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Factors Influencing Purchase Intention toward Low-Cost Carriers: The Case of Chinese In-bound Passengers to Thailand

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Abstract

During the past ten years, the numbers of Chinese in-bound passengers to Thailand has increased exponentially due to the dramatic growth of Chinese middle-income consumers. Prior research has paid little attention to explaining why and how Chinese tourists choose low-cost carriers. This study fills this gap by exploring the factors that influence purchase intentions of Chinese passengers to Thailand in choosing low-cost carrier services. Specifically, this study examines how brand awareness of the low-cost carrier, perceived quality, perceived value, and brand attitude influence passenger purchase intentions. The responses from 387 Chinese passengers at Don Mueang International Airport in Thailand were analyzed using Structural Equation Modeling. The model fit result reveals that brand awareness, tangible and empathy dimensions of perceived quality, and perceived value have a positive influence on brand attitude, and consequently brand attitude positively influences purchase intention. A result of this study could be guidelines for designing efficient marketing strategies for low-cost carrier service providers to better attract a growing number of outbound Chinese tourist.

Key words: *Brand awareness, perceived quality, perceived value, brand attitude, purchase intentions, low-cost carrier, Chinese passengers*

ปัจจัยที่มีผลต่อการตัดสินใจซื้อบริการสายการบินต้นทุนต่ำ:
กรณีศึกษานักท่องเที่ยวจากประเทศจีนที่เข้ามาในประเทศไทย

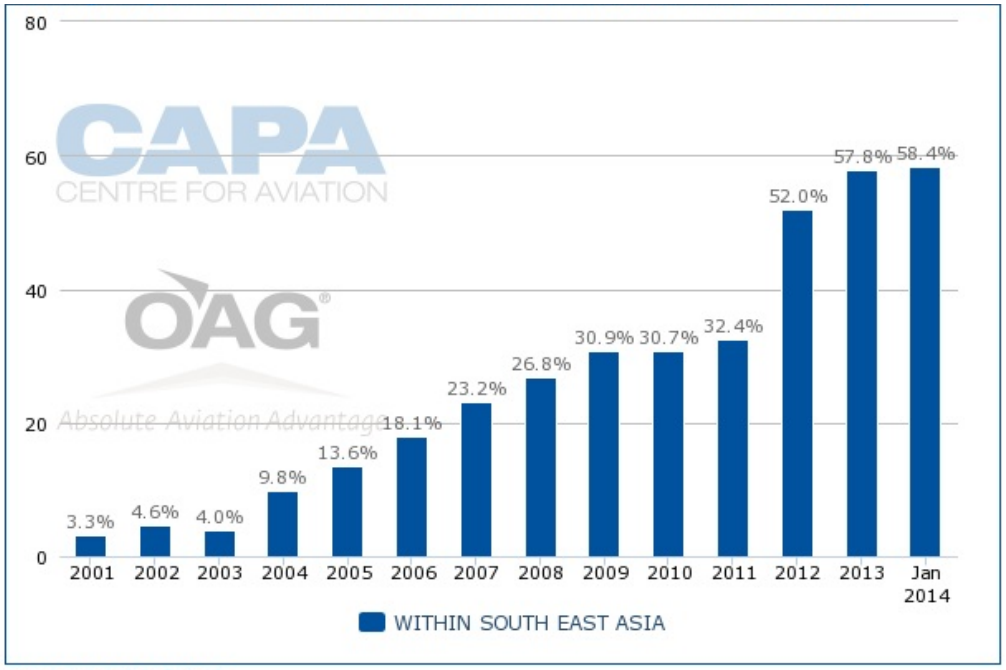
ผู้วิจัย เซียวเฉิน จู และ พนาสัณฑ์ เกาะสุวรรณ์

