

# The Relationship of the Marketing Mix, Brand Image, and Consumer Behavior of the Low-Cost Airlines Service

Bundit Pungnirund

**Abstract**—This research aimed to investigate the relationship between attitude towards marketing mix, brand image and consumer behavior of the passengers of low-cost airlines service. This study employed by quantitative research and the questionnaire was used to collect the data from 400 sampled of the passengers who have ever used the low-cost airline services based in Bangkok, Thailand. The descriptive statistics and Pearson's correlation analysis were used to analyze data.

The research results revealed that the attitude of the marketing mix of the low-cost airline services including product, price, place, promotion and process had related to the consumer behavior on the aspects of duration of service and frequency of service. While, the brand image of the low cost airline including the characteristics of organization, service quality and company identity had related to the consumer behavior on duration of service, frequency of service and cost of service at the significant statistically acceptable levels.

**Keywords**—Brand image, consumer behavior, low-cost airlines, marketing mix.

## I. INTRODUCTION

**P**RESENTLY, transportation within the country is rapidly expanding, whether it is for communication, doing business or tourism. As a result, the transport industry will have to improve ourselves continuously improve to catch up with the economic growth and to meet the needs of consumers. The current transportation system has different modes which the consumers can choose their travel more conveniently than ever. The air transport is currently very popular because it is fast and safe cause more competitive in air transport business in stimulating customers to use their services [1].

Low-cost airline was established since 1974 by the Southwest Airlines company in United States bringing the growth trend of active low-cost airline spread around the world with the increasing of thousands of low cost airlines in the United States, Europe, Australia and Asia due to its highly successful with its pricing strategy. For the specific feature of the low cost airlines, the service will charge lower fares airlines generally to about half price of the traditional airlines. With a cost advantage strategy and cost controls in all operational process which focus on products and services in the sluggish global economy, and the decline of the airline

business worldwide over the past 2-3 years, contrarily, the low-cost airlines receive popular demand from passengers who focus on saving money coupled with the on time arrival and safer than a luxury service at high cost. Low-cost airlines are growing fast. While other big airlines have to struggle against business aviation crisis over the past 2-3 years, with decrease market share which has been absorbed by low-cost airlines. The popularity of low-cost airlines caused increasing new low-cost airlines dramatically worldwide in recent years. The new low-cost airlines can be founded by new investors in aviation industry or set up as the affiliated establishment by the big airline companies. Low-cost airlines have been established according to aviation liberalization policy so that people can benefit from air travel more with the reasonable airfares. The passenger use air travel is expected to increase to 16-20 million people in the near future. Currently, there are 8 million people per year. The strength of the low-cost airlines is lower price of airfares generally about 40 percent to 50 percent compare to the ordinary airlines. The situation is the same in Thailand, low-cost airline began to gain popularity after the government announced a policy of free sky in 2002, making a low-cost airline in Thailand, including Thai Airline or Thai Air Asia which is a joint venture between Shin Corporation (PLC), Air Asia company of Malaysia and Nok Air company. Nok Air is a low cost airline which Thai Airways International Public Company Limited is its major shareholder. Opening the service of such low cost airlines was stimulating competition in the airline business and raised awareness for tourism in the provinces in the path of the airline from affordable cost and a quick trip [2].

According to the popularity of using low-cost airlines in Thailand and the increasing competition in the low-cost airline business, the researcher is interested to study the attitude towards the marketing mix and the image that are related to the service usage behavior of the low cost airlines. The country's main airport is in Bangkok, which has a large population and low-cost airlines are mostly domestic routes rather than abroad. Therefore, the researcher can get feedback from the travel by low cost airlines domestically rather than travel by low cost airlines abroad in order to make guide lines for improvements in services, changing marketing factors and conducting the strategic marketing plan for the acceptability and needs of consumers in the future.

The objectives of this research were to study the relationship between attitudes of marketing mix and service usage behavior of low-cost airlines in Thailand, and to study

Bundit Pungnirund, Assistant Professor Dr., is with the Faculty of Management Science, Suan Sunandha Rajabhat University, Bangkok, Thailand (phone: 06621601490; fax: 06621601491; e-mail: Bundit.pu@ssru.ac.th).

the relationship between the image of low-cost airlines and service usage behavior of low-cost airlines in Thailand. The research results are beneficial to airline investors in Thailand to improve the marketing mix and satisfaction of passengers to be accepted and to meet the needs of consumers. Results of the research will be useful to those who are going into the airline business to be the guideline in the study on consumer behavior in making decision to use domestic airline service and apply the results in conducting the business plan.

