8P'SOFMARKETING MIX TOWARDS REPURCHASE INTENTION OF DOMESTIC LOW COST AIRLINE IN THAILAND: A CONCEPTUAL FRAMEWORK

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Abstract— The objectives of this study are to study the factors influencing repurchase intention of the passengers who use the services of low cost airlines to study the relationship of marketing mix 8P's , Customer Loyalty and passengers' satisfaction towards Repurchase intention in low cost airlines. And, to develop the imitated equality of the causing structures of repurchase intention. The research studied only the low cost airlines passengers from the respondents who were passengers in Thai low cost airlines at Donmeung Airport. The data was collected from 300 copies of questionnaires. For quantitative research, researcher created questionnaires from the collection of concepts, theories, principles, problems condition, and operation problems which are involving to Marketing Mix 8P's , Customer Loyalty, Customer satisfaction and repurchase intention. The sources of the research were from documents, books, articles, and other researches. For the qualitative research, researcher created interview form from concepts collection, theories, problem condition, and conformed to research's hypothesis and quantitative research for more credible information.

Keywords— Marketing Mix 8P's, Customer Loyalty, Customer satisfaction, Low cost airline, Repurchase intention.

I. INTRODUCTION

Nowadays, transportation is one of the important basic structures of country. Most of economic development is from the convenience of transportation. That means more effective transportation will affect to the better condition of economy. Now, air transportation is influent and important for transportation, and it is interested by many people, too. Air transportation is important to world economy and society because the air transportation is faster and safer than other kinds of transportation. Especially in current situation that the world is connected together with communication, there is the growth of world air transportation all the time. The most expansion area of air transportation is Asia Pacific. So, the air transportation is one of influent public utility services to our daily life, affecting to people's jobs and economy of the country.

The air transportation will be transported by airlines business. In the beginning of this business, the business was Full Services. That means full service to create most satisfaction to passengers. So, the cost and service fee were quite expensive and there were few people whose economic status was good or others who didn't care about fare used this kind of service. Until in 2002, Thai government's launched open skies policy to promote airlines to compete with services and price in the market. Airplanes from public companies could use the same route with national airline. Later, the minimum fare was cancelled and the airlines business could reduce their ticket fees. The open skies policy was the important factor to Low Cost Airlines, domestic airline service. Low cost airlines will focus in operation cost management, simple and economical services. So, the price can be lower than ordinary airlines. This affected the changing of airlines business structure has been changed. People can use low cost airline service. The new kind of airlines service is not only following with higher competition in airlines business, but it also affects the train and bus transportation business, too. The target group of low cost airlines is the customers to wants to use airline service to travel safely and faster. A part of target group is from the airlines and from the train and bus, or car transportations.

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 the past, the low cost airline business has been shown up their competencies because they able to gain their market share from the industry and they

also develop their performance seeing from rising of average of growth rate. Moreover, the attraction of investment in travelling business is high, good of geography which Thailand is the central hub of air transport in South East Asia and it impact other Asian airlines willing to compete in this industry. According to International Air Transport Association: (IATA) determines that passenger volume of airlines which is a member of IATA in 2015 grow more than a half of expansion of passenger volume in overall influenced by emerging market includes Asia pacific region and Middle East. However, IATA found that passenger volume in domestic trip has been expanded. Both of Thai and international traveller especially Chinese, Russian and Malaysian point the landmark such as Chiengmai , Hatyai and Phuket as their destination in 2014 that make overall passenger volume in domestic airline service increases to 13.4 million and it creates perfectly competitive market among airline and low cost airline [2].

The study of marketing mix 8P'sservice quality of staff, due to Thailand provides more study of service quality because 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 marketing mix 8P's, Customer Loyalty, Customer satisfaction that influencing repurchase intention of low cost airline directly and indirectly.

The objectives of this research are 1) to analyze and find the relationship between marketing mix 8P's , Customer Loyalty, Customer satisfaction toward srepurchase intention.

2) To analyze and find the relationship of customers' satisfaction towards direct and indirect repurchase intention of customers in Thai low cost Airlines.

3) To improve and develop the influent variables equality towards repurchase intention in Thai low cost Airlines.

II. CONCEPTUAL DEVELOPMENT

2.1. 8*P's of marketing mix*

The theory of marketing mix 8P's of financial business is about the service especially financial services, deposit, and additional services. So, researcher saw that there will be the adaptation of the theory of marketing mix 8P's of Lovelock and WirtzandChew [3]as indicated below.

