

SMART Quality of Low Cost Airlines in Thailand: The Comparison of Northern & Southern Flight Services

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Abstract This research aims to identify passengers' perception on SMART Quality (S=Service, M=Management, A=Activeness, R=Responsiveness, T=Trendy) of the low cost airlines—national and international—in Thailand. SMART comparison between two airlines was conducted in the northern (Bangkok – Chiang Rai) and southern (Bangkok – Trang) routes. The methodology uses structural interview for 24 subjects by Maximal Variation and Snowball Sampling. The target group is Thai passengers who had experiences in the flights of both carriers during 2013 and 2014. The data collection was made by a walk-in interview and email. The data analysis includes recording, segmenting, coding, categorizing, and thematising. The findings show that both airlines provide SMART Quality throughout passengers' perception. Passengers show greater satisfaction in the national airline's Service and Management than the international carriers on both routes. The passengers of northern route are more satisfied with Activeness of international airline, while those in southern route are more satisfied with Activeness of national airlines. Responsiveness of international airlines receives greater satisfaction in northern route, while in passengers in southern route show their satisfaction equally on both carriers. Trendy of national airline sees more satisfaction in northern route, although passengers of southern route are more satisfied with Trendy of international airlines.

Keywords SMART Quality, Low Cost Airlines, Thailand, Flight Services

1. Introduction

1.1. The Significant, the Understanding of Low Airfare and Satisfaction

The natural resources as mountainous attraction and cultural components of Chiang Rai attract many tourists to visit this magnificent city. One of tourism element that Chiang Rai provides to tourist is the accessibility by flight. The many flights to Chiang Rai were operated by legacy airline, regional airline and also low cost carriers. The low cost carriers reduced traveling condition because the price is reasonable and service quality similar to legacy or regional airline. Trang province is rebuffed by stunning beaches and islands. So, these two provinces attract many tourists to visit their riches of tourism supplies.

Chiang Rai is a province where located in the most northern Thailand, connects to neighboring countries as China by flight, Burma and Laos by surfaced transportation. Trang is a top province in southern Thailand about Andaman Ocean and beaches traveling destination. These two provinces are connected by many flights and there is a flight

hub in Bangkok. The passengers can take flight from Bangkok to Chiang Rai about 1 hour and 20 minutes as the same duration to Trang province. Chiang Rai and Trang province are the appropriate destination to make a comparison for SMART Quality of national and international low cost carriers because of their equally duration of flying. Thus, low cost carriers as national and international airlines show an important role to import many passengers from Bangkok into these cities.

The air transportation shows its important role on current Thailand's Tourism Development Strategy 2012 to 2015 as the priority strategic plan. It needs to develop and improve logistics to support tourism, the infrastructure for tourism. The plan also indicated to create neighboring countries and regional communication network and connection system for tourism. Many neighboring destinations are connected by low cost carriers. Kim and Lee [7] explained that low cost carriers (LCCs) have a competitive advantage over full service carriers (FSCs) in several nations due to their lower fares and similar levels of services quality. Not all customers' needs are alike, and the market characteristics found in the LCCs industry may influence customers' attitudes.

Chan [3] revealed that low airfare means "cheap price paid", "low level of service and performance" and "mode of transportation" during non-price promotional periods and "value of money" during promotional periods. Customer satisfaction means meeting low expectations toward service

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performance and positive mood and social connectedness attributed to satisfaction, and dissatisfaction is found to be non-durable. The intention to understand customers' behavior is an important predictor in business profit of service firm. Repeat purchasers, positive word-of-mouth recommendation, and customer feedback affect to the service industries' cost and revenue.

Baker [1] explained that while traditional carriers are converging toward a higher level of service quality, using the four measures, there continue to be significant variation. Over a five year period 2007 to 2011, the service quality of low cost airlines was generally found to be higher than that of traditional legacy airlines. Implications related to operating costs, market share, infrastructure and customer service were evident. The most obvious attribute of the low cost carrier is the no-frills service that these carriers provide passengers. Instead of providing passengers with a menu of product choices priced with a range, the low cost carriers offer a single type of product, coach service. This type of service has become very attractive to travelers. Low cost carriers do not provide meals on flights, which results in a savings of \$5 to \$10 per coach passenger.

