Note

# How do the services of low cost carriers affect passengers' behavioral intentions to revisit a destination?

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### ARTICLE INFO

### ABSTRACT

Understanding the main factors that affect travelers' behavioral intentions are essential for countries that intend to develop their tourism industry. This research investigates how the services of low cost carriers (LCCs) affect travelers' behavioral intentions to revisit and a willingness to recommend the destination to others. The results show that the perceived services of LCCs have a significantly positive effect on the destination's image, and the destination's image has a significantly positive effect on behavioral intentions.

## 1. Introduction

Air transport is essential to tourism development. According to Bieger and Wittmer (2006), low cost carriers (hereafter LCCs) have attracted significant traffic volumes with their point-to-point services. In addition, Graham and Dennis (2010) point out that it seems reasonably clear that new LCC services, which have been encouraged by government incentives, have been partly responsible for the increase in the number of tourists visiting Malta in 2007. Furthermore, LCCs have generated new demand in addition to existing tourist flows to Jeju Island (Chung and Whang, 2011). Pulina and Cortés-Jiménez (2010) have also found that foreign tourists in Italy changed their holiday "seasonal habits" soon after the LCCs started to offer their services. Besides these examples, LCC services have impacted revisiting habits. Evidence for this is provided by Clavé et al. (2015), who found that the low-cost loyal tourist has on average revisited the destination on two occasions because of the price of the flight.

While most countries have been rethinking their strategies for attracting tourists, the low cost carriers (LCCs) have done a great job in terms of increasing the numbers of inbound travelers visiting Taiwan. In 2008, passenger traffic between Kuala Lumpur and Taipei totaled around 476 thousand, but it reached 896 thousand in 2014

after the successful LCC AirAsia entered the market in July 2009 (see Fig. 1 for the details). Consequently, Malaysia has become the top departure point for inbound tourists from Southeast Asia to Taiwan.

In order to investigate how the services of low cost carriers affect passengers' behavioral intentions to revisit Taiwan, this study highlights such behavioral intentions and explores the relationships between passenger behavioral intentions and the various factors that affect them. It is hoped that the results of this research will serve as a valuable reference for managers and regulators when designing effective strategies to increase traffic volume based on different dimensions that will influence passengers' behavior. The results should be able to provide practical suggestions for the air transportation industry and tourism authority as they draw up plans to increase the number of times tourists revisit destinations.

## 2. Conceptual background and research method

In 2010, Chiou and Chen noted that "structural Equation Modeling (SEM) is the standard method for simultaneously measuring latent factors and for examining several cause-effect relationships among these factors" (p.226). This research aims to develop a relationship model that incorporates the main determinants of passengers' behavioral intentions and explores their effect on LCC passengers revisiting Taiwan. Hence, this research has selected four key factors and performs the analysis using SEM to figure out the relationships between these factors with a focus on passengers' intentions.

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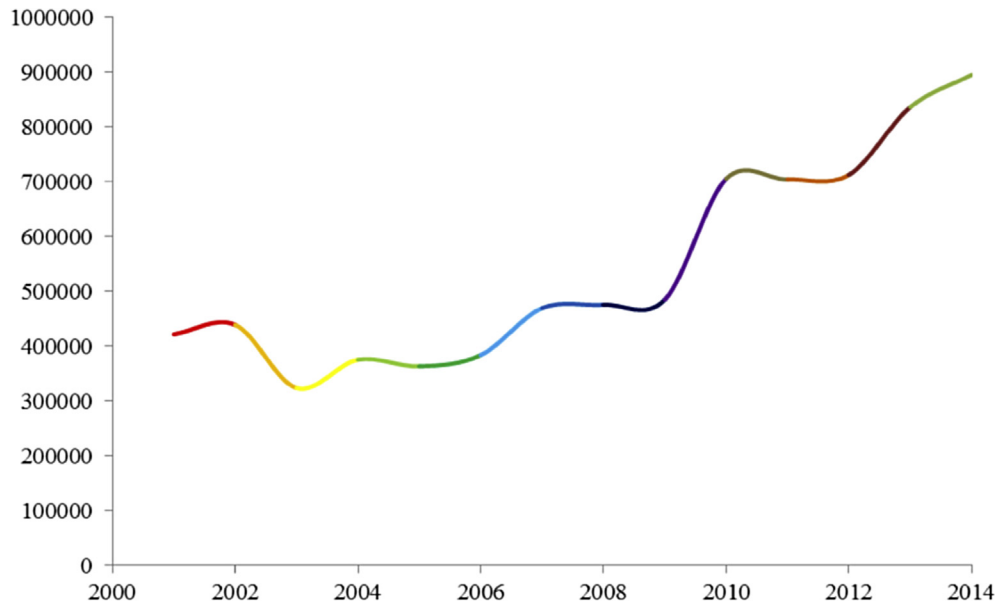E-mail address: ychang@mail.ntou.edu.tw (Y.-C. Chang).

