

FACTORS THAT INFLUENCE MALAYSIAN POLYTECHNIC STUDENTS' CHOICE OF LOW COST AIRLINE

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Abstract

Nowadays, most countries in the world have low cost airlines. The low cost airline concept came in vogue with the airlines operating on lower costs and influence many passenger to fly. The main purpose of research to investigate the factors that influence Malaysian polytechnic students' choice of low-cost airline. The others objectives of research to determine influence factors such as price, service reliability, flight availability and quality of service given by airline company. This research is conducted through distribution of questionnaire to 336 students of Politeknik Sultan Salahuddin Abdul Aziz Shah from four different department. The result shows that quality of service is the most important and significant factor that influence polytechnic students' to choose of low-cost airline. Other influential factors of polytechnic students' choice of low-cost airline are service quality, flight availability and price.

Keywords: *low-cost airline, price, quality of services, service reliability and flight availability*

1.0 Introduction

A low-cost carrier or low-cost airline is also known budget carrier airline or cheap flight is an airline that generally has lower fares and fewer comforts. The first low cost airline began its operations in USA in 1949 when a flight of the Pacific Southwest Airlines flew on its maiden flight. In Europe, the leading low cost airline company include Ryanair based in Ireland was established in 1990, operating more than 1,800 daily flights from 76 bases, connecting 200 destinations in 31 countries (Ryanair 2018). Currently the world's largest low-cost carrier is Southwest Airlines, which operates in the United States and some surrounding areas. Nowadays, most countries in Asian regional have low cost airlines examples Air Asia, Cebu Pacific, Jetstar Asia, Lion Air, Nok Air and others. In Malaysia, there are few company airline operate in low cost carrier which is Air Asia, Malindo Air and Firefly (B.K. Sidhu, 2018)

1.1 Research Background

This research focused on factor affecting the selection of low cost airlines among polytechnic students'. Generally, the basic idea of low cost airline model is that airline cuts down the unnecessary costs and frills from its product offering and thereby minimizes its costs of operation and management, and offers competitive fares. Some of the most common cost savings include using the internet booking online and promo tickets in distributing airline tickets.

The lower the price an airline can offer the higher the possibility of increasing the ticket sales. Low cost airlines use complex yield management to capitalize the demand and maximize the revenues. Airlines use differentiated pricing to offer varying prices to different segment of traveler simultaneously. Low cost choice was the price followed by on time performance, regardless if it was the case of business or leisure travelers. Most authors had a tendency conclude that the travelers selected low cost option only because of an airfare (Huse & Evangelho, 2007; Ha, 2010). Quality of carrier services also one of the most factor in selecting a low cost airlines.

1.2 Research Objectives

- 1) To identify whether price influence Malaysian polytechnic students choice of low cost airlines.
- 2) To determine whether the service reliability that given by airline company influence Malaysian polytechnic students choice of low cost airlines.
- 3) To determine also whether flight availability and quality of service that given by airline company influence Malaysian polytechnic students choice of low cost airlines.

1.4 Scope Of The Study

This research study is being conducted in order to understand the factors that affect the selection low cost airline among Malaysian polytechnic students. This research also provide information on how this low cost airlines do a marketing in way they promote their services to passenger.

2.0 Literature Review

Low cost carriers have reshaped the airline industry competitive environment within liberalized markets and have made significant impacts in the world's domestic passenger markets, which had previously been largely controlled by full service network carriers. Understanding and meeting customers' expectations and subsequently being different from competitors are important in order to survive in the today world of globalization. It is imperative that service companies measure and monitor service quality and satisfaction with a view to influencing the behavioral intentions of their customers (Saha and Theingi, 2009).

Challenge in the airline markets in Malaysia is becoming globally tough as the passengers' needs and wants are growing in variety. In such an occasion, airline companies need to be aware of the latest shift and trend to be able to react on time. Thus, precise and timely information on a wide range of customer needs and expectations become critically important nowadays. Air Asia pioneered low cost traveling in Malaysia as well as Asia in general. The airline was established in 1993. The second Malaysian low cost carrier is Firefly in the year 2007, a full subsidiary of Malaysian Airlines which is the full service national carrier. (Yeow & Francis, 2006)

As the number of low cost carriers has grown, these airlines have begun to compete with one another in addition to the full service airlines. In these challenging circumstances, a comparative study on the similarities as well as differences between low cost carriers and full service airlines is obviously pertinent and important. Airline services regardless of whether they are full service or low cost carriers are made up of a very complex mix of intangibles (O'Connell, & Williams (2005), Gursoy et al., 2005). Thus, measuring customers' expectations, as well as their service quality is a real challenge because customer satisfaction is determined by many intangible factors such as atmosphere and ambiance of the cabin.

