

BRAND LOYALTY IN LOW-COST AIRLINE OF THAILAND

ความจงรักภักดีของตราสินค้าสายการบินต้นทุนต่ำในประเทศไทย

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Abstract

The aviation industry situation is quite intense competition. The most of the airline would like to be the leader and the winner in business war which need to increase the highest loyalty of the customer. Especially, the low-cost airline in Thailand should pay attention in behavior of the customer that effect to brand loyalty of the airline. Therefore, this paper aim to analyzed brand loyalty, brand awareness, perceived quality, brand association and marketing campaign of the low-cost airline in Thailand. The sample of this research is 400 passengers of Air Asia, Nok Air and Thai Lion Air. A survey questionnaire was posted on the internet that links with a low-cost airline social media sites.

The findings of correlation and multiple regression analysis showed that perceived quality, brand association and brand awareness were significant statistically associated and influenced on brand loyalty. For the marketing campaign acted as a single mediator variable which it is no evidence of mediation between perceived quality and brand loyalty, also brand association and brand loyalty too. The model of the analysis in this study could suggest the planning of marketing strategies to create a brand loyalty and expand the customer base in Thailand. Thus, the marketers should consider their brand strategy for building a strong brand in the low-cost airline industry in Thailand.

Keywords: Brand loyalty, Brand awareness, Brand association, Perceived quality

บทคัดย่อ

ในปัจจุบันสถานการณ์อุตสาหกรรมการบินมีการแข่งขันกันค่อนข้างรุนแรง โดยสายการบินส่วนใหญ่ล้วนมีความต้องการเป็นผู้นำและเป็นผู้ชนะในธุรกิจสายการบิน โดยเฉพาะอย่างยิ่งในธุรกิจสายการบินต้นทุนต่ำในประเทศไทยตราสินค้ามีความสำคัญอย่างยิ่งสำหรับการตัดสินใจใช้บริการสายการบินของลูกค้า ดังนั้นงานวิจัยในครั้งนี้มีวัตถุประสงค์ที่จะตรวจวัดความตระหนักรู้ในตราสินค้า (Brand Awareness) ความเชื่อมโยงตราสินค้า (Brand Association) การรับรู้ถึงคุณภาพ (Perceived Quality) และการส่งเสริมการตลาด (Marketing Campaign) ซึ่งมีผลกระทบต่อความจงรักภักดีในตราสินค้า (Brand Loyalty) ในธุรกิจสายการบินต้นทุนต่ำในประเทศไทย สำหรับกลุ่มตัวอย่างที่ใช้ในการเก็บข้อมูลของงานวิจัยนี้เป็นผู้โดยสารสายการบินแอร์เอเชีย นกแอร์ และไทยไลอ้อนแอร์ จำนวน 400 คน โดยใช้แบบสอบถามออนไลน์และทำการเก็บข้อมูลผ่านสื่อโซเชียลมีเดียของสายการบินดังกล่าว

สำหรับผลการวิเคราะห์ความสัมพันธ์ในแต่ละมิติคุณค่าตราสินค้าด้วยเทคนิคการวิเคราะห์สหสัมพันธ์ และการวิเคราะห์การถดถอยพหุคูณ พบว่า การรับรู้ถึงคุณภาพ ความเชื่อมโยงตราสินค้า และความตระหนักรู้ในตราสินค้ามีความสัมพันธ์และมีอิทธิพลต่อความจงรักภักดีในตราสินค้าอย่างมีนัยสำคัญทางสถิติ ส่วนการส่งเสริมการตลาด (Marketing Campaign) ซึ่งเป็นตัวแปรคั่นกลางที่ไม่พบหลักฐานการส่งผ่านความสัมพันธ์ระหว่างการรับรู้ถึงคุณภาพและความเชื่อมโยงตราสินค้าต่อความจงรักภักดีในตราสินค้า ซึ่งตัวแบบ (Model) ของการวิเคราะห์ในงานวิจัยนี้สามารถนำไปใช้เป็นตัวชี้้นำในการวางแผนกลยุทธ์ทางการตลาดที่จะสร้างความจงรักภักดีของตราสินค้า และขยายฐานลูกค้าให้เพิ่มขึ้นได้ ดังนั้นนักการตลาดควรที่จะพิจารณา และให้ความสำคัญในกลยุทธ์ตราสินค้าของสายการบินเพื่อที่จะสร้างความเข้มแข็งของตราสินค้าในธุรกิจสายการบินต้นทุนต่ำในประเทศไทย