**Fig. 1.** Passenger traffic between Taiwan and Kuala Lumpur.

In the words of Park et al. (2004), "the key variables normally considered when modeling passengers' decision-making processes include service expectation, service perception, service value, passenger satisfaction, and airline image" (p.435). In what follows is a brief overview of the interrelationships of the constructs, such as Motivation from Airlines, Service Expected, Service Perceived, Destination Image and Behavioral Intention, which are proposed based on a comprehensive literature review.

### 2.1. Motivation from airlines

For a better understanding of the destination choice process, Jönsson and Devonish (2008) indicate that "tourists' motivations, attitudes, and perceptions are important sociocognitive variables that must be taken into account" (p.399). Understanding travel motivation and factors affecting destination choice is beneficial to tourism planning and marketing (Lam and Hsu, 2006). In fact, "motivations for travel cover a broad range of human behaviors and experiences, and might include: relaxation, excitement, social interactions with friends, adventure, family interactions, status, physical challenges and escape from routine or stress" (Esichaikul, 2012, p.50). A "pushed" factor refers to people's internal factors that motivate them to travel, while they are also "pulled" by the external forces of the destination attributes (Yoon and Uysal, 2005). Among the most common push factors that can be found in studies are 'escape from routine everyday life', 'relaxation', 'exploration', 'social interaction', 'relationship enhancement' and 'prestige' (Jensen, 2011, p.38).

Saha and Theingi (2009) found that the quality of and satisfaction derived from LCCs' services influence the behavioral intentions of passengers such as repurchasing airline tickets. Nevertheless, none of the motivations proposed in existing papers have discussed the issue of the motivation derived from airlines. There are 94 airlines that could be classified as LCCs which carried 650 million passengers around the world in 2010 (Berster et al., 2012). The gradual spread of LCCs has helped boost tourism products and the attractiveness of a region for tourism (Donzelli, 2010). Fageda et al. (2015) state "the unbundling strategy has been rapidly changing and by 2013 an increasing number of low-cost carriers had introduced a fare category system in order to

offer bundles of different services that used to be sold as independent ancillary products" (p.1). The marketing success of LCCs indicates that the product is broadly in line with customer requirements (Barrett, 2004).

The package or product supplied by airlines will influence the service expected and service perceived, because service satisfaction can be examined from these two constructs. According to the expectancy-disconfirmation paradigm that has formed the basis of the SERVQUAL model, service quality has been defined as the "gap" between expectation and perception (Parasuraman et al., 1988), and customer satisfaction has been understood in terms of meeting or exceeding these expectations (Oliver, 1980; Saha and Theingi, 2009). In this study, our proposed model is:

**H1.** Motivation from airlines has a positive influence on Service Expected

**H2.** Motivation from airlines has a positive influence on Service Perceived

### 2.2. Service expected

According to Cohen, Prayag, and Moitel (2014), "expectations are defined as the desires or wants of consumers and relate to what consumers feel a service provider should offer rather than what they would offer" (p.884) (as cited in Parasuraman et al., 1988). On the other hand, they also indicated "expectations may also reflect the standard that consumers expect when evaluating the attributes of the product/service offered" (as cited in Teas, 1993).

"To date, the effect of air passengers' expectations on service perception and passenger satisfaction has not been fully investigated, even though it is an important commercial consideration" (Park et al., 2004, p.435). According to Park et al. (2004), there are five key factors that may affect passengers' intentions directly or indirectly when choosing FSCs or LCCs, and they found that airline service expectations have a significant positive effect on airline service perceptions.

Past studies have found that airline service expectations have a positive effect on airline perceptions (Chiou and Chen, 2010; Park et al., 2004) and airline service quality has the greatest effect on travelers' behavioral intentions (Chen, 2008; Yang et al., 2012).