1.2. The Research Objectives

The research objective aims to identify passengers' perception on SMART Quality of the low cost airlines—national and international—in Thailand. SMART comparison between two airlines was conducted in the northern (Bangkok – Chiang Rai) and southern (Bangkok – Trang) route flight services.

2. Literature Review

2.1. SERVQUAL had been adopted to Measure the Service Quality of Airlines

Due to the research of Kalthom, Noor and Kamariah [6], the perception of Malaysian consumers of the quality of airline services was examined in the study using the SERVQUAL measurement. The results of the study indicate that the most significant factor in Malaysian customers' perception of service quality is Empathy, Tangibles and Assurance. In addition, the respondents indicated that the airlines surveyed performed better than expected on the Responsiveness dimension of service quality. There is also a strong indication that satisfaction with service quality results in future use and the likelihood of recommending the airline to others.

The study of Kim and Lee [7] found that the significant dimensions of customer satisfaction are tangibles and responsiveness. Moreover, the significant consequences of customer satisfaction including word-of-mouth communication, purchase intentions, and complaining behavior. Based on these results, carriers should develop tangibles and responsiveness for the enhancement of customer satisfaction and behavioral intentions.

Lerrthairakul and Panjakajornsak [8] explained their study by five dimensions of service quality that can be adapted to measure service quality in the airline business were comprised of 1) Tangible; 2) Reliability; 3) Responsiveness; 4) Assurance; and 5) Empathy. The study showed that assurance dimensions, reliability dimensions and empathy dimensions display a significant influence on post purchase behavioral intentions.

Snyder and Tai [12] presented that the SERVPERF model includes Reliability, Responsiveness, Assurance, Empathy, Tangibility dimensions and price dimension were used to exam the influence of factors on customer satisfaction at low cost airlines – a case study of Jetstar Pacific Airlines (JPA) in Vietnam. The hypotheses of six dimensions have been assumed to have positive impacts on customer satisfaction. Through those findings, the management has an overview and insight of performance that JPA executes to adjust the behaviors and to give the most appropriate direction.

According to the study of Gour [10], the order of importance of the dimensions of service quality tested is flight schedules; flight attendants; tangibles; and ground staff. Passenger satisfaction with these service-quality dimensions are found to be very important in explaining behavioral intentions. Satisfied passengers are mostly influenced by the schedule. Such customers engage in positive word-of-mouth communication and have high repurchase intentions. Dissatisfied passengers prefer to change airlines, rather than provide feedback to the LCCs. The three low cost carriers (LCCs) in Thailand have suffered persistent financial losses since their inception. These losses have been attributed to a range of factors over which LCCs have little control – such as high fuel prices, international rivalry, and the entrenched position of dominant full-service carriers (FSCs). However, despite evidence that successful LCCs in other parts of the world have not only offered low fares to their passengers but have also been sensitive to the quality of services they provide, the satisfaction as a solution to their problems. The present study therefore investigated whether service quality and satisfaction influence passengers' behavioral intentions (word-of-mouth, repurchase intention, and provision of feedback) in the context of LCCs in Thailand.

2.2. Passenger Perception on Low Cost Carriers

Lian and Yeoh [9] revealed the domestic customers perceived value of Malaysian low cost airlines that perceived functional value in terms of lower price, perceived relative value and perceived "social connectedness" value are crucial in promoting favorable repeat purchase intention of low cost air travel. The study of Jia, Cheae, Pei and Yam [5] expressed that tangible features, schedule, ground staff, flight attendants, online service and food service are key factors that affected the customer satisfaction towards service quality in AirAsia Malaysia.