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Introduction

Nowadays, the world economy rapidly changes that effect to all industries have to adjust the strategies for various situations and competitive advantage. Especially, the business competition of the low-cost airline industry in Thailand uses many business strategies such as cost leadership strategy, differentiation strategy, channel strategy, pricing strategy, etc. but it cannot create the sustainable advantage. In this industry need to develop the marketing strategy which the way to build the competitive advantage as the brand equity strategy that becomes to be the importance of the marketing strategy because the brand equity is the

marketing tools to increase customer loyalty and customer base. The airlines should focus on branding strategies such as brand loyalty, brand association, perceived quality and brand awareness to make a strong brand and highest market share in their industries. It will affect in profitability of the airline. Furthermore, the reputation of a brand name airline represents the quality guarantee of product and service as well as attracting new customers and keeps the old customers too (Keller, 2003).

The branding is the way to make consumers recognize the airline's product or service such as a brand name that consumers can identify the benefit and the quality of product or service.

Brand is a benefit of both consumers and entrepreneurs which it can protect competitors to penetrate in the industry (Kotler, 1997). Brand equity management can measure by consumer behavior in term of loyalty or willingness to pay for the product and service. Thus, the entrepreneurs have to create brand loyalty in consumer's mind which can build a strong brand. Previous research, brand equity measurement is measured by four dimensions such as brand loyalty, perceived quality, brand awareness and brand associations (Aaker, 1991). Thus, in this study is interested in only brand awareness, brand association, perceived quality and marketing campaign affect brand loyalty. The marketing campaign set as the mediator variable which it might have a mediating effect on the relationships between the brand awareness brand association, perceived quality and brand loyalty. Now the most of the low-cost airlines are using a marketing campaign through a promotion strategy that might affect to loyalty behavior of the consumer in this industry. That is the reason to set marketing campaign as the mediator variable in this study.

Brand loyalty defines the satisfaction and repurchase of consumer. Brand loyalty is a key factor to increase the firm's performance when consumers trust the brand; they will repurchase and promote brand benefits that it results in higher market share. Brand loyalty represents a consumer commitment which it likens an intangible asset of the company (Schiffman & Kanuk, 2004). Thus, the marketer should pay more attention about brand loyalty because

it can generate market growth and high profitability (Aaker, 1991).

Brand awareness refers brand recall and brand recognition of product (Aaker, 1991; Keller, 2003) that brand awareness is one component of brand knowledge that is similar the concept of Keller. The brand strength in the minds of consumers is the important benefit of brand awareness that it can use to promote new products or services in the future which the only brand name that consumers can remember will be selected to purchase based on brand recall and brand recognition (Asamoah, 2014).

Brand association links to the image of the brand that the consumer has a feeling and perceptions of the brand. It can be divided into product-related attributes, non-product related attributes and benefit (functional benefit, experiential benefit and symbolic benefit) (Keller, 1998). Aaker & Joachimsthaler (2000) mention that "Brand associations are the category of brand's assets and liabilities that include anything linked in memory to a brand". Moreover, the quality of product can link a good image of the brand which is associated with the consumer perception of product and the brand strength, the brand preference and brand uniqueness. The brand image can help the consumer to evaluate the quality and reduce risks of purchase (Aurier & de Lanauze, 2011).

Marketing campaign explain to the promotion and advertising. (Keller, 1998). The communication activities is used as a tool of promotion to notify to customers which the customer will remind the brand from marketing campaign

(Parsa et al. 2013). In addition, Alamro & Rowley (2011) found the advertising correlated with perceived quality and brand awareness that this correlation can created a strong brand association too. The consumer awareness is encouraged by advertising which relate to the positive attitudes of the benefits of the brand that effect to gain brand equity (Nguyen, Barrett & Miller, 2011). Specially, the effect of promotion and advertising is one of the way to brand success and high equity in the long term (Keller,

2008).