บทคัดย่อ

ในช่วงสิบกว่าปีที่ผ่านมา จำนวนนักท่องเที่ยวจากประเทศจีนที่เข้ามาท่องเที่ยวในประเทศไทยมีจำนวนเพิ่มขึ้นอย่างก้าวกระโดด ส่วนหนึ่งมาจากการขยายตัวอย่างรวดเร็วของกลุ่มผู้บริโภคที่มีรายได้ปานกลางในประเทศจีน แต่ที่ผ่านมาการศึกษาวิจัยไม่ได้ให้ความสนใจกับการค้นคว้าว่าทำไมนักท่องเที่ยวจีนถึงเลือกที่จะใช้บริการของสายการบินต้นทุนต่ำ งานวิจัยนี้จึงตอบโจทย์ดังกล่าว โดยศึกษาปัจจัยที่ส่งผลต่อการตัดสินใจซื้อบริการสายการบินต้นทุนต่ำของนักท่องเที่ยวจากประเทศจีนที่เข้ามาเที่ยวในประเทศไทย งานวิจัยนี้ศึกษาอิทธิพลของความตระหนักในตราสินค้าของบริการของสายการบินต้นทุนต่ำ คุณภาพที่ผู้บริโภครับรู้ คุณค่าที่ผู้บริโภครับรู้ ทัศนคติต่อตราสินค้า ที่ส่งผลต่อการตัดสินใจซื้อบริการของนักท่องเที่ยวชาวจีน ด้วยการเก็บข้อมูลจากนักท่องเที่ยวชาวจีน 387 คน ที่ท่าอากาศยานนานาชาติดอนเมือง กรุงเทพฯ และนำมาวิเคราะห์ด้วยโมเดลสมการโครงสร้าง ผลวิเคราะห์ค้นพบว่า ความตระหนักในตราสินค้า และมิติด้านความเป็นรูปธรรมของบริการและมิติด้านการรู้จักและเข้าใจลูกค้าของคุณภาพที่ผู้บริโภครับรู้ รวมถึงคุณค่าที่ผู้บริโภครับรู้ มีอิทธิพลในเชิงบวกต่อทัศนคติต่อตราสินค้า ซึ่งส่งผลต่อการตัดสินใจซื้อบริการ ผลจากการศึกษานี้จะเป็นแนวทางให้สายการบินต้นทุนต่ำออกแบบกลยุทธ์ทางการตลาดที่มีประสิทธิผล เพื่อที่จะสามารถดึงดูดนักท่องเที่ยวจากประเทศจีนได้มากขึ้นกว่าเดิม

