CONSUMER BEHAVIOR AND DECISION MAKING TOWARDS FULL-SERVICE AIRLINES



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CONSUMER BEHAVIOR AND DECISION MAKING TOWARD FULL-SERVICE AIRLINES

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ABSTRACT

The competition in the aviation business is intensifying across the world, thus knowing the preferences of passengers is becoming more critical than ever. Both full-service airlines and low-cost airlines have to clarify what kind of products or services their customers need and expect.

This study aims to identify the criteria that influence passengers in Thailand to choose full-service airlines and to prioritize those factors in terms of importance. The results indicate that 'Service quality' is the most important criterion for choosing a full-service airline, followed by promotion prices and safety standards. The content of this thematic paper presents in-depth discussion of the results and insights acquired from both airline passengers and airline employees in Thailand, using semi-structured interviews.

KEY WORDS: full-service airline/ low-cost airline/ passengers in Thailand/airline

43 pages

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CHAPTER I INTRODUCTION

1.1 Problem Statements and Its Importance

Nowadays a travel business is very popular. Many people travel abroad for their leisure time and for their business issue. One of the important vehicles bring them to their destination is 'airplanes'.

There are two main types of airline carriers to offer which are full-service carriers and low-cost carriers. These two main types airline carrier can bring passengers to the same destination, but different ticket price, different routes, different time, and different service offering. It leads to the question that why people choose the full-service carriers above the low-cost carriers. The passengers have different criteria for choosing the airline types for their journey. They choose the one that can response their wants most. There also don't choose the same airline for all their trips. The one they choose this time might be or might not be the same as the next one; it depends on the offer from the airline that best serve their wants and needs at that time. Therefore, exploring the passenger decision making behavior is the way to create the routes, services, and the marketing policies to satisfy their wants and needs.

As the dramatic increase in number of the air travelers nowadays leads to the intense competition among airlines, both traditional media and social media are used to reach the passengers and to spread the airlines promotion and information. Those media channels also empower the passengers' experiences through their exploration. Thus the study also tries to explore on how much impact different media channels have on the decision making of the passenger, together with the level of trust and how they prioritize to media channels.

1.2 Research Objectives

The purposes of this paper are:

- 1.2.1 To find the critical factors that influence people to purchase the fullservice airline tickets while low-cost carriers are available
- 1.2.2 To prioritize the critical factors influencing this purchase decision in terms of importance

1.3 Research Question

Given the research objectives to find the factors that affect the decision making of purchasing the air ticket for the full-service airline, the research question can be developed as "What are the criteria consumers use in deciding to purchase the full-service air ticket."

1.4 Research Scope

This Study focuses on Thai passengers who aim to travel for their leisure and prefer to pay for the air ticket from the full-service airline comparing to those who prefer to pay for the low-cost.

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1.5 Expected Benefit

The expected benefit of doing this research is to examine the critical factors that drive the possibility of Thai passengers to purchase the air ticket from the full - service airline. Therefore, the study may shed some lights for the airline company to develop their marketing strategies and service to meet customer's satisfaction.

CHAPTER II LITERATURE REVIEW

Buying the airline ticket is not just about buying the seat in the aircraft to bring passengers to their expected destination; it's also about the service they will get starting from when the passengers think about travelling abroad for their leisure until they come back from their trip. To be more clarify about the criteria in choosing the choice either full-service airline or low-cost airline, the author has studied and collected the information which generally discuss in two major areas which are

- 1. The variables that influence the decision making of buying full-service airline or low-cost airline.
 - Consumer Decision Making Process
 - Airline Service Quality
 - Price
 - Safety
 - Frequent flyer program
- 2. Customer satisfaction and Behavioral intention toward the airline selection

2.1 The variables that influence the decision making of buying fullservice airline or low-cost airline.

2.1.1 Consumer Decision Making Process

Consumer behavior is the field of the marketers who aim to study their purchase decision making by which emphasizing on the consumption behavior where they put the human aspect in terms of decision making and purchasing to be the major factors. (Schiffman & Kanuk, 2000). Engel, Blackwell & Miniard (1995) stated the definition of consumer decision-making process as "a model is nothing more than an imitation of the phenomena it is designed to present. It specifies the building blocks (variables) and the ways in which they are interrelated."

There are a lot of models of the consumer decision making process; one from Schiffman & Kanuk (2000) explains that there are three main steps as

Step 1 Input: the input component in this step is the external influences that provide the information about product or services. The external influence might come from family, non commercial sources, social class, culture, and he marketing mix activities of the company to communicate benefit and advantage of its products.

Step 2 Process: the process component is about how consumer making a decision which composed three stages which are need recognition, pre-purchase search, and evaluation of alternatives.

Need recognition mostly happens when consumers face a problem. It will bring the trigger to remind the consumers' awareness about the products or services relevant to the problems.

Pre-purchase Search starts when the process of the deep down tracking through the past experience before perceiving the external information. The more relevant with past experience, the less external decision needed to reach the decision making.

Evaluation of Alternatives is used by the consumers in two types of information which are the name of the brand in their mind in selective criteria and the factor to use for choosing the brand form all in their mind

Step 3 Output: The output shown by the purchase process from decision making to purchase process above. The result comes up into three types which are trial purchase, repeat purchase, and long-term commitment purchase. Then the post-purchase evaluation occurs to ensure the satisfaction of the consumers. They will compare their ideal expectation with the perceived products or services.

2.1.2 Airline Service Quality Measurement

There have been studies done on the airline service quality around the world as the customer satisfaction becomes an important factor in various business fields (Heskett et al., 1994). Chou, Liu, Juang, Yih, & Han (2011) also stated that the airline service quality, nowadays, become a key success factor for competing with other airline companies.

One of the studies is the service quality measuring instrument called SERVQUAL by Parasuraman et al. (1988) which is very well-known in studying the airline service quality (Frick & Ritchie, 1991; Sultan & Simson, 2000). The SERVQUAL measures the service quality in five dimensions from the overall evaluation of passengers toward the whole service quality they receive based on their expectations. The five dimensions comprise of

Reliability: the ability to perform the promised service consistently and accuracy

Tangibles: the form of physical facilities, equipment, personal, and communication materials.