Objective

The research was intended to determine the relationship of brand awareness, brand association perceived quality and marketing campaign on brand loyalty of low-cost airline. Simultaneously, this study could guide marketer about how to plan the branding strategy to generate profitability and market share based on brand loyalty.

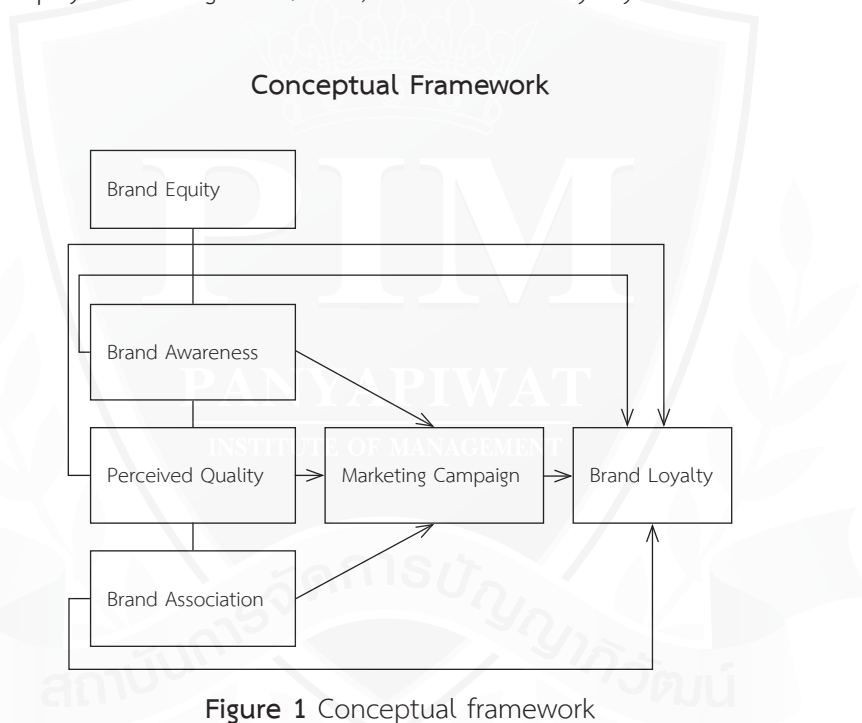


Figure 1 Conceptual framework

This study aims to explore the relationship between brand loyalty, brand awareness, brand association and perceived quality based on the concept of Aaker (1991) and Keller (2008). As shown in figure 1, brand awareness, brand association and perceived quality are considered as independent variable, brand loyalty is taken as the dependent variable and

marketing campaign is taken as mediator variable. Hypothesis developed for this research mentioned as bellow:

H1: Perceived quality has a positive relationship with brand awareness.

H2: Brand association has a positive relationship with brand awareness.

H3: Brand association has a positive rela-

tionship with perceived quality.

H4: Brand loyalty has a positive relationship with brand awareness.

H5: Brand loyalty has a positive relationship with perceived quality.

H6: Brand loyalty has a positive relationship with brand association.

H7: Marketing campaign has a positive relationship with brand awareness.

H8: Marketing campaign has a positive relationship with perceived quality.

H9: Marketing campaign has a positive relationship with brand association.

H10: Marketing campaign has a positive relationship with brand loyalty.

H11: Brand awareness has a positive relationship with brand loyalty through marketing campaign.

H12: Perceived quality has a positive relationship with brand loyalty through marketing campaign.

H13: Brand association has a positive relationship with brand loyalty through marketing campaign.

Research Methodology

The questionnaire was measured by a five point degree of agreement or disagreement of Likert scale (1 = strongly disagree to 5 = strongly agree) (Likert, 1932). The correlation and multiple regression analysis were analyzed the outcome of the relationship of independent and dependent variable. The results could be guided the low-cost airline industry to increase the customer loyalty in Thailand.

Research Instruments

The questionnaire was adapted from the concept of Keller (2008) and the work of Yoo & Donthu (2001) and Pitsaphol (2015). The survey questionnaire was designed to measure the respondents' demographic information and the relationship of brand awareness 4 items, brand association 6 items, perceived quality 16 items, marketing campaign 4 items and brand loyalty 8 items. The Cronbach alpha value is tested reliability of the questionnaire that it found the Cronbach's alpha value of brand awareness = 0.718, brand association = 0.749, perceived quality = 0.882, marketing campaign = 0.641 and brand loyalty = 0.866. The overall of Cronbach's alpha value of the questionnaire = 0.922 which it means the questionnaire has a high reliability.