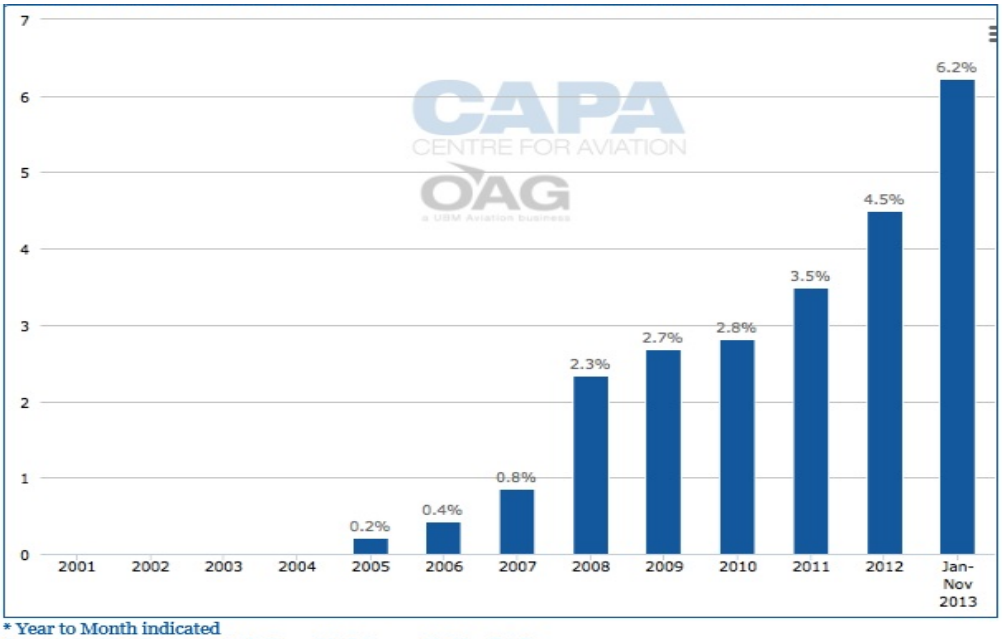
Introduction

From a global perspective, low-cost carriers (LCC) appeared in the United States soon after air traffic controls were relaxed in the 1970s. They began to flourish in the mid-1980s, and then this model spread to continental Europe. With optimization of operating modes and improved management methods, LCCs gradually began to overwhelm traditional airlines in Europe and America (Hooper, 2005). In contrast, low-cost carriers in Asia-Pacific region started later, but since the start of the 21st century, low-cost carriers have sprung up like mushrooms after rain (O'Connell & Williams, 2005). In Southeast Asia, the low-cost carrier market penetration rate (capacity share or percentage of total seats in the market) has increased from 3.3% in 2001 to 58.4% in January 2014 (Figure 1). International routes have played a key role in the development of Asian LCCs (Gross & Schröder, 2007). Actually LCCs have successfully entered many main Asian markets such as Japan, India, and Indonesia. Nevertheless, in the Chinese market, the penetration rate is still in the single digits (Figure 2).



* Year to Month indicated
Source: CAPA - Centre for Aviation with data provided by OAG

Figure 1. Low-Cost Carrier (LCC) Capacity Share (%) of Total Seats within Southeast Asia: 2001-2014*



* Year to Month indicated
Source: CAPA - Centre for Aviation with data provided by OAG

Figure 2. Low-Cost Carrier (LCC) Capacity Share (%) of International Seats in China: 2001-2013*

With growing purchasing power, the lifestyle of Chinese middle-income consumers is changing, and they are willing to spend more time and money on leisure activities, entertainment and overseas travel (Marsh & Li, 2015). In 2013, the spending of Chinese tourists on overseas travel was over 1 trillion Yuan, or a 35% increase compared with 2012. The spending of the top 25% outbound Chinese tourists was an average of 43,770 Yuan per trip (China-Britain Business Council [CBBC], 2013). With the popularity of the Chinese film "Lost in Thailand", Thailand has become a popular destination for Chinese travelers (Zhu, 2013). Chinese media outlets have claimed that Thailand replaced Hong Kong as the top destination for Chinese travelers during the May Day holiday in 2013 (Zhu, 2013). As a result, data from the Thai Department of Tourism shows that the number of Chinese visitors to Thailand reached 7.9 million in 2015 (an increase of about 71% from 2014). China's fast-growing middle class is becoming the main force driving consumer spending, including air travel expenditures (Dichter, Saxon, Weber, and Yu, 2014). China is a potential market for Thai low-cost carriers.

Developing long-term relationships with passengers is necessary for the success of airline companies. It is found that purchase intention is often associated with the behavior, perceptions, and attitudes of consumers, and these may be effective instruments to forecast consumers' purchase behavior (Ghosh, 1990). Consumers face many product and brand choices in daily life (Zeithaml, 1988). To help consumers make decisions, they need information - both internal and external clues about products - as an important basis for evaluation when making buying decisions. These external clues include brand, manufacturer name, price, warranty, product source, and so on; internal clues include design, quality, functions, shape, color, and so on (Zeithaml, 1988). External and internal clues influence consumers' evaluation of brands or products, which then play a role in forming brand attitudes, and hence further influence buying decisions. Thus, the overall views of consumers towards brands and perceived quality should be key factors that affect perceived value, brand attitudes, and consumer purchase intention (Aaker & Keller, 1990; Zeithaml, Bitner, & Gremler, 2006). Konecnik and Gartner (2007) explain that high brand awareness may potentially result in high brand association in the minds of customers. Consumer brand attitudes and purchase intentions increase if a product has higher similarity and familiarity (Kamins and Marks, 1991). Furthermore, purchase intention may change as a result of the impact of perceived quality and value (Gogoi, 2013).

Since the penetration rate of LCCs on short-haul routes within Southeast Asia is already approximately 60%, the overall market is now relatively mature (CAPA, 2015a). According to CAPA's analysis, the capacity growth of LCCs will be relatively slow within Southeast Asia. However, more rapid growth will occur on routes connecting Southeast Asian countries with other parts of the Asia-Pacific region, such as routes between Thailand and China. As mentioned above, China markets still have huge growth potential for LCCs, with a relatively low penetration rate and explosive growth of the Chinese middle class. However, there is a relative lack of explanation regarding how Chinese consumers choose low-cost carriers. This research study is meant to fill the gap in examining how actual in-bound Chinese passengers to Thailand choose low-cost carriers.