Responsiveness: the willingness to facilitate consumers and to provide prompt service.

Assurance: the knowledge and courtesy of the staffs and their capability to convey trust.

Empathy: the terms of caring, individualized attention to consumers

In addition, O'Connell & Williams (2005) studied about the passengers' perception of low-cost airline and full-service airline involving Ryan Air, Aer Lingus, Air Asia, and Malaysia Airlines. The study shows that passengers who travel with full-service airline concern about reliability, quality, flight schedules, connections, frequent flyer programs, and comfort, while the passengers who travel with low-cost airline mainly focused on the ticket fare.

Proposition 1: Airline service quality has a positive relationship with the decision to fly with full-service airline for passengers in Thailand.

2.1.3 Price

The ticket price for airline is complex and many of passengers still don't know how to calculate the exact ticket price (Driver, 2001). The differentiation in the

ticket price is based on the different in requirements and conditions of the ticket type, the time period of advance purchase, the flexibility of the cancellation, etc.

The full-service airline offers higher number of alternative flights for passengers which lead to the flexibility of the ticket booking that enables the passengers to book the flight on their demand. A trend that can be noticed nowadays that passengers are more willing to pay higher amount of money for their trip, for example, the passengers are more likely to spend higher amount of money for the accommodation in the aircraft as they will spend a long time in there. While Lawton (2002) reported that the ticket price of the low-cost airline is in average 40-60% lowers than the full-service airline.

2.1.4 Safety

One of the most important variables to be considered choosing the airline is the safety standard of the airline. In 1997, the International Civil Airline Organization (ICAO) started to develop the aviation safety and security and at the present time the ICAO now working with the International Air Transport Association (IATA) in order to publicize the aviation safety and security measurement issue. Baisya & Sarkar (2004) stated that the safety record of the airline is considered as the most important criteria for all passengers to choose the airline.

Proposition 2: Ticket price and safety record of the airline has a positive impact on the decision to fly with a full-service airline for people in Thailand.

2.1.5 Frequent Flyer program

The frequent flyer program or as normally known as the loyalty program for the airline marketing strategy. The frequent flyer program was introduced to the airline market in 1981 and had been followed by a lot of airlines throughout the world (Long & Schiffman, 2000). It enables the passengers to collect the miles from their trips and to be used as a privilege upgrading such as the seat upgrade, redeem hotel room nights and gifts. Fourie & Lubbe (2006) conducted the research in South Africa by using the U-test and found that significant variable for purchasing the airline ticket is the frequent flyer program. **Proposition 3**: The existing frequent flyer program of the airline has a positive impact on the decision to fly with a full-service airline for passengers in Thailand.

Behavioral intention and Customer satisfaction toward the airline selection

According to Sheth & Mittal (2004), Consumer behavior is the various activities and roles in both mental and physical conducted by people that resulted in the decision making and action to purchase, to pay for the products or services. There are three factors that shaped the consumer perception which are

Stimulus characteristic: The information gained from the environment such as stores, friends, brand, and so on.

Context characteristic: The setting after information gained which can be differs from the different culture, different social, and so on.

Customers characteristic: the personal knowledge and experience.

Behavioral intention is defined as the intention to purchase the product in the future which mostly used in predicting the consumer's purchasing behavior. Fishben & Ajzen (1975) also define it as the consumer's personal chance of performing a particular behavioral act and strongly influenced by their beliefs. It means that the purchase behavior is influenced by people's belief, intention, and attitude. Bitner (1990) also found that the service quality that the consumer perceived will influence the behavioral intention in terms of repurchase intention.

When the passengers evaluate whether to choose the full-service airline or low-cost airline, the evaluation process will affect their attitude and their purchasing behavior. In order to gain attention from the passengers, the important variable to concern will be price, safety, availability, frequent flyer program.

While the definition of satisfaction from Hansemark & Albinson (2004) is an overall customer attitude towards a service provider, or reaction based on the emotional of the consumers to the difference between the expectation of customers and what they receive. Additionally, there are other influences on the satisfaction perception of people such as the culture of the consumers, past experience, word of mouth, attitude towards brands and the customer involvement level toward products or services. The perception of the consumer can be changed any time due to the experience they have faced. The result of service quality perception comes from the evaluation of the service they received comparing to their expectation. Dabholka et al. (1996) stated that a positive relationship between service quality perception and possibility to recommend the product, in this case the airline ticket, to other people.

Proposition 4: Service quality perception positively influences the satisfaction of passengers in Thailand.



CHAPTER III RESEARCH METHODOLOGY

3.1 Research Setting

As this paper sets out to explore what criteria consumers use in deciding to purchase the full-service air ticket by focusing on Thai passengers who aim to travel for their leisure and prefer to pay for the full-service airlines, in order to answer the research question, the qualitative interview approach is adopted as the method of data collection.

3.2 Sample Selection

To collect the data, the researcher will use one-to-one interview method with 2 flight attendants, 1 pilot from Thai Airways International and 10 of the passengers in Thailand who aim to travel for their leisure.

3.3 Research instrument

To get broad insight and information on the particular issue, an in-depth interview is adopted as the data collection method to be used for this study. The sample is convenient as respondents are 2 flight attendants, 1 pilot from Thai Airways International and 10 of the passengers in Thailand who are willing to participate in the study without influence from others. The in-depth interview could spend several hours and the respondents might not have much time to participate the whole interviewing session, the social network such as skype, videocall device and application will be used as the solution for this issue.

To collect the data for this study, the author plans to conduct a thirty minutes interview for each respondent. During the interview period, the author, as an interviewer, will not give any personal point of view regarding the discussion about the topic. In addition, the interviewer will follow the guidelines from Hennink et al. (2011) in terms of conducting the semi-structure interview guide in order to manage the interview and bring out the truth from the respondent to make the data the most accurate. The guidance comprises of

1) Conduct the interviewee by using a semi-structured interview guide

2) Create a trust-relationship and atmosphere between the interviewer and interviewee

3) Asking with both close-ended and open-ended questions to pull up the data and to cover all the significant issues during the interview period.