## II. THE CONCEPTUAL FRAMEWORK AND HYPOTHESES

Conceptual research framework from the relevant concepts and theories, the researcher used theoretical concepts concerning attitudes about the marketing mix. Essentially, there are four factors: product, price, distribution channel, and marketing promotion [3]. But for the marketing mix of service business is different from the marketing mix of products which will add the staff, service process and physical evidences, which are the three main factors in service delivery, so the marketing mix of services is comprised of 7P's include products and services, price, place, promotion, people, service process, and the physical environment [4]. The theory and ideas about image used are from the concept of [5] and the concepts and theories of consumer behavior of [6] on the model of consumer behavior to study the motives that caused the decision to purchase the product by the beginning of the stimulus caused demand through the thought of the buyer (Buyer's black box), which the manufacturer or seller unable to predict Buyers' thought will be influenced by the nature of the buyer, there will be buyer's response or buyer's purchase decision. The beginning of this model is a stimulus, followed by the demand then causes a response, so this model is called SR Theory, which the researchers apply these concepts and theories in setting conceptual research framework and questionnaire design.

The developed research conceptual framework draws on various theoretical perspectives derived primarily from the synthesis of the integrated literature. The study variables in this conceptual framework could be is shown in Fig. 1.

According to the reviewing of study variables and the conceptual framework of research, the following hypotheses are proposed:

- Hypothesis 1: The attitude of the marketing mix consists of goods and services, pricing, distribution channels, marketing promotion, personnel and staff, service process and the physical attributes has correlation with the use of low-cost airline carriers.
- Hypothesis 2: The image of low-cost airlines included the brand, the operational features of the organization, service quality and the company has correlation with the use of low-cost airlines.

## III. RESEARCH METHODOLOGY

The target population is the consumers who have ever used the services of low-cost airlines in the country and live in Bangkok. The exact number of population is unknown. A total

of 400 samples in this study are the consumers who have ever used the services of low-cost airlines in the country and live in Bangkok. The method of sampling were randomly selected using the purposive sampling with the travelers at Don Muang Airport, then using convenience sampling by collecting data from 400 samples at Don Muang Airport.

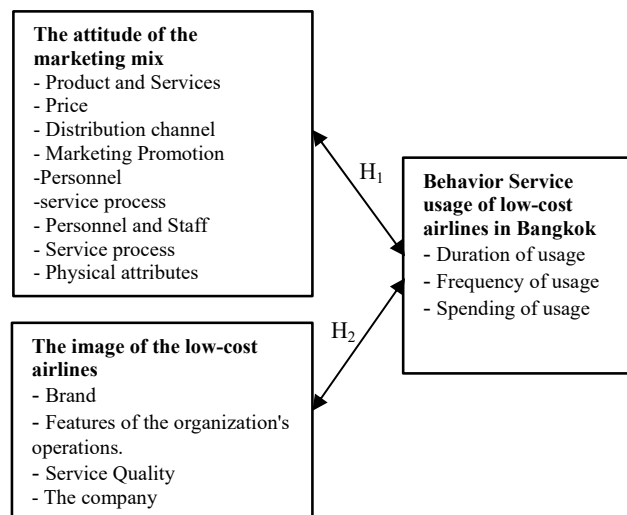


Fig. 1 The Conceptual Framework of Research

To find the reliability of the questionnaire by using Cronbach's Alpha coefficient, the research conducted pre-test with 40 sampled consumers who have ever used the services of low-cost airlines in the country and live in Bangkok. The Cronbach's alpha value is an indicator of the stability of the questionnaire. The value close to 1 shows a very high confidence of the questionnaire. The results of reliability testing values are shown in Table I.