The purpose of this study is to explore the factors that influence in-bound Chinese passengers to Thailand in choosing low-cost carrier service providers. More specifically, this study intends to understand how brand awareness of low-cost carriers, perceived quality, perceived value, and brand attitude influence Chinese passengers' purchase intentions. Meanwhile, this study creates an integrated model which explores the interrelationships among brand awareness, perceived quality, perceived value, and brand attitude, and their effect on Chinese passenger purchase intentions toward low-cost carriers.

This section introduces the subject of this study – that is, the LCC purchase intentions of Chinese passengers. The next section describes the relevant literature from previous studies that suggests variables which are explored in this study, and their relationships as mentioned above, including the theoretical framework for the study.

Literature Review

This section contains three parts. First, all relevant variables that may be used when passengers select low-cost carriers are identified. Next, the relationship among these variables is discussed and hypotheses are stated. Finally, a conceptual framework is created based on this theoretical background for use in the current study.

Definitions of Relevant Variables

Brand Awareness is a part of brand equity defined as the ability of consumers to recognize or recall a certain brand in product categories in a specific purchase situation (Aaker, 1991). Hence, brand awareness can provide familiarity with and commitment to a brand (Aaker, 1991). Brand awareness plays an important role when consumers think about a product category. Enhancing brand awareness improves the likelihood that a brand will be a member of the consideration set (Nedungadi, 1990).

Perceived Value is a consumer's overall evaluation about the utility of a product based on the perception of gain and pay (Zeithaml, 1988). In other words, perceived value is a holistic conception measuring clients' cognitive and utilitarian perceptions. In a service context, perceived value is a customer's comparative evaluation of perceived benefits and sacrifices or costs paid resulting from the usage of a service (Teas & Agarwal, 2000; Zeithaml, 1988).

Perceived Quality is defined as the customer's evaluation of a product's entire superiority or excellence (Zeithaml, 1988; Aaker & Jacobson, 1994). Most research suggests a common model to measure perceived service quality, which is reflected in the SERVQUAL (Service Quality) instrument (Chen & Chang, 2005; Pakdil & Aydın, 2007; Philip & Hazlett, 1997). Five key dimensions of perceived service quality dominate in the airline industry and may be listed and briefly characterized as follows (Kim & Lee, 2011; Parasuraman et. al, 1988; Park, Robertson, & Wu, 2004; Zeithaml et. al, 2006):

(1) Tangibles are the dimension that refers to the physical facilities, equipment, appearance of staff, and communication materials in the service process. For the airline industry, these variables include seats (comfort, space, and legroom), cleanliness in the aircraft interior, in-flight

entertainment facilities (books, newspapers, magazines, etc.), food and beverage service (items, appearance, freshness, taste, and quantity), and appearance of the flight crew.

(2) Responsiveness can be defined as the willingness to provide timely and efficient service for customers.

(3) Reliability is related to the ability to deliver service dependably and accurately.

(4) Assurance may be explained as the ability to convey trust and confidence to passengers, such as knowledge and competence to answer questions.

(5) Empathy is associated with individualized treatment, care, and attention provided to passengers, such as an online pre-order system so that passengers can choose seats or meals in advance or a Frequent Flyer Program.

Brand Attitude is described as an individual's overall evaluation of a brand as good or bad (Mitchell & Olson, 1981). It is formed by consistent customer preference or dislike for a brand, based on learning and judging all of its elements (Fishbein & Ajzen, 1977) that produces a comprehensive result. This means that brand attitude depends primarily on a consumer's own perceptions toward a brand, and it is considered a reliable indicator to forecast consumers' purchasing behavior toward brands (Shimp, 2013).

Purchase Intention is the tendency to take personal action associated with a brand (Bagozzi, Tybout, Craig, & Sternthal, 1979). Purchase intention is described as a purchase possibility related to an intention category at the percentage of individuals who will likely buy a product or service (Whitlark, Geurts, & Swenson, 1993). Therefore, purchase intention is the most accurate variable among behaviors that predict buying (Morwitz & Schmittlein, 1992).

Relationship of Relevant Variables and Research Hypotheses

Brand Awareness and Perceived Value

Baldauf, Cravens, and Binder (2003) found that consumers who are familiar with a product, a brand, or a company's logo are willing to pay a price premium. High consumer brand awareness can increase their positive evaluation of products. Therefore, if consumer brand awareness is high, their perceived value may also be high (Rao & Monroe, 1988). The current study developed the following first hypothesis as a result of these findings.