4) Always stimulate the interviews to tell their experiences and ask for examples

3.4 Data Collection

To collect the data, the author uses both face-to-face interview and online interview via social media channel such as Skype, Facebook Chat with video call feature, and Line Video Call. The key questions to be used in this in-depth interview are as follow:

- 1) Have you ever traveled abroad for your vacation, or leisure time?
- 2) How often each year do you travel abroad for your vacation, or leisure time?
- 3) Which kind of airline do you prefer to fly with, full-service or low-cost airline?
- 4) What inspired you to purchase the ticket from a full-service airline?
- 5) Have you ever fly with a low-cost airline?
- 6) What are the criteria for purchasing the air ticket either from the fullservice airline or low-cost airline?
- 7) What are the main differences between the full-service airline and lowcost airline from your perspective?
- Please rank the criteria for choosing full service airline in terms of importance (from high to low)

During the interviewing session, the author will try to seek out the respondent's beliefs and attitude toward the full-service airline and low-cost airline, while motivating the respondent to continue sharing their information, past experience, and the examples of the airline ticket purchase decision.

3.5 Data Analysis

To analyze data from each interview session, the author will transcribe the raw data into the paper format to find the relationship towards the main objective of the study. Thompson (1997) suggests two steps in interpretation of the raw data. The first stage is about understanding the in-depth information from each respondent. The second step is to analyze the information and seek out the connection, similarity, and pattern from all the interview data. The finding will lead to the conclusion to explain the critical factors that influence people to purchase the full-service airline tickets while there low-cost carriers are available.



CHAPTER IV RESEARCH FINDINGS

4.1 Key findings and Implications

After the interview, the data gathered from all respondents needs to be analyzed regarding the two key objectives for the study which are "to find the critical factors that influence people to purchase the full-service airline tickets while low-cost carriers are available" and "to prioritize the critical factors influencing this purchase decision in terms of importance". The respondents for this study are one pilot from Thai Airways, two flight attendants from Thai Airways, and 10 passengers in Thailand who travel for their leisure.

From analyzing the data of all 13 respondents, it could be said that Service quality is the main factor that influence passengers to purchase the airplane tickets from full-service airline as shown in figure 4.1. While there are other 4 outstanding themes that also affect the intention to purchase the air ticket from full-service airline of passengers in Thailand which are Customer satisfaction, Price, Value perception, and Safety standards as shown in figure 4.2



Figure 4.1 Ranking of themes affecting the ticket purchase from full-service airlines of passengers in Thailand.



Figure 4.2 Outstanding factors influencing people to purchase full-service airline

4.1.1 Service quality

Regarding the interview transcript, the majority of respondents claimed that service quality is the main reason for deciding to purchase the airplane ticket from full-service airlines. The good service quality brings them the joyfulness, convenience and comfort during the trip. It's also the prominent factor that differentiates fullservice and low-cost airlines. One respondent said "The in-flight entertainment such as the movie and music always boost up my joyfulness during the long trip." Another respondent also said "I am a forgetful person so I always forgot bringing toothbrush and toothpaste on board and I can ask the flight attendants for them."

Service quality can be categorized into two main types which are tangible service quality and intangible service quality. The tangible services are, for example, the facilities in the privilege lounge, the in-flight facilities, the in-flight food and beverage, the in-flight entertainment (movies, songs, and games) and the seat function and size. The intangible services are the carefulness and courtesy of flight attendants toward passengers, including the willingness to perform the identified tasks. As one of the respondents said "Passenger will perceive the attention of flight attendants from smiling face and the voice asking "More coffee? Some tea? Wine? Do you want more blanket?, etc."

Moreover, the service related to the flight management such as flight schedule, flight time, flight duration, baggage handling, and flight frequency is one of the factors that brings full-service airline to be successful. To perform the great service quality to serves passengers, the airline have to pay higher cost for training people and to improve competence of the aircraft facilities. Almost all passengers cannot deny that they pay the higher price for better service quality. It's the main thing that brings them convenience during their trips. They can choose variety of flight schedule that best suits their plan whether to depart in the morning or in the evening.

4.1.2 Customer satisfaction

In this study, the customer satisfaction is claimed as the result from the evaluation of personal knowledge, characteristics, attitudes, information searching and past experiences. The customer satisfaction is the reason for passengers to repeatedly purchase airplane tickets from full-service airlines. It's also the factor that creates loyalty of passengers for not switching to the alternative low-cost airlines. As one of the respondents said: "The service quality of the full-service airline is great and makes me don't want to switch to the low-cost airline". If the past experience that the passengers have faced is not good enough, the passengers will seek out the alternatives. As one of the respondents said "I used to fly with low-cost airlines to Korea; it's quite bad in my opinion. I have to pay for the extra-charges by which the total price is not as cheap as I thought." So, this passenger switches from flying with low-cost to fly with full-service airline instead. How much passengers satisfy the products and services will be shown as the re-purchase of those products or services and the possibility to recommend other people to buy or not buy those product or services. As one of the respondents stated that "I have never flown with low-cost airlines and don't want to fly as my girlfriend always complains that the departure and arrival time is not much punctual and usually postponed which affects her plan." It shows that his purchase intention was affected by his girlfriend's past experience.

The frequent flyer program is one of the factors that the respondents mention much on how they gain privilege from being a member. Some of respondent said she is a Silver member of Royal Orchid Plus, frequent flyer program of Thai Airways. Then every time she thinks about purchasing the airplane ticket, she will think of Thai Airways as she doesn't want to lose the great privilege she has earned. She said she likes to dress in many styles; every time she goes travelling she'll bring many costumes along with her trip. So the baggage weight will be her problem. She has to pay for the extra weight from the 20kg allowance. After she becomes a silver member of Royal Orchid Plus, she gains extra10kg for free. Plus, the mileage collection will be rewarded with another free flight trip or a hotel room.

4.1.3 Price

Price is known as the general factor that affects the purchase intention of people. Everyone concerns about how much they have to pay for goods or services, also including airline tickets. The price of the airline ticket can be categorized into two types which are the promotion price and the normal price. In general, the normal ticket price of full service airline is more expensive than the price of low-cost airline approximately 40-60%. While the promotion price of the full-service airline is more expensive than the normal price of low-cost airlines only 2-10%.

