

# Travelers' Choice of Airline. An Empirical Research in Kuala Lumpur.

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## Abstract

The purpose of this study is to analyze the determinants towards travelling patterns by air transportation in Kuala Lumpur. This study will look into three independent variables which are Destination, Holiday Package and Online Communication. The data of this study was collected through self-administered questionnaire and distributed through convenience sampling method. A total of 130 respondents participated in this survey. Hypotheses were tested using the results generated to determine the correlation between the variables and the travelling patterns of Malaysians. The findings of this research shown that all three variables used in this study has significant relationship with travelers' choice of airline, which indicates the airline selection among Malaysians in Kuala Lumpur are influenced by destination, holiday package and online communication. Findings of this study were limited to the number of respondents as it only involves a relatively small number of populations in Kuala Lumpur. Furthermore, the research questionnaire was designed using marketing and e-marketing principles due to the limited number of past researches on this research topic. Results of this study can be used to help airlines to understand the travelling patterns of Malaysians then develop and improvise their marketing strategies using the variables of this study to cater for its target market better.

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## I. INTRODUCTION

Airline sector play a significant role in economic development in a country [1]. The arrival of international tourists is the main source of the countries' overall economy [2]. Travelling abroad became a common activity and leisure for international travelers in recent years. The increasing number of international arrivals worldwide has shown that airline sector will continue to grow in the future [3]. The growing number of international arrivals also indicate that the competition is getting more intense in the saturated market. This lead airlines strive keeping themselves ahead of its competitors to be the market leader in the industry in which involves continuous improvements in their business strategies.

The purpose of this study is to analyze the determinants towards travelling patterns by air transportation in Kuala Lumpur. This study will investigate three independent variables (IV) namely destination, holiday package and online communication. Destination refers to the 'product' offered by the airline while holiday package is a form of bundling offered by an airline. Online communication is the communication channels used by airlines using internet to relay information to their passengers using different platforms. The dependent variable (DV) used in this research

is travelers' choice of airline. This study will be conducted by distributing questionnaires to the targeted population and data collected will be further analyzed. Lastly, this research hope to contribute to the academic and practitioners' perspectives.

## II. MATERIALS

### A. Travelers' Choice of Airline

The airline market is saturated. There are many airlines offering similar services at different fares. For instance, lower fares, wider selections, higher flight frequencies and a wider range of services available for its passengers [4]. As a result, passengers can easily compare fares and services from different airlines. Therefore, airlines constantly study on the behavior of their passengers and other passengers within the industry to improve on their strategies and implementation to remain competitive with existing competitors in the airline sector. This include forecasting the demands and be the first to offer solutions to the problems identified.

Previous researches were conducted to explore the factors that influence travelers' airline choice. Research conducted by Alamdari [5] illustrated that the key factor influencing the travelers' choice is the flight schedule and flight frequency. Besides, the research carried out by Gilbert and Wong [6] in Hong Kong International Airport tested the ethnicity, nationality and reason of travelling have shown a significant

influence towards the destination they chose to travel to. Furthermore, Feng and Jeng [7] have included communication channel to evaluate the airline choice of passengers. Past researchers have demonstrated that there were multiple factors that has significant impact towards the airline choice. This study will look into factors influencing travelers' choice of airline

### B. Destination

Destination refers to the landing place that airlines offer to travelers. Airlines are becoming an important element in travelers' travelling choice which are beginning to redirect and reshape the traditional traffic flows [8]. Airlines continuously competing to expand their geographic presence by increasing the number of destinations available in different regions to obtain high number of passengers annually. It is reported that 57% of international arrivals travel by flights in 2017 [3]. This shows that more than half of international travelers chose to travel by airlines as their mode of transportation to their destination.

Researchers have demonstrated that the availability of destination significantly affect passengers' choice of airline [9] without regard to the purpose of their trip. Ong and Tan [10] highlighted flight schedules and routes as determinants of travelers' airline selection. Past researches were carried out in different regions such as Hong Kong, New Zealand, Thailand and China. As such, the availability of destination could be an influencing factor towards travelers' choice of airline.

### C. Holiday Package

Holiday package is usually developed by other platforms as well, but this study focuses on airline holiday package. Travelers are attracted to package holidays because they perceive it is lower in cost, has lower risk and convenient for them to purchase in bundle than separately [11]. It is reported that 36% of the travelers will pay for the package if the information of the holiday package and overall experiences by the airline fits their personal preferences or past behavior [12]. Past researches indicated that the format of information of bundled products has a significant influence towards travelers' evaluation [13].

To date, the studies on holiday package influencing the travelers' choice of airline are limited. Hence, this study aims to analyze whether holiday packages influence their choice of airline.

### D. Online Communication

Online communication refers to the online services which is provided over the internet by the airline to communicate with passengers. The continuous advancements in information communication technology, self-service technology is taking up the job of many staffs at the counter operations, enabling travelers to have direct access to the service process, with lesser interaction with the employees [14]. Online communication is important for airlines to relay information to their customers. It provides a link of interaction between the organization and its customers. This service enables service providers to serve its customers at

anytime and anywhere [15]. Both technologies, information communication technologies and self-service technologies, including self-services kiosks and online check-in systems are common in the airline sector [16].