A comparative study of satisfaction toward service quality of the low cost airlines (Thai AirAsia and Nok Air) by

Thanathipworanan [13], showed passengers have positive attitude on low cost carriers. The passengers’ positive attitude on service was expressed by Thai AirAsia, followed by Orient Thai and Nok Air. The first effective factor to make sure on low cost carrier services is safety, followed by convenience, fast, air far, promotion, pilot ability, accuracy of timing, the convenience of purchasing channel and clearly information by airlines.

Due to the study of Esriyanont [4], the overall satisfaction of passengers toward the general and ground services, prices ticket reservation agency and marketing promotion is at an average level. The overall satisfaction toward the in-flight services and the flight attendants is at a high level. The results of the satisfaction on comparison are; 1) different in gender have different satisfaction toward Nok Air services while there is no difference in satisfaction toward Orient Thai services and Thai AirAsia services, 2) different in age not different satisfaction toward services by Nok Air, Orient Thai and Thai AirAsia, 3) different in education have different satisfaction toward services by Thai AirAsia while there is not different satisfaction toward services by Nok Air and Orient Thai, 4) different in occupation have different satisfaction toward services by Thai AirAsia while there is not different in satisfaction on services by Nok Air Orient Thai, 5) different in income have different satisfaction on

services by Nok Air, Orient Thai and Thai AirAsia, and 6) different in the frequency of flying have different satisfaction on services by Thai AirAsia while there is not different in satisfaction toward services by Nok Air and Orient Thai.

Regarding the study of Ringle, Sarstedt and Zimmermann [11], perceived safety is one of the key drivers that can explain the degree of overall customer satisfaction. The relationship is, however, strongly moderated by the purposes for which airline passengers travel (either for business or pleasure). Perceived safety has a significantly greater impact on the overall customer satisfaction of people who travel for pleasure than on that of business travelers, which implies that airlines should more strongly emphasize safety features in advertising aimed at leisure travelers.

3. The Framework

Based on the review of the literature, this research framework was developed for studying the passengers’ experiences on SMART of national and international low cost airlines as shown in figure 1.

From figure 1 - the research model, the Thai passengers who have experienced on national and international airlines express their experiences on SMART Quality of these two low cost carriers by northern and southern flights.