1) Product Element – service is one kind of product which is intangible product, which is not able to touch. The feature of this product is abstract noun. The quality of service must be equal to the products. But, the quality of service will be from many factors including officers' knowledge, abilities, and experiences, the up-to-date of equipment, convenience and continuity of services.

2) Price – consist of price of rooms rates, foods, other additional service fee. These elements indicate to the cost management to create selling price for customers to reduce cost and others. The price is important factor to indicate the quality. It means if the price is high, the service quality become well, too. The customers' conception will become higher, too. Importantly, the service must be very well responded to the customers' expectation.

3) Place – There are 4 kinds of product distributions. First is outlet in village or shopping malls. The objective of this kind is to gather the customers at a place by open the shop, delivery service at customers' houses or appointment places. Service through agencies; this kind of services is to extend business size by franchise of services agencies. Service through electronics to reduce the cost from employment for convenient consumption along 24 hours.

4) Promotion – There are 3 important elements in this topic; inform news and persuasion about the positive of products, and stimulate customers at the appropriate time.

5) Process – consists of the reception to ask information. In terms of product creation and delivery to the customers, there must be design and arrange effective operational process. That process can explain the methods of service steps.

6) People – business owners and all levels of staffs are considered officers in business. Service products depend on the treat of both sides of people. This is influent in terms of quality of customers' perception. Customers will choose the quality of services from officers' services.

7) Physical Evidence – it is the additional evidence to represent the forms of service quality of the company such as shape of building, vehicles, furniture, etc. These will strongly affect to customers' feeling and satisfaction.

8) Productivity and Quality – Customers can see this through rooms, services, facilities. The product renovation is necessary to control cost effectively to create customers' satisfaction and loyalty.

2.2 Customer Loyalty

Loyalty means the satisfied attitude towards product brand in purchasing process, which is conformed to brand rather than time. Loyalty means honesty, relationship, credibility, and trust. All of these are good attitude from customers towards services until there will be repurchase intention (Matell and Jacoby, 1972)[4].

Ajzen and Fishbein [5]informed that attitudes are one of important factors affecting to purchase and service

intention. Trust is considered one form of attitude. The former researches stated that trust is positively affecting to long terms relationship between customers and business in same way, if the services are credible or trusted by customers more, it will be the important element of the customers' repurchase intention.

Zeithaml, Berry and Parasuraman [6]stated that the details factors to indicate the trust by the customer behavioral intentions are words-of-mouth communications. It is the good propagation about service, recommend and stimulate others' interest and purchase. This will be the analyzed factors to find customers' loyalty.

Lau and Lee [7]stated that customers' trust towards brand and products, affecting to the loyalty to brand. The research's results found that the logo or product brand is very important for the rust towards product consumption. The results from research stated to know that the trust was effective to brand loyalty, absolutely. Marketing officers were interested in concepts of loyalty because brand loyalty is the indicator to persuade customers. And brand will create benefits to company. Repurchasing and word-of-mouth to other customers, product brand management, are important to loyalty. If the concepts are not clear, there will be following problems. The research and operation informed that loyalty is the persuasion for customers to purchase the services. Moreover, product brand is the identity to create the difference from other brands. It will be benefits to the repurchase and propagation in customer group. Product brand management should be clear, able to lead the customers' loyalty towards the organization. The properties in many parts to lead the customers loyalty is Trust in Brand. From the mentioned reason, customers will have loyalty towards products and they still use products from that brand.

