Determinants of Service Quality on Thai Passengers' Repeated Purchase of Domestic Flight Service with Thai Airways International

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Abstract—This research paper aimed to identify determinants of airline service quality on passengers' repeated purchase of service. The population of this study was Thai passengers flying domestic flights with Thai Airways, making a total of 300 samples. These 300 samples participated in this research by answering a collection of questions by means of a questionnaire. An analysis of means score and multiple regression revealed that perceived service quality for tangible elements, reliability, responsiveness, assurance and empathy had determined repeated purchase of flight service of the passengers at a high level. Moreover, reliability and responsiveness factors could predict the passengers' repeated purchase of flight service at the percentage of 30.6. The findings gave a signal that Thai Airways may consider a development of route network and fleet strategy as well as an establishment of aircraft and seat qualification to meet passengers' needs and requirements. Passengers' level of satisfaction could also be maximized by offering service value through various kinds of special deals and programs, whereas value- added pricing strategy should be considered in order to differentiate from and beat other leading airline competitors.

Keywords—Service Quality, Repeated Purchase.

I. INTRODUCTION

CURRENT rapid development and expansion of domestic transportation and information and communication technology has shaped the way tourism business operates. Consequently related businesses in the transport segment are forced to continuously develop themselves in order to respond to customers' needs and progress with economic growth. Nowadays various domestic transportation modes are offered for convenient travel, by water, land and air. Air transport has been increasingly popular due to its time- saving and safety factors. This demand is reflected by high competition among domestic air transport entrepreneurs [1].

Thai Airways Transportation is one of the popular airlines due to its high standard of service quality. Service quality is a job that requires the ability to speak English, good personality, and good physical proportion. Many researchers have argued that customers' loyalty include both behavior and attitude dimensions. In terms of the behavior dimension, tourists must frequently visit the particular tourist destination and in terms of the attitude dimension, customers must have positive attitude and are willing to say positive things about their experience to other customers. Nowadays, many airline

businesses are interested in creating an image of their employees to be that of grace, beauty, and perfection. Moreover, the image of the airline business has been created to be optimistic as well as smart and reliable. However, there are also negative images of service quality such as a maid on air, hard work, and a short career life. In fact, to offer the service quality with high standard requires a strict training program for the employees to develop a good and pleasant personality, to be able to fit in the beautiful uniform, and to be able to understand the basic rules and regulation of airlines. Since there is limited research about this topic, this study is aimed to investigate the service quality from the perspective of passengers in Bangkok, Thailand in order to find the best possible way to understand what passengers think about the service quality and to provide suggestions to build customer satisfaction and a willingness to repurchase domestic flight service.

Over the past decades, domestic flight has become one of the most important sectors in terms of bringing revenue to the Thai airways international. This is because of its huge contribution of domestic flights to Thai airways international company. Since 2000, the performance of domestic flights has been severely affected by the political crises. Therefore, it is important to study how to increase customer satisfaction during the low seasons and with high competition. The ability to achieve sustainable growth during hard times guarantees steady revenues in the future. The domestic flights' revenues can be increased in two ways. First is to increase new customers and second is to make sure that the old customers repurchase the products and service again and again. This research study focused on a repurchase factors that can influence customers to become loyal customers. Service quality is widely accepted as one of the most important factors for customers to make a decision to repurchase. Service quality is an important factor whenever its uniqueness encourages purchase and repurchase by customers. The more customers repurchase the same products and service, the higher the probability will be that customers have loyalty to that particular brand. Service quality has been increasingly accepted as a key factor in differentiating and building a competitive edge in the modern airline business. Service quality is satisfaction based on customer's experience. Positive experience from customers leads to highly satisfied customers and a willingness to repurchase or recommend the particular products and services to others customers. The airlines are one of the most important industries to create jobs

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and bring foreign currency to Thailand. Therefore, customer satisfaction is important not only for airlines success but also for the Thai economy.

II. LITERATURE REVIEW

Thai Airways International Public Company Limited is the national flag carrier of Thailand. It is now in the 51st year its operation for both domestic and international flights. The airline has been accepted for its trust of brand, guaranteed by the Platinum Award. Reader's Digest consumer survey reported the airline was the most trusted brand among consumers in the year 2009. Thai Airways has won the prestigious award for "Best Intercontinental Airline" in the Norwegian Grand Travel Award in 2012. This marks the eighth consecutive year in which Thai Airways International has claimed this award [2]. During the past few years, new airline carriers have been emerging in the airline industry, allowing a wider choice for customers. The increase in competition is a result of the liberalization of the rules and regulations of the international aviation industry. New airlines, premium and low- cost have been opened and operated. Thai Airways has been losing its market share to these carriers from 43 percent to 32 percent during the past 7 years [3]. Revenue Passenger Kilometer (RPK) during January and March 2011 was lower than the number for the same period in the previous year [4].