Data Collection

The sample of this research is the passenger of low-cost airlines in Thailand, which we select Air Asia, Nok Air and Thai Lion Air because the low-cost airline has been authorized by the Thai government to operate the flight in the country. It cannot determine the exact population which can use the theory of Non-Probability sampling to select the sample group. The sample size of an unknown population is used by the formula of Cochran (1963). A sample size is equivalent to 385 samples but we add about 4% to prevent a crash. Therefore, this research uses a sample size 400 samples. We collected the primary data from the closed questionnaire and the secondary

data from the article that published in the journals. Base on internet sampling through online research technique (Shabbir et al. 2015). A survey questionnaire was posted on internet that links with a low-cost airline social media sites such as Air Asia, Nok Air and Thai Lion Air. The data was collected on October 2015 and reposted a link reminder in every week during the survey period.

Data Analysis

A total of 400 valid respondents were the passengers of Air Asia 216 respondents, Nok Air 125 respondents and Thai Lion Air 59 respondents. Among them, 59.7% of respondents were female while 33.8% of respondents were male and 6.50 % were LGBT (Lesbian, Gay, Bisexual and Transgender). The majority of the age was 41.2% in 25 years to 34 years that the result represented the respondents were young and working age. Moreover, the education of respondents showed that 57.50 % have earned their bachelor degree. The occupation of respondents indicated that 37.50 % was company

employees, which is followed by Government officer with 25% and the monthly income of respondents were ranging 15,001-20,000 Thai Baht.

Following the hypothesis, Pearson's correlation analysis was used to test the hypothesis to find the relationship of all variables (the independent variable: brand awareness, perceived quality, brand association, dependent variable: brand loyalty and mediating variable: marketing campaign) by considering a correlation matrix. The multiple regression analysis was adopted to test the relationship and the influence of the independent variable, the mediator variable and the dependent variable.

Result

The result of a correlation matrix for hypothesis testing indicates the relationship of brand awareness, perceived quality, brand association, brand loyalty and marketing campaign. The correlation analysis of the independent and dependent variable showing significant values shown as follows:

Table 1 Correlation among brand awareness, perceived quality, brand association, brand loyalty and marketing campaign.

	Brand awareness	Perceived quality	Brand association	Brand loyalty	Marketing campaign
Brand awareness	1				
Perceived quality	0.32**	1			
Brand association	0.18**	0.63**	1		
Brand loyalty	0.39**	0.63**	0.55**	1	
Marketing campaign	0.14**	0.30**	0.30**	0.23**	1

** Significant at the level .01

Inter-relationships reveal significant relationship between brand awareness and perceived quality ($r = 0.32$), brand awareness and brand association ($r = 0.18$), brand awareness and brand loyalty ($r = 0.39$), brand awareness and marketing campaign ($r = 0.14$), perceived quality and brand association ($r = 0.63$), perceived quality and brand loyalty ($r = 0.63$), perceived quality and marketing campaign ($r = 0.30$), brand association and brand loyalty ($r = 0.55$), brand association marketing campaign ($r = 0.30$), brand loyalty and marketing campaign ($r = 0.23$) therefore the hypothesis H1-H10 accepted based on r value and p value as shown in table 1.

From the table 2 was shown the regression analysis in the Enter method which Eigenvalue is less than .023 (critical value > 10.0) and the Condition Index is less than 25.668 (critical

value > 30.0). That mean, the multi-collinearity is not a major concern in this study. When considering the regression data of independent variable, we found that brand awareness ($B = 0.24$, $S.E.b_i = 0.04$, $\beta = 0.21$, $t = 5.55$, $p = 0.00$), perceived quality ($B = 0.48$, $S.E.b_i = 0.06$, $\beta = 0.39$, $t = 7.86$, $p = 0.00$), brand association ($B = 0.27$, $S.E.b_i = 0.05$, $\beta = 0.26$, $t = 5.48$, $p = 0.00$), Marketing campaign ($B = 0.00$, $S.E.b_i = 0.03$, $\beta = 0.00$, $t = 0.23$, $p = 0.82$) predicted brand loyalty with a statistically significant at 0.05. The model reveals the following regression equations for analyzing brand loyalty of low-cost airline in Thailand: Un-standardized Score $Y = -0.17 + 0.24$ (brand awareness) + 0.48 (perceived quality) + 0.27 (brand association) Standardized Score $Z r = 0.21$ (brand awareness) + 0.39 (perceived quality) + 0.26 (brand association)