The price of the full-service airline will cover all necessary fees such as the airport tax together with all service offerings. Passengers can fly with full-service airlines and don't have to worry about the extra expense hey have to pay. They also can estimate the budget for their trip easily. While the low cost airline will calculate only for the amount of money you have to pay for arriving at the chosen destination. If the passengers what to select the seat, request for food and beverage, or check-in baggage they have to pay an extra charge.

The price difference will affect passengers' intention to purchase the airplane tickets from the full-service airlines as there's an alternative offering the lower price. From this study, the promotion price of airplane tickets from full-service airline tends to be compared with the price that low-cost offers. For the comparison with the same condition of baggage weight allowance, it's shown that the promotion price of the full-service offering is higher than the low-cost airline, but in the acceptable level of passengers or nearly the same price. There is one of the respondents who said: "Promotion price is not significantly different compared to the low-cost when concerning the same baggage weight allowance." Another respondent also added: "The promotion price of full-service airlines is acceptable comparing to the low-cost fare which already includes the check-in baggage fee." In addition, the airplane ticket price of the full-service airline is the net price that the passengers don't have to worry about the extra or hidden charges. One of the respondents claimed that "The ticket you buy from the full-service airline will cover all aviation fees so you don't have to pay further charges. For the low-cost airline you have to pay for the extra and hidden fees such as the food and drink, check-in baggage charge, seat selection, and in-flight entertainment."

Whereas the price is the very important factor to be considered when deciding to buy the airplane ticket, there are still some passengers who value the service quality more than the price. They prefer to pay high price for full-service airline and get better service quality and better aircraft facilities.

4.1.4 Value perception

The value perception in this study emphasizes on how passengers evaluate the value they perceived and gained. Most of the respondents compare the service they gain from both full-service and low-cost airline and compare with the ticket price to see the worthiness of purchasing, which one worth to purchase. The price to be compared is typically between the promotion price of full-service airline and the normal price of low-cost airline. There is one of respondents who stated: "Passengers can ask for blanket, pillow, food, beverage, toothbrush, toothpaste, etc. for free while cannot get without extra-charge from the low-cost airline." And another said: "It's pretty sure that the more you pay, the better service you'll get."

The value perception is judged by personal past experience. Many of passengers used to fly with both full-service and low-cost airline. They will evaluate from their past experience which destination suits for which airline to be chosen. As one of the respondents said "The full-service airline offers better service quality than low-cost airline." And another said "I definitely choose the full-service and get much better service quality." The value perception varies due to the personal knowledge, past experience, and information gained.

Meanwhile, most of the respondents of this study tend to put value on service quality of the airline rather than the ticket price. The main reason for choosing full-service airline of passengers in Thailand is the service quality, especially for the long-haul travel. They will pay for the higher price to get the full options of service. Moreover, the in-flight entertainment is claimed as one for the key services to relieve boredom of passengers during the trip.

4.1.5 Safety standard

One of the important factors of passengers' intention to choose full-service or low-cost airline for their holiday trip is the safety standard of the airline. All passengers want to arrive at their destination safe without any aircraft incidents or accidents. One of the flight attendants of Thai Airways said: "The safety standard of full-service airlines ensures that passengers' lives are in very low risk of aviation accident due to the efficiency and money spent on the cautious safety and security checking process. The safety and security of full-service is very intense as it results in the credibility and reliability of the airline. The better the safety record, the more trust gained from the passengers. "The full-service airlines charge the airplane ticket price higher than the low-cost airlines, which partially pays for the higher security standards implemented. Some of passengers rank the safety standard as their first priority. They won't choose the low-cost airline to be their vehicle as they don't trust in its safety and security standards.



CHAPTER V CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

As airplane is a common means of transport nowadays, it leads to the high competition among airlines. Even when the departure point and the destination of the trip are the same, the different service levels are experienced in between by customers. Those differences has much affect on purchasing intention of passengers. The success of full-service airlines depends on many factors, but the most important one is the good airline service quality that low-cost airlines often cannot offer. Plus, there are four more critical factors that affect the purchasing intention of passengers which are Customer satisfaction, Price, Value perception, and Safety standards.

For passengers who prefer traveling with the full-service airlines, especially who travel for long-haul flights, the amount of money they pay for the airline ticket to bring them to their target destination is not just about paying for the seats in the aircrafts. Many people pay for the service quality of the airline and the convenience they gain along their trips to make them much more comfortable and joyful to complete their perfect leisure trip. The higher ticket price of full services airline, comparing to the low-cost airline, comes up with the higher service quality that passengers will get during their trips. The full-service airlines offer better quality of both tangible and intangible ways.

In addition, the promotion price of the full-service airline is one of the very important factors that make passengers decide to fly with full-service airline as the promotion price of full-service airline tickets is slightly different from the normal price of the low-cost airline tickets. Most of the passengers compare the worthiness of flying with full-service to low-cost as they will get much better service quality from the airline, while the ticket price they paid is slightly higher. The value perception is determined from the worthiness of the amount of money that passengers have paid and compared with what they will gain afterward. Most of the passengers perceived that the safety and security standards of the full-service airline ensures them to arrive the destination safely due to the good safety record of the airline and the efficiency of the safety and security check process of the airline.

Overall, passengers have higher satisfaction levels on full-service airlines compared to low-cost airlines. The customer satisfaction judgment of passengers involves passengers comparing their prior expectations to actual service performance of the airline. Where their loyalty has been examined during the trip, since the process they were choosing their destinations until the end of their trips.

5.2 Limitations

The limitations for this study are not enough time to gather the information and small sample size to receive the feedback. In the short period of time, I decided to conduct the interview at Suvarnabhumi airport to make the process much easier to find Thai passengers who travel by airplane. Moreover, the interview method helped me discover the critical criteria for choosing full-service airlines from the in-depth point of view of the real passengers. The respondents for this study are two flight attendants and one pilot from Thai Airways and ten Thai passengers at Suvarnabhumi airport who prefer to spend their money for full-service airline ticket for their leisure trip.