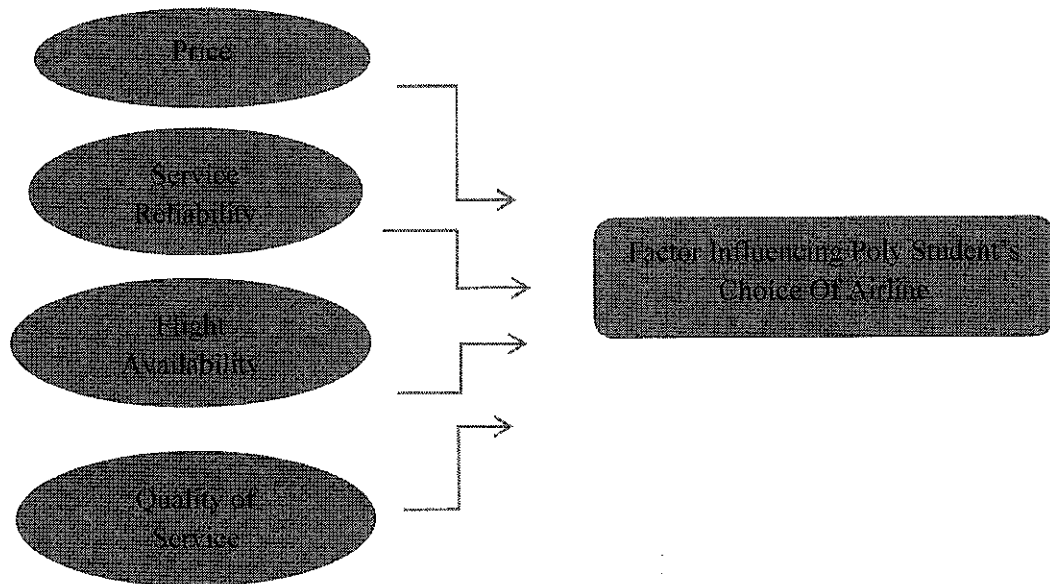
Airlines companies need to review its service strategy to increase customer satisfaction and subsequently customer loyalty. They should have strong commitment to service excellence as they also act as the ambassadors that carry the image of Malaysia. The main purpose of this study is to identify the underlying service quality dimensions for the low cost carriers. This study also seeks to determine the dimensions or factors that significantly influenced the satisfaction level of low cost carriers' passengers. The service dimensions to be explored in this study are based on passengers' level of expectations towards the airline services.

2.1 Theoretical Framework

Prousaloglou and Koppelman (1999) researched choice of air carrier, flight, and fare class, concluding that the choice is made based on the tradeoff between carrier market presence, service quality, passenger participation in carrier frequent flyer program, schedule convenience, and fare levels. Prousaloglou and Koppelman suggested a conceptual framework for carrier choice behavior based to price, service provided, flight availability and quality of services.

Based to Proussaloglou and Koppelman, we design a conceptual framework for carrier choice behavior that is shown in figure 2.1.

Figure 2.1 Theoretical Framework of Research



2.3 Related Variables

Most authors that conducted studies involving business travelers found out that in general they are much less price sensitive than leisure travelers (Proussaloglou and Koppelman, 1999). The majority of studies found that the most important factors for leisure travelers were price, along with schedule and direct flight availability. Factors like safety, frequent flyer program and flight frequency were also considered important by most leisure travellers. In case of business passengers the most significant factors were flexibility (fare and schedule), frequent flyer program, overall service quality, comfort, access to business lounges.

Hess and Adler (2007), studied choice of airport along with airline also considered factors like access time, in-vehicle access time, walk time to access mode, access cost, and airport reputation when making a decision about an airport.

2.4 Variables Definition

Firstly, price is very important factor especially for Malaysian polytechnic students'. They are majority like of leisure travelers, more price sensitive than business travelers (Chen & Peng 2008). Almost all students that looked into the choice of airline, and other travel products too, found price, in one interpretation or another, to be a vital factor affecting consumer behavior.

Secondly, according to Mikulic and Prebezac (2011), researcher are going to include two attributes in this factor refer airline safety perception and on-time performance. Safety was found to be extremely important factor in all studies related to choice of any

travel product. It is crucial for both leisure and business travelers. Most studies found on-time performance to be often very significant for business travelers on short-haul flight.

Thirdly, flight availability is the availability of flight by the time it is needed either for business or leisure. Flight availability is the next factor that is related in the research. Framework employed by Park (2007) is going to be used. The final factor is quality of service, sometimes referred as to the level of quality of service, for example the guaranteed service quality. Quality of service related factors were found to be highly important in previous studies.

3.0 Research Methodology

Research methodology is a structured, organized, systematic review or investigation into a specific problem, started with the objective to finding answers (Sekaran, 2006). Research design defines as a blueprint for conducting a study with maximum control over factors that may interfere with the validity of the findings (C. Y. Piaw, 2012).