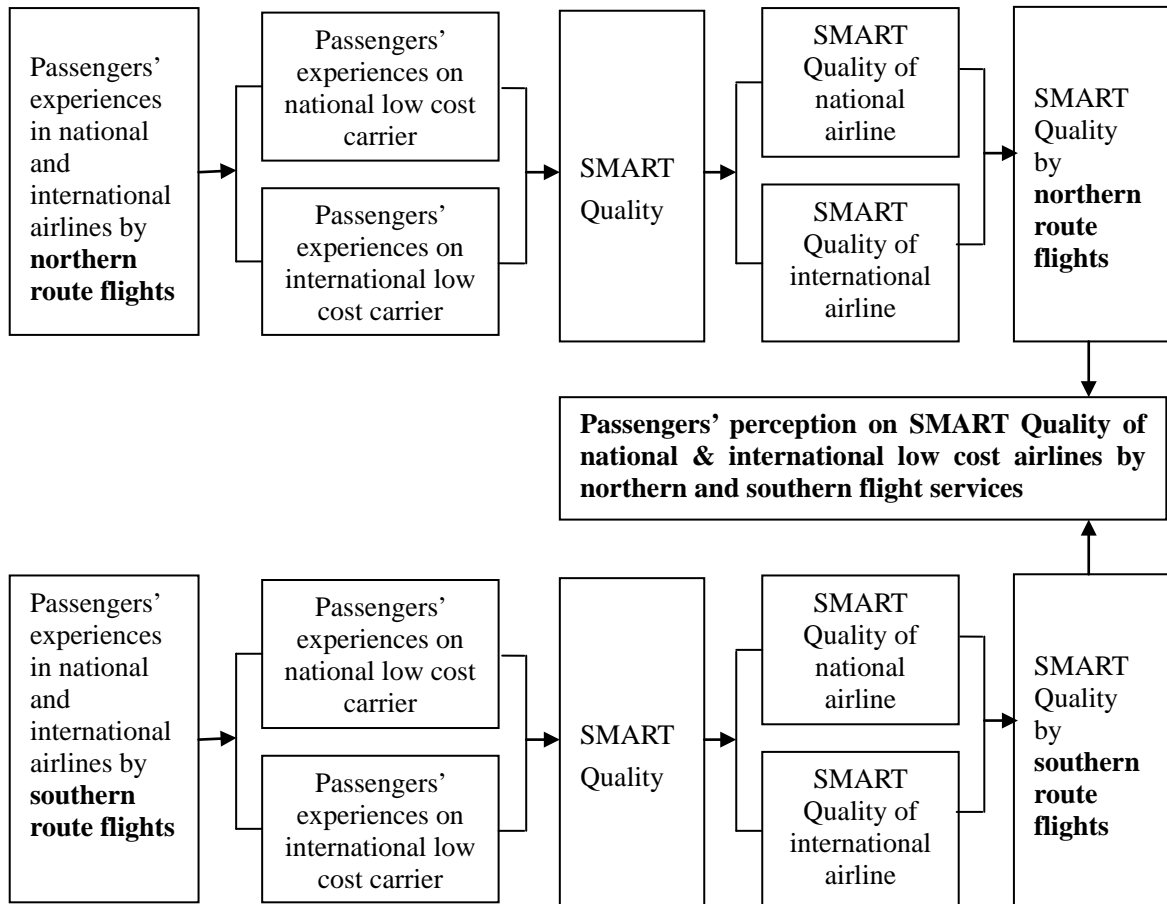


Figure 1. Research Model

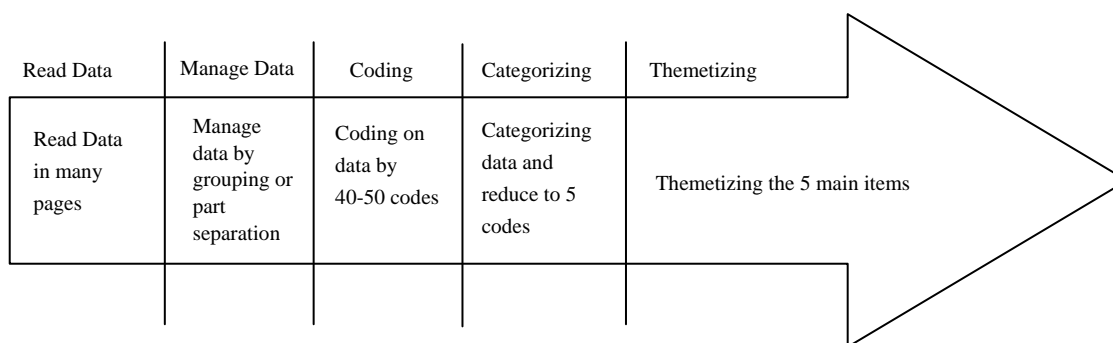


Figure 2. Data Analysis by Data Reduction

4. Methodology

4.1. Research Method

The qualitative research design for this study was transcendental (empirical) or psychological phenomenology research that researcher try to explain core of experience (essence of experience) or experience meaning of sample group who have concerned in the same experiences. The transcendental phenomenology research emphasizes to descript the experiences of sample group and the researcher will close his or her experience that might mix with respondents' experiences for searching the new vision for researcher as new and fresh experience in concept of "transcendental" – everything are looked fresh as it's happened in the first time. The research methodology is the structural in-depth interview for 24 subjects by Maximal Variation and Snowball sampling who had experienced on national and international northern route flight (Bangkok - Chiang Rai) and southern route flight (Bangkok - Trang) in 2012 to 2014. The data collection was run by walking-in to interview and email sending.

4.2. Data Analysis

The data analyzing process involved preparing (to record data into Microsoft Word), segmenting (to separate the group of data), coding (to code data by created group of data), categorizing (to reduce/categorize the group to data) and themetizing (to report the final groups of data) as figure 2 (Creswell, 2005, as cited in Buaraphan) [2].