H1: Brand awareness has a positive influence on perceived value when Chinese passengers choose low cost carriers.

Perceived Quality and Perceived Value

Past researchers have argued that product or service quality plays a predictive role in the perceived value of consumers (Chen and Hu, 2010; Zeithaml, 1988). The study of Dodds (1985) showed that perceived quality had a significant effect on perceived value and purchase intention. Similarly, perceived service quality positively influenced perceived value in the Australian airline industry (Park, Robertson, & Wu, 2006). Therefore, based on previous studies and the five dimensions of perceived quality, the following hypotheses are explored:

H2: Perceived quality has a positive influence on perceived value when Chinese passengers choose low- cost carriers.

H2a: The tangible dimension of perceived quality has a positive influence on perceived value when Chinese passengers choose low-cost carriers.

H2b: The responsiveness dimension of perceived quality has a positive influence on perceived value when Chinese passengers choose low-cost carriers.

H2c: The reliability dimension of perceived quality has a positive influence on perceived value when Chinese passengers choose low-cost carriers.

H2d: The assurance dimension of perceived quality has a positive influence on perceived value when Chinese passengers choose low-cost carriers.

H2e: The empathy dimension of perceived quality has a positive influence on perceived value when Chinese passengers choose low-cost carriers.

Brand Awareness and Brand Attitude

Keller (1993) concurs that brand awareness plays an important role in the process of consumer decision-making, since consumers select products or services according to brand awareness, and then their brand attitude will be formed. Aaker and Keller (1990) found that high brand awareness increases consumers' trust in products, as well as strengthens their attitudes toward a brand. Therefore, brand awareness can certainly influence consumers' brand attitudes. Based on this previous research, the following hypothesis has been formulated:

H3: Brand awareness has a positive influence on brand attitude when Chinese passengers choose low-cost carriers.

Perceived Quality and Brand Attitude

Previous studies have proposed that perceived quality is a positive antecedent to brand attitude. Furthermore, perceived quality provides a foundation for when consumers evaluate the overall quality concept of a product, and it is a source for maintaining or shaping brand attitude (Batra, Ramaswany, Alden, Steenkamp, & Ramachander, 2000; Dimofte, Johansson, & Ronkainen, 2008). Some research studies (Dodds, Monroe, & Grewal, 1991) have verified that consumers' perceived quality has a direct and positive influence on brand attitude. Therefore, based on above discussion, the following hypothesis is examined:

H4: Perceived quality has a positive influence on brand attitude when Chinese passengers choose low- cost carriers.

H4a: The tangible dimension of perceived quality has a positive influence on brand attitude when Chinese passengers choose low-cost carriers.

H4b: The responsiveness dimension of perceived quality has a positive influence on brand attitude when Chinese passengers choose low-cost carriers.

H4c: The reliability dimension of perceived quality has a positive influence on brand attitude when Chinese passengers choose low-cost carriers.

H4d: The assurance dimension of perceived quality has a positive influence on brand attitude when Chinese passengers choose low-cost carriers.

H4e: The empathy dimension of perceived quality has a positive influence on brand attitude when Chinese passengers choose low-cost carriers.

Perceived Value and Brand Attitude

Perceived value is the determinant affecting consumers' attitude and evaluation toward a product or a brand and subsequently influencing their buying decisions. (Kardes, Posavac, & Cronley, 2004). Perceived value has a direct and positive influence on customer brand attitude (Johnson,

Herrmann, & Huber, 2006; Swait & Sweeney, 2000). In the current study, the following hypothesis is proposed:

H5: Perceived value has a positive influence on brand attitude when Chinese passengers choose low- cost carriers.

Brand Attitude and Purchase Intention

According to the Theory of Reasoned Action (TRA), a person's attitude has a positive impact on his behavioral intention (Ajzen & Fishbein, 1980). Previous research reveals that a consumer's brand attitude towards a product or service influences the intention to purchase (Jin & Suh, 2005; L. C. Leonidou, C. N. Leonidou, & Kvasova, 2010). Leonard, Cronan, and Kreie (2004) confirm that behavioral intentions are noticeably affected by a person's attitude. Hence, the last hypothesis is put forward as follows:

H6: Brand attitude has a positive influence on purchase intention when Chinese passengers choose low-cost carriers.