TABLE I  
 TEST OF RELIABILITY OF QUESTIONNAIRE BY USING CRONBACH'S ALPHA COEFFICIENT

Variables	Cronbach's Alpha
<b>Attitude of the marketing mix 7 P's</b>	
Product and service	.847
Price	.742
Distribution channels	.812
Marketing promotion	.842
Personnel or the staff	.865
Service process	.844
Physical Evidence	.835
<b>Image of the low-cost airlines</b>	
Brand	.845
Operational features of the organization	.896
Service quality	.742
The company	.789

The statistics used for data analysis were descriptive statistics and inferential statistics were used to test the hypothesis of this study which were factors of marketing mix 7 P's and image have correlation with behavior service usage of low cost airlines in Bangkok, by adopting statistical analysis of simple correlation of Pearson Product Moment Correlation Coefficient.

#### IV. RESULTS

The study found that most of the respondents were male, aged less than 25 years old, single, working as employees of the company. Their average monthly income was less than or equal to 20,000 baht and they held a bachelor's degree. Most of the respondents had the behavior of using the low-cost airlines one time was the least and most 10 times was the most by an average of about four times. The least frequency of using low cost airlines was one time per year, and the most frequency was 20 times per year, with an average of about five times. The minimum airfare of low-cost airlines spending of most of the respondents cost was 800 baht / visit and the most spending was 10,000 baht/time by an average of about 3,235 baht per one trip.

The respondents had attitudes of the marketing mix of low-cost airlines included products and services, prices, distribution channels, marketing promotion, personnel or employees, service process and physical attributes at the moderate level. Most respondents perceived the image of low-cost airlines, including the brand, the operational features of the organization, service quality and the company at the moderate level. The summary of descriptive analysis was shown in Table II.

TABLE II  
SUMMARY OF DESCRIPTIVE ANALYSIS

Factors	Mean	S.D.	Meaning
<b>Marketing mix 7P's</b>			
Product and service	3.00	.809	Average
Price	3.24	.749	Average
Distribution channels	3.17	.776	Average
Marketing promotion	3.20	.780	Average
Personnel or the staff	2.84	.874	Average
Service process	2.69	.893	Average
Physical Evidence	3.12	.629	Average
<b>Image</b>			
Brand	3.21	.676	Average
Operational features of the organization	3.32	.742	Average
Service quality	3.09	.851	Average
The company	3.35	.812	Average

TABLE III  
SUMMARY OF CORRELATION BETWEEN PASSENGERS' BEHAVIOR AND DURATION OF USING LOW-COST AIRLINES

Factors	Duration of using		
	Pearson Correlation	Sig. (2-tailed)	Level of Correlation
<b>Marketing mix 7P's</b>			
Product and service	.553*	.000	Moderate
Price	.574*	.000	Moderate
Distribution channels	.549*	.000	Moderate
Marketing promotion	.597*	.000	Moderate
Personnel or the staff	.418	.742	No correlation
Service process	.537*	.000	Moderate
Physical Evidence	.423	.747	No correlation
<b>Image</b>			
Brand	.500*	.000	Moderate
Operational features of the organization	.587*	.000	Moderate
Service quality	.591*	.000	Moderate
The company	.549*	.000	Moderate

\*Statistical significant at .05 level

The correlation between the attitude of the marketing mix and the service usage behavior on the duration of using the service of low-cost airlines was shown in Table III. The results of the hypothesis testing revealed that the attitude of the marketing mix for product, price, place, promotion, and the process had correlation with the duration of using the service of low-cost airlines at the significance level of .05. However, for the attitude of marketing mix on staff, and physical evidence, there were no correlated with the service usage behavior on the duration of using the service of low-cost airlines.

TABLE IV  
SUMMARY OF CORRELATION BETWEEN PASSENGERS' BEHAVIOR AND FREQUENCY OF USING LOW-COST AIRLINES

Factors	Budget of travel		
	Pearson Correlation	Sig. (2-tailed)	Level of Correlation
<b>Marketing mix 7P's</b>			
Product and service	.675*	.000	Moderate
Price	.541*	.000	Moderate
Distribution channels	.486*	.000	Moderate
Marketing promotion	.434*	.000	Moderate
Personnel or the staff	.421	.465	No correlation
Service process	.586*	.000	Moderate
Physical Evidence	.443	.251	No correlation
<b>Image</b>			
Brand	.423*	.000	Moderate
Operational features of the organization	.421*	.000	Moderate
Service quality	.433*	.000	Moderate
The company	.465*	.000	Moderate