Constant comparative method is used to analyze data in this research that included; coding, comparing (by look-alikeness), grouping (new data) and, seeking for patterns and relationships.

5. Results

5.1. Demographic Profile

The target group is Thai passengers – 24 subjects who had experienced in flight national airline and international by northern route flights (Bangkok - Chiang Rai) and southern route flight (Bangkok – Trang), involved; 4 government's employees, 7 private company's employees, 11

undergraduate students and 2 business owners.

5.2. Descriptive

The findings expressed the northern route flight services that the sampling group more perceived the satisfaction on national airline was more stratified than international airline in Service (16 codes), Management (10 codes) and Trendy (6 codes) while passenger more satisfied in Activeness (10 codes) and Responsibility (6 codes) by international carrier than national carrier. By the southern route flight services, the sampling group more perceived the satisfaction on national airline was more stratified than international airline in Service (28 codes), Management (11 codes) and Activeness (12 codes) while passenger more satisfied in Trendy (20 codes) by international carrier than national carrier. The Responsibility by both carriers is shown satisfaction equally as presented in table 1, and the comparison in table 2.

The services of national airline in northern flight was more satisfied than international airline, provided by flight attendants and ground staff, included smiling, information providing, wording manners, in-flight and ground assisting, and ticketing check-in process. National airline should provide variety of free of charge snack and magazine while international airline should adjust the speed of announcement during in-flight safety demonstration. The services of national airline in southern flight also was more satisfied than international airline, provided by air crews' smiling, information giving, talking manners, in-flight assisting, food and beverage services, product selling, and also ticketing reservation service by ground staff.

The management of national airline in northern flight was more satisfied than international airline, involved professional in-flight staff, in-flight equipment management and in-flight working process. The sampling group perceived that national airline provided good sized seats in airplane but in international airline, the seats were quite narrow. The passengers also perceived that national airline did not provide checking-in kiosks at Chiang Rai airport while international airline provided them but passengers still need staff to assist at kiosks. The management of national airline in southern flight was also more satisfied than international airline, included in-flight luggage management and equipment management by ground staff.

Table 1. Number of Code on the Satisfaction of SMART Quality of Northern and Southern Flights by National and International Low Cost Airline

SMART Quality	Number of Code on the Satisfaction			
	Northern Route Flights		Southern Route Flights	
	National Airline	International Airline	National Airline	International Airline
Service	16	7	28	8
Management	10	6	21	11
Activeness	8	10	12	5
Responsiveness	2	6	9	9
Trendy	6	3	9	20

Table 2. The Comparison of Passengers' Perception on Satisfaction of SMART Quality of Northern and Southern Flights by National and International Low Cost Airline

SMART Quality	The Comparison of Passengers' Perception on Satisfaction			
	Northern Route Flights		Southern Route Flights	
	National Airline	International Airline	National Airline	International Airline
Service	√		√	
Management	√		√	
Activeness		√	√	
Responsiveness		√	=	=
Trendy	√			√

Remark: √ means more satisfaction, = means equally satisfaction

The activeness of international airline in northern flight was expressed by passengers' satisfaction over international airline, included fast and on time of passengers' need responsible by air crews, active assisting and fast responsible in passengers' requirement by ground staff. A passenger perceived that a flight crew of international airline was very active in service in case passenger had illness; staff followed and checked the passenger's symptom while some ground staff was not active in a case of passenger's luggage missing and question handling with confusing foreign passenger about the direction to departure gate. In contrast, the activeness of national airline in southern flight was more satisfied than international airline, involved alert in service of staff and their assistants.

The responsibility by international airline's staff was presented by passengers' satisfaction over national airline, included overall of passenger responsibility by crews, confident in pilot and overall responsibility by ground staff. The passengers perceived that they concerned with delay flight by national airline many times while a passenger's luggage was lost by international airline. The responsibility by both carriers in southern flights showed equality of satisfaction, involved responsibility of staff in their duties and safety on-broad demonstration.

The trendy of staff uniform, aircraft and safety feeling by national airline was more satisfied than international airline.