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5.3 Recommendations and Future Research

Delivering better service quality to passengers is very vital for airline to gain customers satisfaction and make them feel comfortable to fly with the airline again. To attract passengers who prefer travelling with the full-service airline is to do the marketing on the five critical factors from this study which are Service quality, Customer satisfaction, Price, Value perception, and Safety standard. On the other hand, further research may study about the purchasing intention of passengers who prefer traveling with low-cost airlines to find out what criteria that affect their decision making. The place to conduct the survey or the interview can be Don Mueang International Airport which services a number of low-cost airline for passengers. As this study is limited to Thai passengers who aim to travel with full-service airline for their leisure by conducting the interview at Suvarnabhumi airport, future research can capture responses from passengers who prefer traveling with low-cost airlines at Don Mueang International Airport to see the purchasing intention of these passengers. It would help clarify another dimension of passengers purchasing intentions which makes the airline, both full-service and low-cost airlines, to improve their marketing strategies and make it meet the passengers' needs and satisfactions.



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APPENDIX A: INTERVIEW GUIDES

The interview questions are related with two main objectives, which trying to find the consumer behavior decision making toward full-service airlines. The question guidelines are as following:

Objectives 1: To find the critical factors that influence people to purchase the fullservice airline tickets while the low-cost carriers are available.

- Have you ever traveled abroad for your vacation, or leisure time?
- If yes, how often each year do you travel abroad for your vacation, or leisure time?
- Which kind of airline do you prefer to fly with, full-service or low cost airlines? Why?
- Which airlines do you normally fly with?
- How do you feel about?
- Have you ever fly with low-cost airlines?
- How do you feel about?
- What inspired you to purchase the ticket from a full-service airline?
- What are the criteria for purchasing the air ticket either from the fullservice airline or low-cost airline?

Objective 2: To prioritize the critical factors influencing this purchase decision in terms of importance.

- What are the main differences between the full-service airline and low-cost airline from your perspective?
- Please rank the criteria for choosing full service airline in terms of importance (from high to low).
- Why you gave the first priority to this factor?

APPENDIX B: INTERVIEW EXCERPTS AND ANAYSIS

Interview 1: Results from the flight attendants of Thai Airways International Respondent #1

"Yes, 3 times per year. For me I decide to fly with full-service airline, Thai Airways (TG), as I am the flight attendant of TG so I can fly with the special ticket price which offers only for TG crew. Anyway, from my experience, most of the passengers decide to fly with full-service airline because they want the good service quality that the low-cost airline cannot complete their wants. Passengers can ask for blanket, pillow, food, beverage, toothbrush, toothpaste, etc. for free while cannot get without extra-charge from the low-cost airline. Passenger will perceive the attention of flight attendants from smiling face and the voice asking "More coffee? Some tea? Wine? Do you want more blanket?, etc. The in-flight entertainments such as movies, music, TV show, game which divided into categories provides convenience for passenger to search for their favorites. It also provides the activity to relieve boredom from the long flight. Plus the safety standard of full-service airline ensures that passengers' lives are in very low risk of aviation accident due to the efficiency and money spent on the cautious safety and security checking process. The flight schedule is one of the important things to be concerned. The low-cost airline cannot offer the flight frequency as much as the full-service as it pay less for airport landing slot. It means that the passengers who fly with full-service airline can choose among various flights that best suits to their plan."

Coding Analysis

Excerpt	Theme		
• I am the flight attendant of Thai Airways so	Price		
I can fly with the special ticket price.			
• Most of the passengers decide to fly with	• Service quality		
full-service airline because they want the			
good service quality			

•	Full-service airline serves good service	•	Service quality
	quality that the low-cost airline cannot		
	complete the passengers' wants.		
•	Passengers can ask for blanket, pillow, food,	•	Service quality
	beverage, toothbrush, toothpaste, etc. for		
	free	•	Value perceptio
•	Cannot get blanket, pillow, food, etc.		
	without extra-charge from the low-cost	•	Service quality
	airline		
•	Passenger will perceive the attention of		
	flight attendants from smiling face and the		Service quality
	voice asking "More coffee?	1	
•	The in-flight entertainments such as movies,	•	Convenience
	music, TV show, game		
•	The in-flight entertainments are divided into		
	categories provides convenience for	•	Safety standard
	passenger to search for their favorites.		
•	the safety standard of full-service airline		
	ensures that passengers' lives are in very	1	5/
	low risk of aviation accident due to the	n.	
	efficiency and money spent on the cautious	-	Value perceptio
	safety and security checking process	•	Flight schedule
•	The low-cost airline cannot offer the flight		
	frequency as much as the full-service as it	•	Flight schedule
	pay less for airport landing slot.		
•	who fly with full-service airline can choose		
	among various flights that best suits to their		
	plan		

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Respondent #2

"Yes, 3-4 times a year. The outstanding things of full-service airline such as Thai Airways are the airline service quality, safety standard, alliance partners, no extra-hidden charge. The airline service quality of the full-service airline offers passengers the full-option of service, for example, the food and drink, amenity, movie and entertainment. The safety standard of full-service airline makes passengers feel confident to spend their trip. Full-service airline has very strict safety regulations to maintenance the aircraft and to certify the aviation process. The alliance partner system will automatically help bringing passengers to the expected destination with the partner airlines when the cancellation flight occurs, while the low-cost would leave the passengers stranded for days. The ticket you buy from the full-service airline will cover all aviation fees so you don't have to pay further charge except the special service namely, on-board telephone and internet, and the extra baggage weight. For the low-cost airline you have to pay for the extra-hidden fee such as the food and drink, check-in baggage charge, seat selection, and in-flight entertainment."