\*Statistical significant at .05 level

TABLE V  
SUMMARY OF CORRELATION BETWEEN PASSENGERS' BEHAVIOR AND SPENDING OF USING LOW-COST AIRLINES

Factors	Budget of travel		
	Pearson Correlation	Sig. (2-tailed)	Level of Correlation
<b>Marketing mix 7P's</b>			
Product and service	.423	.311	No correlation
Price	.477	.124	No correlation
Distribution channels	.577	.135	No correlation
Marketing promotion	.481	.215	No correlation
Personnel or the staff	.431	.469	No correlation
Service process	.467	.123	No correlation
Physical Evidence	.474	.342	No correlation
<b>Image</b>			
Brand	.424*	.000	Moderate
Operational features of the organization	.598*	.000	Moderate
Service quality	.401*	.000	Moderate
The company	.411*	.000	Moderate

\*Statistical significant at .05 level

The image of low-cost airlines on the aspect of the brand of low cost airlines, the operational features of the organization, the service quality and the company had correlation with the service usage behavior on the duration of service using low-cost airlines at the significance level of .05. As well, the correlation between the attitude of the marketing mix and the service usage behavior of low-cost airlines on the frequency of service usage was shown in Table IV. The results of the hypothesis testing revealed that the attitude of the marketing

mix on product, price, place, marketing promotion and the process had correlation with the service usage behavior of low-cost airlines on the frequency of service usage at the significance level of .05. However, for the attitude of marketing mix in the aspect of staff and physical evidence had no correlation with the service usage behavior of low-cost airlines on the frequency of use. In addition, the results revealed that the image of the low-cost airlines in the aspect of the brand, the operational features of the organization, service quality and the company had correlation with the service usage behavior of low-cost airlines on the frequency of use at the significance level of .05. In addition, the correlation between the attitude of the marketing mix and the service usage behavior on the spending of using low-cost airlines, the results of the hypothesis testing showed that the attitude of the marketing mix on product, price, place, marketing promotion, the staff, service process and physical evidence had no correlation with the service usage behavior for the spending of the service of low-cost airlines. However, the results revealed that the image of the low cost airlines in the aspect of the operational features of the organization, service quality, and the company had correlation with the service usage behavior on the airfares of low-cost airlines at the level of statistical significance .05 as shown in Table V.

#### V. DISCUSSION

The consumer attitudes of marketing mix had correlation with service usage behavior of low-cost airlines in Bangkok on the frequency of the use of low cost airlines which corresponded to [3]. Generally, marketing mix has four aspects: product, price, distribution channels, and marketing promotion [4]. Engel [4] noted that for service business, marketing mix is different from the marketing mix of products because there are three more factors; the staff, service process, and physical evidence, which is a mix of the three main factors in service delivery. So, the marketing mix of service business is comprised of 7P's include products and services, price, place, promotion, people, serving process and the physical evidence. For the product, consumers are motivated in such products from public relations, product packaging, service to consumers, guarantee the quality of products, and low-cost airlines has limited budget made less public relations. For the price, consumers use the money to obtain goods and services according to the principle of value for money. Most consumers take decision from various sources such as reasonable prices on services, the differences of various services, price reduction of the service and discounts to those who use the service. Since the low cost airlines sell tickets cheaper they have to save money in other areas cause the services become low quality. For the channel of distribution in the aspect of the place that offers the convenience to consumers as the venue ticketing, parking lots, etc. The low cost airlines have low budget, often have a problem in arranging the place to sell ticket. For marketing promotion, consumers often pay attention to the information from both direct and indirect services such as direct sales or public relations from various media. Low-cost airlines should

provide some services such as sending information to the consumers. Since the low-cost airlines have low budget and less promotion, they could not build confidence and impression on service users. For personnel and staff, good service is what consumers expect and require from the staff at every level. Yet, the low-cost airlines often have problems of staff in every operational level of the company, thereby causing the consumer to feel disappointed in service using and would not repurchase. For service process, consumers want good service and innovative tools that can satisfy the needs of the customer and causes the impression of them in the service, but the lower costs airline often have problems of service from the bottom to the top, thereby causing the consumer, do not want to reuse the service. For physical environment, most consumers perceive the physical environment as one factor in the choice of services because it means that the quality of services such as uniforms, furnishing a place, clean toilet on the plane and posters, etc. However, the low cost airlines have a small budget, thus the physical environment has been reduced that makes the passengers dissatisfied in using the services.

