
The sample usedinthis study was drawn from passenger who use the low cost airline at Suwannabumi Airport and Donmeung Airport; 5 low cost airlines are Thai Air Asia, NokAir, Orient Thai, Thai Lion Air and Thai smile by collecting the data from Thai Air Asia Ltd.

3.2.2. The Sample Size
Quantitative research is currently envisioned using the structural equation model and hypothesis testing with AMOS Software[19], which analyses the display and model structure associated with the observed manifest variables with latent variables.

Cronbach's alpha will be used to verify the accuracy and reliability of the measurements of each construct [20]. Schumacker and Lomax [21], stated that Structural Equation Modeling (SEM) uses a variety of models to show the relationships between observed variables with the same basic goal of providing a quantitative test of a theoretical model hypothesized by a researcher.
Another very important consideration is the intended sample size with many authors recommending a sample size of at least 100 to generate good results, so, therefore, a sample size smaller than 100 should not be used, as it is unreliable and consequently SEM should not be used [22],
Qualitative Research is to be undertaken through the use of in-depth interviews with those involved in E-Service quality, Service quality and customer satisfaction supported by Thai Air Asia production manager and Thai smile managing director. To confirm the model of quantitative research, the sample size of the research to be used will be 10 individuals.

3.3 Tools used in research
Tools used in the research will include the following steps:

3.3.1 Self-administered questionnaire (SAQ)
The measurement instrument or questionnaires utilized was prepared from the literature. A self-administered questionnaire (SAQ) is being used as it is exploratory in nature and serves as a starting point for other methodologies.

3.3.2 Research Quality Inspection Tools
The research will be conducted to determine the quality of the instruments used in the research. Tools used to measure quality are divided into 2 phases including content validity and reliability [23]. The research is therefore divided into two phases.
Phase I consists of inspection by 5 experts in their respective fields. These include Thai Air Asia production manager and Thai smile managing director and managers at airline.
Phase II consists of measures to ensure the quality of the questionnaire. In this study, the draft questionnaire was created with 16 main items which were later checked for their content validity by five experts in their related fields of feed production management and were based on the Item-Objective Congruence (IOC) Index. The questionnaire will be piloted with 30 feed service production businesses using both lower and middle-level managers and calculated for proper reliability value by using Cronbach's Coefficient Alpha.

3.4. Data Collection
3.4.1 Primary Data
Primary data will come from a collection of factors influencing the E-Service quality, service quality and satisfaction of Thai low cost airlines.

3.4.2 Secondary Data
By studying theories related to the research from various sources, including books, articles, research papers, instruction manuals, etc., to frame concepts and theories used in the study.

3.5. Data Analysis and Statistics Used

3.5.1. The analysis of quantitative data will be conducted using statistic alanalysis as follows:

3.5.1.1. An analysis will be conducted by descriptive statistics by characterizing the frequency, percentage, mean and standard deviation.

3.5.1.2. Analysis will be conducted usingstructural equationanalysis(SEM)to determine the relationshipof the factorsinfluencingthe innovation behavior of industrialfeed productionin Thailand.

3.5.2 Qualitative Data Analysis

To confirm the results of the quantitative analysis, the researchers conducted interviews with those involved airline managers, production managers and managing director involved with low cost airline industry in Thailand.

CONCLUSION

The customer satisfaction can utilize for development of service quality by different of quality perspectives such as physical appearance, confidential, customer care, quick response and trust. Furthermore, E-service quality provides several

quality perspectives such as Ease of use, Assurance Security, Responsiveness, and Efficiency that make more customer satisfaction in low cost airline industry. Accordingly, one that can be compete among industry can be applied all of these factors to appropriately develop for each organizations to increase the potential in production and can be competed among the industry in present.

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