Coding Analysis

Excerpt	Theme		
• The airline service quality of the full-service	Service quality		
airline offers passengers the full-option of			
service, for example, the food and drink,	S.		
amenity, movie and entertainment.			
• The safety standard of full-service airline	• Safety standard		
makes passengers feel confident to spend			
their trip.	• Safety standard		
• Full-service airline has very strict safety			
regulations to maintenance the aircraft and			
to certify the aviation process.	• Alliance partner		
• The alliance partner system will	• Customer satisfaction		
automatically help bringing passengers to			
the expected destination with the partner			
	airlines when the cancellation flight occurs.	•	Service quality
---	---	---	-----------------
•	Low-cost airline would leave the passengers		
	stranded for days if the flight cancellation	•	Price
	occurs.		
•	The ticket you buy from the full-service		
	airline will cover all aviation fees so you	•	Price
	don't have to pay further charge except the		
	special service.		
•	For the low-cost airline you have to pay for		
	the extra-hidden fee.		33

Interview 2: Results from the pilot of Thai Airways International

Respondent #1

"Yes, for leisure, about 4-5 times a year. The prominent of the full-service airline are the service quality. The ticket price may higher than the low-cost, but those people who pay for the full-service mostly expect the great service quality that the low-cost cannot offers. The service quality of full-service airline can be separated into two groups which are tangible and intangible. The tangible services are the facilities in the Royal Silk Lounge, the in-flight facilities, the in-flight food, and the seat function. The intangible services are the carefulness and courtesy of flight attendants toward passengers. The credibility of the airline ensures that the passengers will reach their destination on time or a bit late due to the weather. There is no cancel flight unless the unpredictable factor occurs such as the snow storm, heavy rain, terrorism, etc. The next factor is the mileage collection, Royal Orchid Plus (ROP). It encourages passengers pay for the ticket from full-service airline as they will get the special privilege from the airline, especially Thai Airways, you can earn the mileage point from hotel, travel, and car rental partners and flying with star alliance airline, not just from Thai Airways. The different between full-service and low-cost are the price and service offering. It's pretty sure that the more you pay, the better service you'll get."

Excerpt	Theme
• The prominent of the full-service airline are	Service quality
the service quality.	
• The ticket price may higher than the low-	• Value perception
cost, but those people who pay for the full-	• Service quality
service mostly expect the great service	• Price
quality that the low-cost cannot offers.	
• The tangible are the facilities in the Royal	• Service quality
Silk Lounge, the in-flight facilities, the in-	
flight food, and the seat function.	
• The intangible services are the carefulness and	• Service quality
courtesy of flight attendants toward passengers.	
• The credibility of the airline ensures that the	Credibility
passengers will reach their destination on	
time or a bit late due to the weather.	
• There is no cancel flight unless the	Credibility
unpredictable factor occurs such as the snow	
storm, heavy rain, terrorism, etc.	6
• The next factor is the mileage collection,	• Frequent flyer program
Royal Orchid Plus (ROP).	
• It encourages passengers pay for the ticket	• Frequent flyer program
from full-service airline as they will get the	• Customer satisfaction
special privilege from the airline.	
• Thai Airways, you can earn the mileage	• Frequent flyer program
point from hotel, travel, and car rental	
partners and flying with star alliance airline	
• The different between full-service and low-	• Service quality
cost are the price and service offering	
• It's pretty sure that the more you pay, the	• Value perception
better service you'll get.	

Interview 3: Results from passengers in Thailand

Respondent #1

"Yes, normally I have holiday trip about 2 times a year. For choosing the airline type, it depends on how far of the destination I expected. If the expected destination takes longer than 5 hours to fly, I prefer choosing the full-service airline, mostly Thai Airways, because the feeling of "feel like home". For example, when traveling abroad that I mostly travel to Europe zone and fly alone or with only one or two friends. I think it's comfortable to have other people to speak Thai with. I can ask for food, snack or service without misinterpreting due to the language and culture that Thai people can easily understand each other. In addition, the full-service offers me the direct flight to get to my destination. It's much more convenience. I don't have to worry about the connecting flight and will I miss the flight. The different between full-service and low-cost in my perception is the size of the airplane. It does matter when traveling with the long-haul, the airplane size of the full-service is bigger than the low-cost airline which leads to the bigger seat. The bigger seats convey comfortable feeling to passengers who have to stay many hours in the aircraft."

Excerpt	Theme
• The expected destination takes longer than 5	Flight duration
hours to fly, I prefer choosing the full-	Customer satisfaction
service airline.	
• I prefer choosing the full-service airline,	• Customer satisfaction
mostly Thai Airways, because the feeling of	
"feel like home".	
• I think it's comfortable to have other people	• Value perception
to speak Thai with.	
• I can ask for food, snack or service without	Convenience
misinterpreting due to the language and	
culture.	• Flight type
• Full-service offers me the direct flight to get	

to my destination.

- I don't have to worry about the connecting flight and will I miss the flight
- Airplane size of the full-service is bigger than the low-cost airline which leads to the bigger seat.
- The bigger seats convey comfortable feeling to passengers who have to stay many hours in the aircraft.

Customer satisfaction

- Service quality
- Value perception

Respondent #2

"Yes, approximately 4-5 times a year. The trip which takes longer than 4 hours, I definitely choose full-service airline. It's because I go for vacation, so I want convenience and amenity to complete my leisure time and make it really be relaxation. The reason that I choose full-service airline is the on-board service quality, for example, movie and games on board, comfortable seat, the service quality from the flight attendants. Next is the safety standard of the airline. The full-service airline has better brand credibility in terms of safety and security. It makes me feel that the aviation crash won't happen to me and the airplane I travel by. The things that differentiate the full-service and low-cost airline are the airline service quality and the safety standard as I already mentioned earlier."

Excerpt	Theme
• The trip which takes longer than 4 hours, I	Flight duration
definitely choose full-service airline.	
• It's because I go for vacation, so I want	• Customer satisfaction
convenience and amenity to complete my	• Service quality
leisure time and make it really be relaxation.	
• The reason that I choose full-service airline	• Service quality
is the on-board service quality, for example,	• Customer satisfaction

• The full-service airline has better brand credibility in terms of safety and security. It makes me feel that the aviation crash won't happen to me.

•	Safety	standard
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• Customer satisfaction

Respondent #3

"Yes, I travel abroad for leisure once a year and always fly with fullservice airline. The credibility of the airline is one of the important factors for choosing full-service airline. It ensures me that I can get to the destination safe. Moreover, it offers the in-flight food that makes me really perceive that I'm flying with airplane, not sitting in the bus and the bigger seats which make me don't feel cramped during the trip. The differences between full-service and low-cost airline are the credibility of the airline and the overall service quality of the airline, the fullservice airline offers me better credibility and service quality."