For this research, researcher using the quantitative methods by questionnaire. The questionnaire distribute to Malaysian polytechnic students' at Politeknik Sultan Salahuddin Abdul Aziz Shah who take a low cost flight. Also researcher decided to choose the stratified random sampling as our sampling technique. The sample that we have been selected is based on the known stratified random sample of students at Politeknik Sultan Salahuddin Abdul Aziz Shah.

The sample size of research are 336 people based to Krejcie and Morgan Table (1970). Based on Krejcie and Morgan's Table is to determining sample size for a given population of 2600, a sample size of 336 would be needed to represent a cross section of the population. For our research, the respondents that we will be using are the student of Politeknik Sultan Salahuddin Abdul Aziz Shah.

Quantitative data will be measured or identified through statistical, mathematical or computational techniques with Statistical Package for the Social Science for Windows (SPSS). Apart from that descriptive will be used to analyze factor that influence Malaysian polytechnic students' choice towards low cost airlines. The common measure such as mean to analyze the data acquired through the questionnaires (C. Y. Piaw, 2012).

4.0 Results And Findings

For effectiveness and efficiency, researcher choose to use Software Package for Social Science (SPSS) for Window version 20.0. This software is among the most widely used programs for statistical analysis in social science (C. Y. Piaw, 2012).

4.1 Pilot Test

We stratified randomly find the respondents to answer the questionnaire around 30 respondents to answer the questionnaire during the pilot test. Afterwards, the data collected that has been done, is use for the reliability test using SPSS software. We used the method of measuring the reliability in Cronbach's Alpha for pilot test and result in the table below. The Cronbach's alpha is 0.870 and this is found to be reliable (Nunnally, 1978).

Table 4.1 Reliability statistic for pilot study

Section	Cronbach Alpha	No. of Items
Section A: Price	0.830	5
Section B : Service Reliability	0.807	5
Section C: Flight Availability	0.625	5
Section D: Quality Of Service	0.662	5
Overall	0.870	20

4.2 Likert Rating

Based on Likert scale, the value is an absolute figure, representing the range. The range or scale between 1.00 until 2.39 is low, while range from 2.40 to 3.79 is moderate. The range of 3.80 until 5.00 is the highest based on the Likert rating. The Likert Rating scale using to explain the finding.

4.3 Finding

The factors that influence polytechnic students' choice of low cost airlines in terms of price. Students tend to rely on several reference points such as ticket price, baggage overweight fees, inflight shop price and loyalty program discount or rewards when inferring price to choose certain low cost airlines. The highest mean 3.89 which is the airline provides a good service for the price. The average mean score of this variable exhibit a sum of 3.73. This is a study or level of strongly agree. More information about the finding refer to table 4.1

In service reliability, Malaysian students tend to rely on several reference points such as airline safety perception and on-time performance when inferring service reliability to choose certain low cost airlines. Researcher was analyze and calculate the percentage of respondents that is satisfied or not in every questions about the service reliability factor. The highest mean 4.20 which indicates that reliable airline safety information accessible. The average mean score of this variable exhibits a sum of 4.08 from a total of five items that were being tested. This shows that the mean is strongly agree.

Table 4.1 Total average Mean of Price, Service Reliability, Flight Availability, and Quality of Service

SECTION	MEAN SCORE	HIGHEST MEAN	LOWER MEAN
Section A (Price).	3.73	3.89	3.58
Section B (Service Reliability)	4.08	4.20	3.97
Section C (Flight Availability)	3.88	4.11	3.76
Section D (Quality of Service)	3.93	4.32	3.66

Next, researcher was analyze the students about the factors that influence students choice of low cost airlines in terms of flight availability. Students tend to rely on several reference points such as convenient flight schedule and availability of non-stop flight when inferring flight availability to choose certain low cost airlines. The highest mean for this section is 4.11 which is airlines company provides flight service to various destinations. The average mean score of this variables exhibits a sum of 3.88 from a total five items that being were tested. This shows that the mean is also strongly agree.

Lastly, researcher analyze the factors that influence Malaysian polytechnic students' choice of low cost airlines in terms of quality of service. Students tend to rely on several reference points such as seating comfort, seat space and others when inferring quality of service to choose certain low cost airlines. The highest mean record of 4.32 indicates that the staff is customer friendly. The average mean score of this variable exhibits a sum of 3.93 from a total 5 items that being were tested. This shows that the mean is strongly agree.

5.0 Conclusion

Based on the findings, the top factor influence Malaysian polytechnic students' choose the low cost airline are service reliability at 4.08 average mean score. Secondly, follow by the quality of service factor at 3.93 average mean score. Next factor is flight availability at 3.88 average mean score. The price factor is the last factor at 3.73 average mean score. Based on finding, researcher was concludes that the service reliability, quality of service, flight availability and price are the most important determines of Malaysian polytechnic students' in selecting low cost airlines.

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