Based on the above literature review, a research framework for the current study in Figure 3 shows the research model with all the hypotheses.

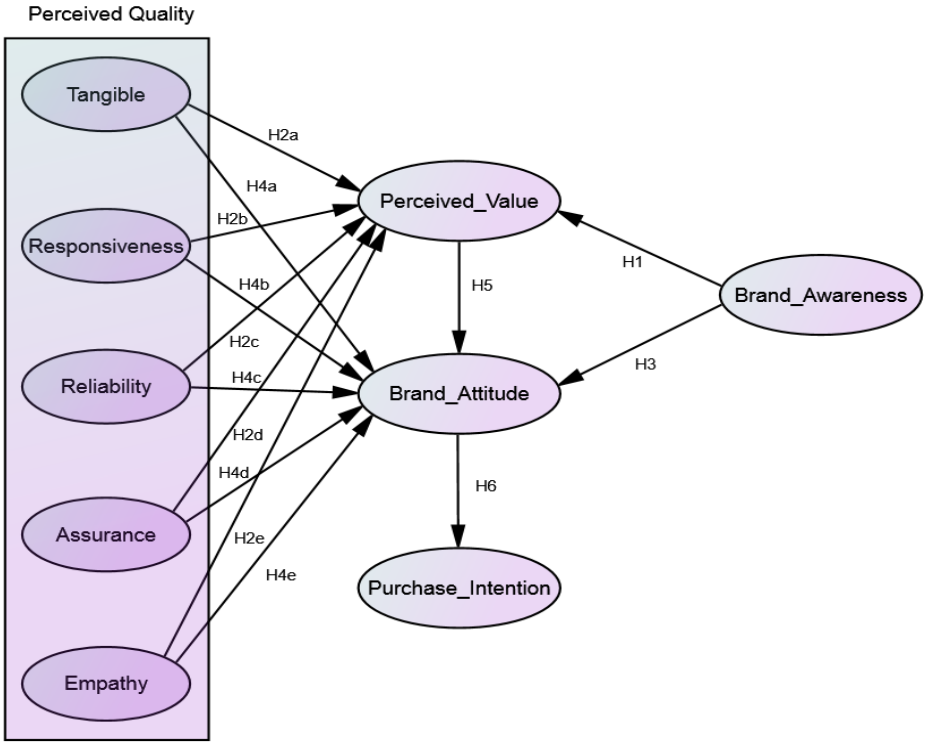


Figure 3. Research Model

Four variables were extracted from the literature to investigate passenger purchase intention, including brand awareness, perceived quality, perceived value, and brand attitude. These four variables and their relationship to purchase intention have been explained in this section, which established a research model. The next section describes the primary research method used in order to test these hypotheses.

Methodology

Sample and Data Collection

The target population for this study was Chinese passengers from mainland China who arrive or depart from Don Mueang International Airport, Thailand, using any low-cost carrier at least one time. By the end of 2014, Bangkok's Don Mueang Airport had become the world's largest airport for low-cost carriers, having overtaken Kuala Lumpur International Airport, Europe's Barcelona El Prat Airport, and North America's Las Vegas McCarran Airport. Don Mueang Airport has gradually emerged as Bangkok's main low-cost carrier airport (CAPA, 2015b). Thus, this research proposed Don Mueang Airport as a suitable survey location. Five hundred questionnaires were distributed among Chinese passengers waiting in departure lounges at Don Mueang Airport from November 23rd to 29th, 2015. According to Cochran's formula (Cochran, 2007), the minimum sample size was 384 persons to ensure adequate data for statistical analysis in this paper. The random convenience sampling method was used to select respondents. Data was collected from Chinese passengers using a self-administered paper questionnaire survey. After removing questionnaires with missing or incomplete data, a total of 387 questionnaires were used to explore factors influencing purchase intentions of in-bound Chinese passengers.

Measures

The formal questionnaire in this paper contained two parts, which were a demographic information section, and a research framework section with five variables. In the research framework section, a total of 27 items were used to measure the nine variables (twelve items for five dimensions of perceived quality, two items for brand attitude, and four items each for brand awareness, perceived value, and purchase intention). Moreover, the measuring scale was a five-point Likert response scale, ranging from 1 (strongly disagree) to 5 (strongly agree).