The consumer's image has correlation with the service usage behavior of low-cost airlines in Bangkok in the aspect of spending for the service of low-cost airlines that the survival of the operation of every agency depends on the image. If any institution or organization has a good image the people will pay the respect, trust and give cooperation to that organization that contribute to the effective operating and progress of work. If any agency has a negative public image people will not trust, doubt, or hate it.. The result was an agency or organization that inevitably faced numerous obstacles in practice. If there is no improvement, the agency will not be able to survive. Hence, various institutions and organizations are trying to compete in creating a good image and also in consistent with the concept of [7], which said that any agency or organization has a negative image it would not get the trust of the public. People may have a suspicion or hatred including not providing support. On the contrary, if any organization has a positive image, the public will have trust in that enterprise. Consumers often have the impression of using the services of a company having a positive image. Therefore, the consumers perceive the image of the low cost airlines more negative rather than the general airlines since they often think or imagine that the low-cost airlines offer cheap service because of low price airfares. Sometime, the consumers have their bad first hand experiences in using the services of low-cost airlines or receive the information on the services by those who have used the service of the low-cost airlines in the bad side. Therefore, they do not appreciate the services of low cost airlines and there is no incentive to go back for the services.

#### VI. RECOMMENDATIONS

Implication of this research suggested as follows.

1. Should improve the attitude on the marketing mix of low-cost airlines about goods and services by increasing the variety of routes and the number of flights. Even the

ticket price is, but it should improve good services to consumers such as no charge for boarding luggage provide more distribution channel with revised better system. If there is any problem with the consumer should receive feedback and resolve, not to pass them.

2. Should have marketing promotion of attracting consumers such as member card of the airline, frequent flyer program by traveling with the airline 10 flights, free one flight or making a gift in return for the consumer etc. The personnel should be trained in the service mind program. The service process should serve as a quick check of boarding pass and baggage with punctuality and should be liable for any damages of the consumer. For physical evidence, the airlines should provide the security to the airlines whether they are internal or external aircraft. These will stimulate the consumers to use more low-cost airlines.
3. Should improve the image of low-cost airlines, such as the brand, the attributes of the operation of the organization and quality service. Conducting more public relations by using wide variety of media to target consumers.
4. Should improve the service usage behavior of consumers on low-cost airlines by creating incentives for service, increase punctuality, security measures, a variety of routes, increasing number of flights, reasonable price of the airfare, more distribution channels and ensuring the safety of the aircraft to motivate the consumers to have loyalty in using the services of the low-cost airlines.

#### ACKNOWLEDGMENTS

The author would like to thank Assoc. Prof. Dr. Luedech Girdwichai, the president of Suan Sunandha Rajabhat University, Bangkok, Thailand for financial support and would like to thanks Asst. Prof. Dr. Prateep Wajeetongratana, the Dean of Faculty of Management Sciences for the full support in this research. The author is grateful for suggestions from all those who kindly provide consulting advices throughout the period of this research.

#### REFERENCES

- [1] Ministry of Transport, Thailand, "Low-cost Airline: Domestic budget flight, Exclusive Deal," [http://www.dip.mot.go.th/dbdweb\\_en/ewt\\_dl\\_link.php?nid=3925&filena me=index](http://www.dip.mot.go.th/dbdweb_en/ewt_dl_link.php?nid=3925&filena me=index), 2014.
- [2] Nok Airlines, "We fly smiles," <http://nokair.com/content/en/about-nok-air/our-company.aspx>.
- [3] P. Kotler, "Marketing Management". 10th ed. New Jersey : Prentice – Hall, Inc. 2000.
- [4] J. F. Engel, "Consumer Behavior," 8th ed. New York : The Dryden Press. Fort Worth : The Dryden Press, Inc. 1995.
- [5] S.Harrison, "Public Relations an Introduction," Biddles Ltd, Guildford and King's Lynn.1995.
- [6] P. Kotler, "Marketing management : analysis, planning, implementation and control," 9th ed. New Jersey: A Simon and Schuster Company. 1997.
- [7] L. G. Schiffman, L. L. Kanuk, "Consumer behavior," 5th ed. Englewood Cliffs, N.J.: Prentice-Hall. 1994.