Hawkins and Coney [8]stated that trust in brand means buying one product from a brand regularly because they have emotional feelings towards product brand. Some customers have satisfaction from purchasing. Marketing officers will consider increasing the percentage of this group of customers. The reason is although the satisfying customers will come to buy products from other brand, there will be repurchasing more than dissatisfying customers. Brand loyalty can indicate customers' identity. Customers believe that the reaction response from product brand and brand reinforcement will represent their images. Brand loyalty was mostly found from the frequency of repurchase, and accept more expensive price if there is a high brand loyalty, and the business can reduce the marketing cost. Especially the study of the relationship with regular customers will be easier and cheaper cost than new customers. Along to the brand loyalty is good defensive wall from the competitors' product intervention. The meaning of loyalty means the relationship and positive attitude of customers to regular purchasing. Brand loyalty, rather than regular purchasing, still means more sensitive cause. That is the purchasing is happened from emotional feeling in that. So, when the customers receive the actual value from the product or services, and they satisfied, it will be effective to repurchase intention and brand loyalty. This can indicate to the customer's personal characteristic indication because of their reflection towards brand logo and some reinforcement from products. This is the involving images to themselves. Product loyalty was generally found in the popular products until being a top brand of products. The loyalty customers rarely find additional information for their decision. Moreover, although the competitors' strategies such as discount coupon will persuade the loyalty customers, they will choose that because of their earning benefits from that promotion. They will come back to buy the old product after the promotion was expired. It is forgivable if the loyalty product brand's service is detective, too. The loyalty customers will be the information feeders by propagation to others which is considered valuable increase to the company. The positive Word-of-mouth communication from loyalty customers can increase the numbers of customers in the future. So, the brand loyalty customers will create profits to organization rather than repurchase customers. Loyalty means deep bond from customers to purchase the satisfied products or services regularly. Loyalty, moreover, is involved to customers' purchasing behavior, is still involved to customers attitudes towards products, services. That means if there is positive attitudes towards products or services, ad have long term relationship between customers and organization, there will be regular repurchase intention. The significance of loyalty towards products means to purchase a product regularly from their emotional feelings towards that product too.

2.3 Customer satisfaction

Customers' satisfaction, from the definition from psychological dictionary, is the first feeling after goal achievement with motivation [9]. The results from that participation, the positive attitude will show the satisfaction and negative attitude will show the dissatisfaction [10].

Satisfaction is customers' positive feeling from the overall evaluation from purchasing experiences [11].

Service quality is directly affected to customers' satisfaction towards seller. It is implied that service quality can measure customers' satisfaction [12].

Aday and Andersen [13] stated to the satisfaction towards co-ordination, spreading to all services in one place. That means the authorities can respond to all needs (Getting All Needs Met at One Place). The authorities will follow – up, satisfaction towards convenience, spreading to Office Waiting Time, Availability of Care When Needs, and Base of Getting to Care

2.4 Repurchase Intention

Repurchase intention is from satisfaction and attitude which are the beginning of satisfaction and the overall customers' happiness. Customers will have good experiences and attitude after purchasing. Customers' positive feelings will be followed by deep connection and there will be repurchase intention in that products and services [14]. Anyway, repurchase intention may not from products or shops satisfaction or shops. Maybe, it's from familiarization and convenience which is called fake loyalty[15].

Khraim[16]informed that the customers purchase the products from their convenient and easy to find location. The influent factor of this cause is habitual decision. However, in empirical studies in retail business, especially in retailers, the decision process is quite complicated in first purchasing. When there is repurchase (second purchase), the purchasing decision will not be complicated.

2.5. Proposed Conceptual Framework (Fig.1)

The theory of creativity from Amabile described the causal factors of the creative individual. These steps are consistent between Marketing Mix 8P's , Customer Loyalty , Customer satisfactionthe factors that have been hypothesized as having a direct and indirect influence on Repurchase intention (Fig.1)

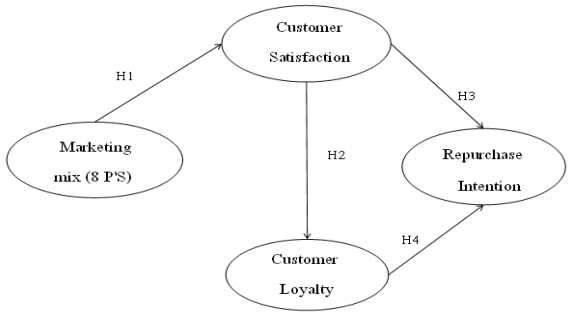


Fig.1. Determinants of Repurchase intention within theThai low cost airline Industry

2.6. Research Hypothesis

H1: The **Marketing Mix 8P's**positively influences **Customers' Satisfaction** in Thai low cost airlines.

H2: The **Customers' Satisfaction**positively influences **Customer Loyalty**in Thai low cost airlines.

H3: **Customers' Satisfaction**positively influences to **Repurchase Intention** in Thai low cost Airlines.

H4: **Customer Loyalty** positively influences to **Repurchase Intention** in Thai low cost Airlines.