Analysis Techniques

Cronbach's alpha was used to measure the reliability of all variables. The questionnaire's validity was measured using factor analysis. Structural equation modeling (SEM) was employed to test the validity of the proposed research model and the hypotheses.

This section explains that the methodology used to collect data from the respondents. The SEM analysis technique was employed to simultaneously test the interrelationships of relevant variables. The next section will discuss particularly the data analysis results, including the goodness-of-fit of the research model, and the test results for all hypotheses in the model.

Data Analysis

This research study used Cronbach's alpha to test scale reliability. The Cronbach's alpha values for all variables were from 0.721 to 0.869. Thus, all constructs of this study were accepted for internal consistency. All factor loadings were between 0.73 and 0.93, which are above the threshold value of 0.50. As a result, the above values indicate high convergent validity for all constructs. In addition, confirmatory factor analysis (CFA) results for all constructs demonstrated that data fit well with the measurement model (Table 1), and established an essential precondition for the validity of subsequent structural model estimations.

Table 1. Goodness-of-fit Measures of All Constructs

Goodness-of-Fit Measure	Criteria	Brand Awareness	Perceived Value	Brand Attitude	Purchase Intention	Perceived Quality & Perceived Value	Perceived Quality & Brand Attitude

Chi-Square Value (χ2)		2.464382	0.01112	0	0	242.72265	239.04564
P-Value		0.11650	0.91602	/	/	0	0
df		1	1	0	0	97	85
χ2/df	< 3	2.46382	0.01112	0	0	2.50230	2.81230
GFI	> 0.9	0.99683	0.99999	1	1	0.92770	0.92430
AGFI	> 0.8	0.96825	0.99986	/	/	0.89863	0.89314
CFI	> 0.9	0.99756	1	/	/	0.91304	0.91369
NFI	> 0.8	0.99594	0.99998	/	/	0.86483	0.87351
RMR	< 0.08	0.01555	0.00059	/	/	0.06689	0.07057
RMSEA	< 0.08	0.06158	0	/	/	0.06239	0.06852

Note: Key to abbreviations - Degrees of Freedom (df), Goodness of Fit Index (GFI), Adjusted Goodness of Fit Index (AGFI), Comparative Fit Index (CFI), Normal Fit Index (NFI), Root Mean Residual (RMR) and Root Mean Square Error of Approximation (RMSEA)

All variables were simultaneously tested as proposed in the initial research model to establish whether the model could predict Chinese purchase intentions towards LCCs. This test would determine the model's GOF (Goodness of Fit), and the hypothesized paths between variables.

The proposed model generated a ratio (χ2/df = 1.759) that was below the threshold of 3.0. The values of GFI, AGFI, CFI, NFI, RMR, and RMSEA were 0.904, 0.881, 0.941, 0.874, 0.062, and 0.044, respectively (Table 2). Thus, analysis of the overall fit statistics demonstrated that the fit of the proposed structural model was good, and it provided a reasonable level of overall fit with the real world data. These hypothesized paths were checked with the help of standardized path coefficients and their respective critical ratios (t-values). The results showed that brand awareness positively influences perceived value (β=0.16, t-value=2.74, p<0.05). Brand awareness and perceived value both had a positive influence on brand attitude (β=0.30, t-value=5.33, p<0.001; β=0.12, t-value=2.19, p<0.05). The tangible and empathy dimensions (β=0.2, t-value=3.33, p<0.001; β=0.17, t-value=2.65, p<0.05) of perceived quality also affected positively brand attitude. It was also confirmed that brand attitude has a positive effect on Chinese passengers' purchase intentions towards LCC (β=0.53, t-value=8.55, p<0.001). Thus, hypotheses H1, H3, H4a, H4e, H5, and H6 were supported. These results are shown in Table 2.

Discussion

The results of the current study show that a high level of brand awareness for LCCs may generate high perceived value for their Chinese passengers. Chinese passengers' evaluation of flight experience is impacted by brand awareness of airlines. For a Chinese passenger's brand attitude, the analysis results reveal that brand awareness has a significant and positive influence on brand attitude. A passenger's brand attitude is more easily formed by an LCC with high brand awareness.