Excerpt	Theme
• The credibility of the airline is one of the	• Credibility
important factors for choosing full-service	
airline.	• Safety standard
• It ensures me that I can get to the destination	• Service quality
safe.	
• It offers the in-flight food that makes me	
really perceive that I'm flying with airplane,	• Service quality
not sitting in the bus.	
• The bigger seats which make me don't feel	• Credibility
cramped during the trip.	• Service quality
• The full-service airline offers me better	

"Yes, it's approximately 2-3 times a year. I start planning my trip with setting up the destination and then looking for airplane ticket. The airline I choose for traveling abroad is always the full-service airline, sometimes the actual price and sometimes the promotion one. I always find the ticket from Thai Airways as it is the National Airline of Thailand. It's much easier to deal with any process since the booking process until the rest of my trip. The main process I like is the booking management, the in-flight service, the baggage weight sharing. I am a forgetful person so I always forgot bringing toothbrush and toothpaste on board and I can ask the flight attendants for them. Moreover, the promotion price of full-service is a little bit higher than the low-cost fare, so I definitely choose the full-service and get much better service quality. Plus, the frequent flyer program, Royal orchid plus, rewarded me free flight. The differences between full-service and low-cost airline is the certain departure and arrival time, so it won't affect my planned trip. Meanwhile the low-cost airline is mostly postponed the departure and arrival time."

	Excerpt	Theme
•	I start planning my trip with setting up the	• Destination
	destination.	
•	The airline I choose for traveling abroad is	• Price
	always the full-service airline with both	
	actual price and sometimes the promotion	
	one.	• Credibility
•	Always find the ticket from Thai Airways as	
	it is the National Airline of Thailand.	Convenience
•	It's much easier to deal with any process	
	since the booking process until the rest of	• Service quality
	my trip.	

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- The main process I like is the booking management, the in-flight service, the baggage weight sharing.
- I am a forgetful person so I always forgot bringing toothbrush and toothpaste on board and I can ask the flight attendants for them.
- The promotion price of full-service is a little bit higher than the low-cost fare.
- I definitely choose the full-service and get much better service quality.
- Frequent flyer program, Royal orchid plus, rewarded me free flight.
- The differences between full-service and low-cost airline is the certain departure and arrival time, so it won't affect my planned trip. While the low-cost airline mostly postponed the departure and arrival time.

- Service quality
- Price
- Service quality
- Value perception
- Frequent flyer program
- Value perception
- Credibility

Respondent #5

"Of course, about 2-3 times a year with my girlfriend. I have never been travel abroad before until year 2011. I start traveling abroad because of my girlfriend; she likes to explore new places. I have never flown with low-cost airline and don't want to fly as my girlfriend always complains that the departure and arrival time is not much punctual and usually postponed which affect her plan. For me, I mostly buy the promotion price from the full-service airline. The promotion price of the full-service airline is a bit higher than the low-cost fare. The service quality of the full-service airline is great and makes me don't want to switch to the low-cost airline as the ticket price is not significantly different. Plus, I can get the mileage collection from the Royal Orchid Plus program for redeeming the airplane ticket. As I haven't flown with low-cost airline, the different things between full-service and low-cost airline that I perceived is the ticket price and flight type like direct flight and connecting flight. The

full-service airline offers much the direct flight for long haul, while the low-cost doesn't."

Coding Analysis

Excerpt	Theme
• I don't want to fly as my girlfriend always	Customer satisfaction
complains that the departure and arrival time	• Service quality
is not much punctual.	
• I mostly buy the promotion price from the	• Price
full-service airline.	
• The promotion price of the full-service	• Price
airline is a bit higher than the low-cost fare.	×
• The service quality of the full-service airline	• Customer satisfaction
is great and makes me don't want to switch	
to the low-cost airline as the ticket price is	
not significantly different.	
• I can get the mileage collection from the	 Frequent flyer program
Royal Orchid Plus program for redeeming	
the airplane ticket.	
• The different things between full-service and	• Price
low-cost airline that I perceived is the ticket	1
price	• Flight type
• Flight type like direct flight and connecting	
flight is different between full-service and	
low-cost airline.	• Flight schedule
• The full-service airline offers much the	
direct flight for long haul, while the low-cost	
doesn't.	

Respondent #6

"Yes, 3-4 times a year. For traveling abroad, I always fly with full service airline, mainly Thai Airways because I like its service quality. I am now a silver member of Royal Orchid Plus (ROP) so every time to think of buying airplane ticket, I'll think of Thai Airways first. The privileges I get from being the ROP member are priority baggage handling, 10 kilos additional baggage allowance, and the point gained from the ticket purchasing. The points I get can be redeemed to be a hotel room, airplane ticket for other trips. I can use Thai language that I'm familiar with and get what I want without misunderstanding. Moreover, the food and atmosphere make me feel comfortable. The differentiations of full-service and low-cost airline are the carefulness of both flight attendants and overall process and the baggage weight fee."

Excerpt	Theme
• I always fly with full service airline, mainly	Customer satisfaction
Thai Airways because I like its service	Service quality
quality.	• Frequent flyer program
• I am now a silver member of Royal Orchid	Customer satisfaction
Plus (ROP) so every time to think of buying	
airplane ticket, I'll think of Thai Airways	• Frequent flyer program
first.	
• The points I get can be redeemed to be a	• Frequent flyer program
hotel room, airplane ticket for other trips.	2
• The privileges I get from being the ROP	
member are priority baggage handling, 10	
kilos additional baggage allowance, and the	Service quality
point gained from the ticket purchasing.	
• I can use Thai language that I'm familiar with	• Service quality
and get what I want without misunderstanding.	• Service quality
• The food makes me feel comfortable.	• Value perception
• The atmosphere makes me feel comfortable.	• Service quality
• The differentiations of full-service and low-	
cost airline are the carefulness of both flight	
attendants and overall process and the	
baggage weight fee.	