The management of Thai Airways has realized this situation, resulting in continuous improvement of the carrier' service quality aimed at promising its customers a quality flight experience and satisfaction. Improvements were seen in both the physical elements and service performance, for instance new seats for more comfort, increased quality and value of customer ground and in-flight services. These importance elements were made to assure the customers' satisfaction and loyalty. In terms of the service marketing mix to respond to passengers' service consumption behavior, there should be in an increase of physical amenities which calls for long- term, continuous and achievement- promising planning and action, taking into account customers' perceived quality, and satisfaction for repeated purchase of the airline's service.

This paper aimed to identify determinants of airline service quality on passengers' repeated purchase of service, utilizing a case study of Thai passengers flying domestic flights with Thai Airways. The research finding can be utilized in the development of flight service strategy to enhance the airline crews' service performance and long term planning. The study of service quality in business was based on the theory of SERVQUAL which was originally developed by Parasuraman, Zeithamal and Berry (1993) [5]. The significance of the idea of this theory is based on the difference between the expectation of service quality and the real experience of service received by customers. In other words, the service quality is the measurement of the gap of customers' expectation and customers' perception. The original measurement designed by using the Likert seven-scales to measure 22 important service items in five dimensions which included assurance, empathy, reliability,

responsiveness, and tangibility. The SERVQUAL is easy to implement and can be applied to use in many different types of business services. Many modern researchers recommended that there should be three special questions to ask about quality. The first question is what is important to tourists? The second question is what is customers' expectation? Finally, the third question is how did customers express the definition of quality? It is important to know factors influencing the decision to evaluate quality. Factors influencing the quality perception may differ from one customer to another. Siriwan Serirut (1999) stated that there were 7 simple questions to ask in order to understand consumer behavior which may be able to apply to tourists as a consumer. These questions are: Who is in the target market?, What do tourists purchase?, Why do tourists purchase?, Who participate in the purchasing process?, When do tourists purchase?, Where is the market?, and How do tourists feel after purchasing?[6].

III. METHODOLOGY

The purpose of this research was to identify determinants of airline service quality on passengers' repeated purchase of domestic flight service. This paper is aimed to focus on the experience of passengers in Thailand from January to March 2014. Suvarnabhumi airport was chosen due to the fact that it is a gate way to Thailand. Sample size of 300 respondents was determined by Taro Yamane table with a 0.05 level of significance [7]. The data collation was done via an English questionnaire to elicit respondents' experience and to obtain their perspectives. The validity of each question in the questionnaire was tested by using Item-Objective Congruency or IOC index. In addition, 30 respondents were used as a pilot study in order to find ways to improve each question and to get an acceptable Cronbach's Alpha Coefficient of more than 0.75. Random outbound international tourists were approached at Suvarnabhumi airport, Thailand. This research paper utilized mainly a quantitative method. Statistics tools such as mean, SD, t-test were utilized to report the results from a questionnaire. The hypothesis of this research was established, that service quality of domestic flights of Thai Airways that consisted of tangible elements, reliability, responsiveness, assurance and empathy, had determined Thai passengers' repeated purchase of domestic flight service. The population was Thai passengers who experienced domestic flight service of Thai Airways International Public Company Limited. By purposive and convenience sampling, 300 passengers who flew with Thai Airways were collected at Suvarnabhumi International Airport Thailand by use of questionnaire. Based on the service quality concept and theory of Gronroos [8] and Berry and Parasuraman [9], with the theory of knowledge management of Kotler and Armstrong [10], service quality dimensions were applied in establishing the conceptual framework to evaluate service quality performance in affecting Thai passengers' repeated purchase of domestic flight service. Thus, the independent variables included tangible elements, reliability, responsiveness, assurance and empathy while the dependent variable was passengers' repeated purchase of flight service. In terms of loyalty, some

researchers have argued that the intent to revisit is the best indicator of loyalty while other researchers stated that recommendation to other customers is the most important indicator of loyalty. Moreover, many researchers have suggested three important indicators to measure customer loyalty: to repurchase a particular product or service within three years, to recommend a product or service to other, to refer information of a particular product or service to other, to say positive things about this particular product or service to others, and to have a plan to purchase this particular product and service regularly.