Table 2. Summary of Testing of Hypotheses

Hypothesized Path	Standardized Coefficients(β)	C.R. (t-value)	Results
H1			
Brand awareness → Perceived value	0.16	2.74*	Supported
H2			Rejected
a. Tangible → Perceived value	0.06	0.94	Rejected
b. Responsiveness → Perceived value	0.08	1.16	Rejected
c. Reliability → Perceived value	0.002	0.04	Rejected
d. Assurance → Perceived value	0.04	0.64	Rejected

Hypothesized Path	Standardized Coefficients(β)	C.R. (t-value)	Results
e. Empathy → Perceived value	0.03	0.56	Rejected
H3			
Brand awareness → Brand attitude	0.30	5.33***	Supported
H4	Partially supported		
a. Tangible → Brand attitude	0.20	3.33***	Supported
b. Responsiveness → Brand attitude	0.09	1.24	Rejected
c. Reliability → Brand attitude	0.08	1.41	Rejected
d. Assurance → Brand attitude	0.09	1.41	Rejected
e. Empathy → Brand attitude	0.17	2.65*	Supported
H5			
Perceived value → Brand attitude	0.12	2.19*	Supported
H6			
Brand attitude → Purchase intention	0.53	8.55***	Supported

Model Goodness-of-Fit Statistics:
$\chi2$=540.052 ($p < 0.000$); df=307; $\chi2/df$ = 1.759;
GFI= 0.904; AGFI=0.881; CFI=0.941; NFI=0.874, RMR=0.062; RMSEA=0.044

Note: Cut- off t-value is 1.96 (*$p < 0.05$, ***$p<0.001$)

The current study shows a positive (albeit weak) relationship between the empathy dimension of perceived quality and brand attitude among Chinese passengers. This result implies that convenience of flight schedules, reservations, and payment are important issues that should be noticed by LCCs that want to enter the Chinese market. In addition, the tangible dimension has a significant influence on LCC passenger brand attitudes. Perceived value is a comparative assessment after consumers consider benefits and sacrifices or costs that are paid when they utilize a service. For passengers, this evaluation is the result of comparing ticket prices with an airline's service. This study indicates that better prices from other LCCs may influence passengers' attitudes. Hence, the influence of fare prices is noticeable in the formation of a passenger's brand attitude. Certainly, this is important, but it is not the only consideration.

Chinese passengers' brand attitude toward LCCs may be a good predictor for their purchase intentions. Passengers who have a favorable impression towards an airline may prefer the airline, and intend to make subsequent purchases from it. Chinese passengers with positive brand attitudes are thus a critical factor in the success of LCCs.

Conclusion and Recommendations

This study provides an in-depth theoretical perspective investigating Chinese passengers' purchase intention and the reasons behind purchase intention. An integrated structural equation model was created to explore the antecedent variables of passengers' brand attitudes to aid in interpreting their purchase intentions. The importance of brand awareness in the process of passenger decision-making was emphasized, especially for newly established LCCs. Airline

management should emphasize building a favorable image in the minds of passengers to enhance an airline's brand awareness, and strengthening publicity in China. Meanwhile, this study demonstrated that the tangible and empathy dimensions of perceived quality positively influence passenger brand attitudes toward LCCs. Besides scheduling more flights and improving reservation and payment systems, airlines should also invest in physical facilities such as more seat space and legroom to ensure comfortable seats. Occasional great in-flight meals and entertainment service can add more perceived value to passengers' impression, as it goes beyond their expectations. Moreover, LCC companies should sustain their low cost advantage, especially in the long-haul markets, and develop strategies to strengthen passengers' value perceptions. Finally, the research model fit analysis results of this study suggest that understanding passengers' purchase intentions and obtaining favorable brand attitudes are not based on a single variable, but airline management needs to develop an integrated marketing strategy aligned with the inter-relationships among all the relevant variables noted above.

Although the study collected a large sample data, the study was limited to a few regions of Chinese passengers. A future study could be expanded to passenger segmentation of China. In reality, passenger decision processes are quite complex. Future research could explore other variables that influence passengers' LCC purchase intentions in depth. Additionally, the research framework that emerged from this study may also be extended to other service industries such as hotels, hospitals, or restaurants.

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