Table 2 Regression Analysis of independent variables (brand awareness, perceived quality, brand association, marketing campaign) and dependent variable (brand loyalty)

Model	Unstandardized Coefficients		Standardized Coefficients	t	sig
	B	Std. Error	Beta		
(Constant)	-0.17	0.22		-0.78	.43
Brand awareness	0.24	0.04	0.21	5.55	.00**
Perceived quality	0.48	0.06	0.39	7.86	.00**
Brand association	0.27	0.05	0.26	5.48	.00**
Marketing campaign	0.00	0.03	0.00	0.23	.82
F = 90.08 P < .05 AdjR ² = .47					
** at significant level .05					

When we tested the mediating effect by the Sobel test that the result found brand awareness had a positive relationship with brand loyalty through marketing campaign. We accepted H11 base on the test statistic of the Sobel test was 2.34 and p-value of 0.01 ($P < 0.05$). Moreover we found the Sobel test value of 1.22, p-value of 0.22 ($P < 0.05$) for perceived quality and the Sobel test value of 1.72, p-value of 0.08 ($P < 0.05$) for brand association. It indicated perceived quality and brand association had not a positive relationship with brand loyalty through marketing campaign which we rejected H12-H13.

Discussion

The results of Pearson's correlation analysis found the relationship of brand loyalty, brand awareness, brand association, perceived quality and marketing campaign with a statistical significance at $p < 0.05$. This outcome contributes compatible finding as compared to Zhang, Pitsaphol & shabbier (2014) which studied the customer-based brand equity of smartphone. They found brand awareness, perceived quality and brand image (a set of brand association) was significant statistically associated and influenced with brand loyalty. Moreover, a result of this study was consistent with the research of Severi & Ling (2013), they're found brand association brand loyalty and brand image are the main component of brand equity in a private university in Malaysia.

Furthermore, the result of the multiple regression analysis showed the relationship of

brand equity dimension and marketing campaign which brand awareness, perceived quality and brand association had not a positive relation to brand loyalty through marketing campaign. The result consisted the research of Yaseen et al. (2011), Jung et al. (2014) that concluded perceived quality and brand loyalty were positively related which if brand loyalty increase it will affect to increasing perceived quality too. In the other hand, the result of this study found marketing campaign in term of promotion was not important variable for the relationship of perceived quality and brand association. It contrasted with Pitsaphol (2015) that found marketing campaign in term of promotion and advertising was a model as a dynamic investment in a brand's stock of awareness and perceived quality which the marketing campaign was a significant positive effect of perceived quality.

Conclusion

From this study, we can develop a customer loyalty in the low-cost airline industry in Thailand. We concluded that perceived quality is the most significant dimension for creating brand loyalty, followed by brand association and brand awareness. The low-cost airline should plan marketing strategies and allocate marketing investments and focusing on perceived quality first and has the highest priority to build the customer loyalty which, it will affect to increasing the profit and market share. It means the brand has a competitive advantage and be the leader in the market. However, the low-cost airline must produce their product and service

with the best quality and make diverse marketing strategies for creating a brand association especially the good image of the airline and consumers recognize the airline's name depends on creating awareness to arise in the consumers' mind. Thus, the airline should always investigate brand equity dimensions for building a strong low-cost airline brand in Thailand market. Further research should focus on other variables such as emotional branding, brand performance, brand preference and brand identity because they might have a significant influence on low-cost airline market share in Thailand.

Recommendations

This study has not conducted a study on the other dimension of the low-cost airline such as the cost of marketing communications, in-flight service, current economic conditions, etc. All of this may have affected both directly and indirectly to the rise and decline of brand loyalty. For the narrow analysis in future research should use SEM analysis to find the relationship of brand loyalty because it will make to more understand the path of relationship of brand loyalty.

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