IV. FINDINGS

The demographic findings of this research revealed that male and female respondents were collected in almost the same proportion, or 49:51. The majority of the respondents or 87 percent had the age between 21 to 40 years old. About 52 percent of the respondents were reported as single and 36 percent were married, while only 12 percent were either divorced or widowed. Only 53 percent of the respondents had an undergraduate degree and 40.5 percent had a graduate degree. The majority of respondents or about 89 percent would be considered to be middle class with an average income between 30,000-50,000 baht per month. In terms of their group selection, 20 percent chose to travel with friends, 21.5 percent chose to travel with family but with no children, and only 14 percent chose to travel with a tour group. The overall findings the perceived service quality and perceived service quality for each factor revealed that tangible elements, reliability, responsiveness, assurance and empathy had determined a repeated purchase of flight service of the passengers at a high level. This therefore proved the test hypothesis that reliability and responsiveness factors could predict a passengers' intention in making a repeated purchase of flight service at a percentage of 30.6.

TABLE I
SERVICE QUALITY

	Mean	S.D.	Rank
Factors of service			
1. Service you receive is reliable	4.81	0.794	1
2. Service you receive is in timely manner.	4.61	0.831	3
3. Service you receive is provided by competent employees	4.54	0.670	5
4. Service you receive is provided by neat and clean employees	4.70	0.902	2
5. Service you receive is provided by polite employees.	4.55	0.701	4

The findings from Table I revealed five different tourist perception levels of tourists' perception of employees' service quality in Tourism as follows: 1) "Service you receive is provided by reliable employees was rated as number one with a mean of 4.81 and 0.794 SD 2) "Serviced you receive is provided by neat and clean employees" was rated as number two with a mean of 4.70 and 0.902 SD. 3) "Service you receive is provided by polite employees" was rated as number three with a mean of 4.61 and 0.831 SD. 4) "Service you receive is provided by employees in a timely manner" was

rated as number four with a mean of 4.55 and 0.701 SD. 5) "Service you receive is provided by competent employees" was rated as number five with a mean of 4.54 and .670 SD.

The findings from Table I represented how much the service quality influenced the repurchase decision. This ranking was done according to their mean and standard deviation. The ranking shows that the most important service quality was reliable service and the least important was the competent employee who provided the service.

V. DISCUSSION

From the findings, it can be summarized that service quality was rated very high since the mean scores were higher than 4.00. Service quality in the dimension of reliability and responsiveness could predict a passengers' intention in making a repeated purchase of flight service. These findings emphasized the importance of the image factor. The image of Thai Airways cabin crew includes politeness in the Thai style, hospitality and prompt responsiveness. These findings concurred with the research of Kanokporn Soonthornwatee [11] who studied the factors that determined passengers' intention to repeat in using the BTS Sky Train (Bangkok Mass Transit System) service and their loyalty. The study revealed the same findings, that reliability and responsiveness were the determinants of the passengers' repeated use of the BTS with a significance level of 0.01. Furthermore, the findings of this research also coincided with the study of Thanaphon Taungrattanakul [12]. Her research was to study the service quality and behavioural intention of Thai passengers, and their influence on service performance of Thai Airways, using a case study of international flight service [12]. Those findings revealed that the reliability and responsiveness factors were the determinants of the passengers' repeated purchase of flight service at a significance level of 0.05.

The demographic finding of this research may be considered when targeting a market group for creating a promotional campaign. Additionally, the highest significance level of correlation coefficient of the responsiveness factor implied that Thai Airways should consider development of route networks and fleet strategies by increasing frequency and capacity of revenue- generating routes as well as establishing aircraft and seat qualification to meet passengers' needs and requirements. Passengers' level of satisfaction could be maximized by offering service value through various kinds of special deals and programs as well as through adding more services. Value- added pricing strategy should be considered in order to differentiate from and beat other leading airline competitors.

VI. LIMITATIONS AND FUTURE STUDIES

One limitation of this research paper was that this study was conducted in the one dimension of service quality which was the attitude dimension, and did not include the behavior dimension. Therefore, future research should cover both behavior and attitude dimensions. Also, a proportion sampling technique with a diverse group of passengers should be

sampled. Moreover, future studies should use more in-depth interviews to find the reasons behind their decision to evaluate each factor of influencing the decision to repurchase the domestic flights in Bangkok, Thailand.

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