The passengers perceived international airline crews in jeans uniform (weekend casual) are not formal and appropriate for service industry while some broken uniform (out-thread shirttail) of national airline crews wasn't good looking for passengers. In contrast, the trendy of staff uniform and aircraft by international airline in southern flight was more satisfied than national airline, included appropriate with work and beautiful uniform and new aircrafts.

6. Discussion

The study of Lerrthairakul and Panjakajornsak [8] showed that assurance dimensions, reliability dimensions and empathy dimensions display a significant influence on post purchase behavioral intentions. This could suggest that to ensure good quality service that could satisfy the needs of the passengers, low cost airline management teams should ensure that their flights are always on time and reliable that supported results of this research – the passengers in both northern and southern flights more satisfied national airline's service and management than international airline. Snyder and Tai [12] also presented that the management has an overview and insight of performance that JPA executes to adjust the behaviors and to give the most appropriate direction.

Gour [10] revealed that passengers indicated overall satisfaction with the four dimensions of service quality examined the study (tangibles, schedule, ground staff, and flight staff). In this regard it was interesting to note that the dimension of schedule had the lowest mean rating (significantly different from the other dimension). It's similar to the findings by this study that passengers didn't mention anything about flight schedule. Otherwise, they focused on intangible (service mind), tangible (equipment), ground staff and in-flight staff.

The research of Kalthom, Noor and Kamariah [6] presented, Malaysian passengers indicated that the airlines surveyed performed better than expected on the Responsiveness dimension of service quality of international airline. It is the same as performance of this findings that international airline in northern flights performed fast and on time of passengers' requirement responsible by air crews, active assisting and fast responsible in passengers' need by ground staff. Also, the study of Kim and Lee [7] found that the significant dimensions of customer satisfaction on international airline are tangibles and responsiveness.

Baker [1] expressed that the low cost carrier is the no-frills service that these carriers provide passengers. Instead of providing passengers with a menu of product choices priced with a range, the low cost carriers offer a single type of product, coach service. This type of service has become very attractive to travelers. Low cost carriers do not provide meals on flights, which results in a savings of \$5 to \$10 per coach passenger. It is different point with the findings by this research that passengers in northern route need variety of snack and magazine.

The sampling group in this study more satisfied in services by national airline than international airline in northern flight that is different from the findings of Thanathipworanan [13], showed the passengers' positive attitude on service was expressed by Thai AirAsia (international airline), followed by Orient Thai and Nok Air (national airline).

Regarding the findings in this study expresses passengers more satisfied services of national airline than international airline, is supported by the study of Esriyanont [4] that presented different gender passengers have different satisfaction toward Nok Air (national airline) services, different age passenger who are not different satisfaction toward services by Nok Air (national airline), Orient Thai (national airline) and Thai AirAsia (international airline).

7. Implications

The passengers did not mention anything about flight schedule service in this study. The passengers still need free of charge snack or variety of in-flight food and beverage but the concept of low cost carriers' service about one type of product providing (not provide many choices of product) and not provide free of charge thing in low cost carrier that it is general even in low cost flight.

8. Limitations and Suggestions

This study focuses in only Thai passengers who had similar experiences flights in Thailand. They suggest international airline should provide more free of charge food and beverage, weekly magazine and baggage weight allowance while national airline should provide diversity of free of charge on-board food and update flight attendant's uniform to more trendy. National airline might be added more activeness and responsibility to passengers while international airline may add more the effective of service, management and trendy. Future researcher should focus the SMART quality on regional and legacy airlines, and use the quantitative research methodology.

9. Conclusions

Both airlines provide SMART Quality throughout passengers' perception. Passengers show greater satisfaction in the national airline's Service and Management than the international carriers on both routes. The passengers of northern route are more satisfied with Activeness of international airline, while those in southern route are more satisfied with Activeness of national airlines. Responsiveness of international airlines receives greater satisfaction in northern route, while in passengers in southern route show their satisfaction equally on both carriers. Trendy of national airline sees more satisfaction in

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