III. METHODOLOGY

3.1 Population and sample

The respondents in this research are the passengers who took low cost airlines services at Don Muang Airport in 3 airlines; Thai Air Asia, Nok Air, and Thai Lion Air who has been taken the service for more than 1 time.

The respondents in this research are the passengers who took low cost airlines services at Don Muang Airport in 3 airlines; Thai Air Asia, Nok Air, and Thai Lion Air who has been taken the service for more than 1 time. Set the appropriate from the literature review and involving researches for structural equality analysis. The study found that the appropriate size of respondents were at least 200 respondents ([17]; [18]) combine with parameter estimation by Maximum Likelihood from the formula of Lindeman, Merenda and Gold [19], stated that multivariate analysis with estimated respondents were 10-20 times of the variables. From this research, the observable variables are 16, regarding to the formula of Lindeman, Merenda and Gold, the variables will be multiplied by 10 or 20 and equal to 160-320 samples. So, the appropriate respondents should be more than 300 respondents.

The variables can be observed from 8 parts of Marketing Mix 8P's including 1) Product Element, 2) Price, 3) Place, 4) Promotion, 5) Process, 6) People, 7) Physical Evidence, and 8) Productivity

The variables can be observed from 5 parts of Customer satisfaction including 1) Price, 2) Procedure, 3) Facilities / Location, 4) Consumer Experience, 5) Employee.

The observed variables Customer Loyalty are 4 parts including 1) trust, 2) Favorite brand, 3) Word of mouth and 4) Consumer Engagement.

The observed variables ofRepurchase Intention are 6 parts including 1) behavior, 2) attitude, 3) pricing strategies, 4) products quality, 5) habitude, and 6) convenience.

3.2 Research Instruments

In this research, researcher used questionnaires for data collection. The questionnaires could be separated into 2 parts. The first one was developed from the factors of passengers' satisfaction index and the repurchase intention in forms of evaluation proportion of Likert Scale with 5 levels of satisfaction. The second parts consists of respondents' general information; sex, age, occupation and designation. This part of data is fact.

The tools test in the research was content validity to consider to the correction of data or significance of the topics, along to language and question comprehension in questionnaires through Index of Item Objective Congruence (IOC). The appropriate value should be more than 0.5 means that the created massage was credible and cover all part of respondents and respond to the research's objectives. Anyway, the questionnaires were tested for the credibility by 5 specialists. The testing results' scores were 0.60 to 0.90. The reliability was tested through pilot test from 30 respondents to consider the credibility of the questionnaires. The test results will

be considered by Cronbach's Alpha index should be more than 0.7. That means the created questionnaire was highly credible [20]. Anyway, the testing results by statistic instant program found that Cronbach's Alpha of each factor was in the range of 0.70 – 0.90. In this research, the data was analyzed in descriptive style including percentage, average, and standard deviation, and estimated statistic including correlation from Structural Equation Model (SEM) analysis, a tool to test the conformation of theory model and visual model. To analyze the relationship among variables and direct and indirect influence, use instant program Amos to test the relationship in model from the hypothesis by 4 criteria of Evaluation the Data-Model Fit[21]as follows:

1) CMIN/df or /df $\leq$2 ;
2) GFI$\geq$0.95 ;
3) AGFI$\geq$0.90 ; and
4) RMSEA $\leq$0.05.

CONCLUSION

The This research was studied by Survey Research by using 300 questionnaires to collect information from 300 Thai respondents. These respondents have been used all 3 low cost airlines including Nok Air, Thai Air Asia, and Thai Lion Air. All of respondents were waiting for taking off. In this research, the structural equality was analyzed. Researcher studied 2 sides of influential factor towards repurchase intention including The objectives of this research are 1) to analyze and find the relationship between marketing mix 8P's , Customer Loyalty , Customer satisfaction towards repurchase intention. 2) To analyze and find the relationship of customers' satisfaction towards direct and indirect repurchase intention of customers in Thai low cost Airlines. 3) To improve and develop the influent variables equality towards repurchase intention in Thai low cost Airlines., the customers will feel confident in services and satisfied to the staffs. Staffs treat customer with warm and politeness to present the service intention with fast service with skillful services, online ticket booking system, online checking system, etc. The easy and effective use of the mentioned system will create customers' satisfaction towards the staffs, and the repurchase intention will be following.

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