"Of course, it's about once a year for leisure trip. For international flight I prefer the full-service airline due to the long period to stay in flight. The safety is my priority concern. The full-service airline provides me the new aircraft that can make me feel safe. In addition, the safety record of the full-service airline ensures that I can get through the destination safe. The ticket price is another thing that I think it worth flying with full-service airline. The promotion price of full-service airline is acceptable. It's a little bit more expensive than the low-cost price, but offers worse flight schedule than normal price. I don't mind about the flight schedule as I have the annual leave. I used to fly with low-cost airline to Korea; it's quite bad in my opinion. I have to pay for the baggage weight and in-flight food which the total cost for airplane ticket is not cheap as I thought. Moreover, the in-flight cleanliness is not good enough; the carpet is old and dirty."

Excerpt	Theme
• For international flight I prefer the full-	Flight duration
service airline due to the long period to stay	
in flight.	Safety standard
• The safety is my priority concern.	Service quality
• The full-service airline provides me the new	S.//
aircraft that can make me feel safe.	Safety standard
• The safety record of the full-service airline	
ensures that I can get through the destination	• Price
safe.	
• The ticket price is another thing that I think	• Price
it worth flying with full-service airline.	
• The promotion price of full-service airline is	• Value perception
acceptable.	
• The promotion price of full-service airline is	
a little bit more expensive than the low-cost	

	price, but offers worse flight schedule than	Customer satisfaction
	normal price.	
•	I used to fly with low-cost airline to Korea;	
	it's quite bad in my opinion. I have to pay	
	for the extra-charge by which the total price	• Service quality
	is not cheap as I thought.	
•	The in-flight cleanliness is not good	
	enough; the carpet is old and dirty.	

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Respondent #8

"Yes, it's approximately twice a year. I like travel to Europe and it takes a long period to get through the destination so the airline I always choose is the fullservice airline. It's convenience in many ways such as the facilities, flight schedule, in-flight meal, and the in-flight entertainment. As I said I like to travel to Europe, the in-flight facilities should be good. The big seats that full-service offers make me feel comfortable during the trip. The in-flight entertainment such as the movie and music always boost up my joyful during the long trip. The flight schedule I want is direct flight which departs in the evening and arrives the destination in the morning, this criterion, only the full-service can offer. The different between full-service and lowcost airline is the service quality. The full-service airline offers better service quality than low-cost airline. Moreover, the seat selection is free of charge if you fly with fullservice but you have to pay if you fly with low-cost."

Excerpt	Theme
• I like travel to Europe and it takes a long	Flight duration
period to get through the destination so the	• Destination
airline I always choose is the full-service	
airline.	• Service quality
• It's convenience in many ways such as the	

facilities, flight schedule, in-flight meal, and	
the in-flight entertainment.	• Service quality
• The big seats that full-service offers make	
me feel comfortable during the trip.	• Service quality
• The in-flight entertainment such as the	
movie and music always boost up my joyful	
during the long trip.	• Flight schedule
• The flight schedule I want is direct flight	
which departs in the evening and arrives the	
destination in the morning, this criterion,	
only the full-service can offer.	• Value perception
• The full-service airline offers better service	1. A.
quality than low-cost airline.	Value perception
• The seat selection is free of charge if you fly	
with full-service but you have to pay if you	
fly with low-cost.	

"Yes, 2-3 times per year. I normally take the full-service for international flight and low-cost for domestic flight. The thing to be concerned is the ticket fare. The promotion price of full-service airline is acceptable comparing to the low-cost fare which already includes the check-in baggage fee. For example, my past experience to Japan, I paid 15,980 BHT to fly with Delta Airline (round trip), while the Thai Air Asia offers me 12,490 BHT including check-in baggage 20 kg.(round trip). The different price of 3,490 BHT is not a big deal so I decided to choose Delta which serves me better service."

Excerpt		Theme
• I normally take the	full-service for	• Destination
international flight and	low-cost for	

- The promotion price of full-service airline is acceptable comparing to the low-cost fare which already includes the check-in baggage fee.
- The different price of 3,490 BHT is not a big deal so I decided to choose Delta which serves me better service.

- Price
- Value perception
- Customer satisfaction

"Yes, 2-3 time a year. For the neighboring country, I mostly fly with lowcost airline. For other countries which take more than 4 hours to arrive, I always choose the full-service airline. The most important thing that make me always chose full-service airline is the safety standard, it includes both the safety of the airplane and the safety of the checking process. The full-service airline charge passengers higher price than the low cost so it will have enough money to pay for the maintenance and security checking process. Next, the promotion price is not significant different compare to the low-cost when concerning the same baggage weight allowance. I can enjoy my trip without concerning about the extra-charge from the airline. If you fly with Air Asia and you baggage weight is 20.5 kg., Air Asia will charge you more for 1 kg rate. While flying with Japan Airline, one of the full-service airlines, the baggage weight can be negotiate. It depends on how much the weight over the indicated limit that can be share with other passengers. Moreover, the better service quality is one of the prominent things that differentiate full-service and low-cost airline. The service, I mean both better facilities offer (bigger seat, movie, game, and amenities as requested) and the carefulness of the flight attendants."

Excer	pt	Theme
•	For other countries which take more than 4	• Flight duration
	hours to arrive, I always choose the full-	
	service airline.	• Safety standard

- The most important thing that make me always chose full-service airline is the safety standard, it includes both the safety of the airplane and the safety of the checking process.
- The full-service airline charge passengers higher price than the low cost so it will have enough money to pay for the maintenance and security checking process.
- Promotion price is not significant different compare to the low-cost when concerning the same baggage weight allowance.
- I can enjoy my trip without concerning about the extra-charge from the airline.
- If you fly with Air Asia and you baggage weight is 20.5 kg., Air Asia will charge you more for 1 kg rate. While flying with Japan Airline, baggage weight can be negotiating.
- Better service quality is one of the prominent things that differentiate full-service and lowcost airline. The services are both better facilities offer (bigger seat, movie, game, and amenities as requested) and the carefulness of the flight attendants.

• Price

- Safety standard
- Price
- Customer satisfaction
- Customer satisfaction
- Service quality