According to Chen and Chao [17], communications through online services provided by the airline affects the purchasing behavior of travelers when choosing airlines. The rise of internet penetration has leads to the development of online purchasing in Malaysia [18]. The convenience in booking channel, checking flight schedule and efficient check-ins are among the relative factors that influence travelers' choice of airline [19].

### E. Research Framework

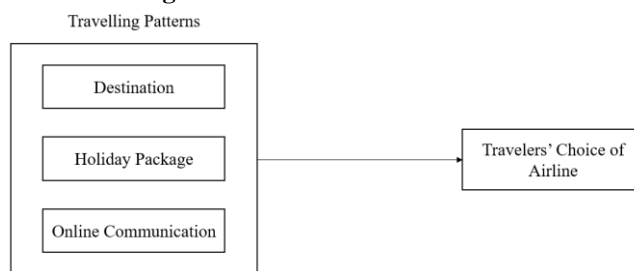
Fig. 1 shows the research framework of the paper which includes destination, holiday package and online communication as independent variables and choice of airline among travelers in Kuala Lumpur as dependent variable. Therefore, the hypotheses based on the variables of this research are as below.

H1: There is a relationship between destination and travelers' choice of airline.

H2: There is a relationship between holiday package and travelers' choice of airline.

H3: There is a relationship between online communication and travelers' choice of airline.

Figure I: Theoretical Framework



### METHOD

The targeted sample of this research are all travelers who had experience with travelling by any airline companies in Malaysia. Meanwhile, the targeted respondents of this research are people that are 18 years old and above. This research adopted convenience-sampling method for questionnaire distribution. "Convenience sampling method is a non-probability sampling technique where subjects are selected because of their convenience accessibility and proximity to the researcher" [20]. Therefore, this method is used in this research. This research uses 5-point Likert Scale for data collection. The statistical analysis used in this paper, namely ANOVA analysis, Pearson Moment Correlation test and Multiple Regression Analysis. These tests are applied to study the relationship between the independent variables and dependent variable used in this study and how it influences the data set given.

### III. FINDINGS & DISCUSSIONS

For analytical purposes, the variable of frequency travelling by airline was used as proxy towards travelling patterns.

#### A. Reliability Test

Pearson correlation analysis shows the relationship of the variable of research data.

**Table I: Reliability Test using Cronbach's Alpha**

| Variables            | Cronbach's Alpha | Number of Items |
|----------------------|------------------|-----------------|
| Destination          | 0.599            | 3               |
| Holiday Package      | 0.531            | 4               |
| Online Communication | 0.630            | 4               |

Referring to Table I, there are three questions in data collection for the first variable, destination. The Cronbach's Alpha value obtained for this variable is 0.599. Since the target of alpha value is 0.5, thus, the reliability value of this variable is considered moderate. The Cronbach's Alpha value of the second variable, holiday package, is 0.531. This variable uses four questions in data collection. Therefore, the questions of this variable as reliable as the Cronbach's Alpha value is acceptable. Reliability for online communication using four questions in data collection shows that the value is 0.630, the highest among all three variables. It indicates that questions used in for this variable is acceptable. Therefore, all three variables are reliable.

#### B. Pearson Correlation Analysis

Pearson correlation analysis is conducted to identify the relationship between variables, ranging from -1.00 to +1.00. This analysis is performed on variables that utilizes Likert-Scale.

**Table II: Pearson Correlation Analysis**

|                                 |                     | Frequency travelling by airline | IV1    | IV2    | IV3    |
|---------------------------------|---------------------|---------------------------------|--------|--------|--------|
| Frequency travelling by airline | Pearson Correlation | 1                               | .620** | .631** | .617** |
|                                 | Sig. (2-tailed)     |                                 | .000   | .000   | .000   |
|                                 | N                   | 120                             | 120    | 120    | 120    |
| IV1                             | Pearson Correlation | .620**                          | 1      | .324** | .212*  |
|                                 | Sig. (2-tailed)     | .000                            |        | .000   | .020   |
|                                 | N                   | 120                             | 120    | 120    | 120    |
| IV2                             | Pearson Correlation | .631**                          | .324** | 1      | .148   |
|                                 | Sig. (2-tailed)     | .000                            | .000   |        | .106   |
|                                 | N                   | 120                             | 120    | 120    | 120    |
| IV3                             | Pearson Correlation | .617**                          | .212*  | .148   | 1      |
|                                 | Sig. (2-tailed)     | .000                            | .020   | .106   |        |

|  |   |     |     |     |     |
|--|---|-----|-----|-----|-----|
|  | N | 120 | 120 | 120 | 120 |
|--|---|-----|-----|-----|-----|

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

IV1 = Destination, IV2: Holiday Package, IV3: Online Communication

#### Correlation between frequency travelling by airline and destination

According to Table II, the Pearson Correlation between frequency of travelling by airline and destination were found to be 0.620 with the P value of 0.001 which is higher than 0.01. Therefore, there is strong correlation between frequency travelling by airline and destination. Furthermore, the value of 0.620 shows that there is a positive relationship between frequency travelling by airline and destination.

#### Correlation between frequency travelling by airline and holiday package

According to Table II, the Pearson Correlation between frequency of travelling by airline and holiday package were found to be 0.631 with the P value of 0.001 which is higher than 0.01. Therefore, there is strong correlation between frequency travelling by airline and destination. Furthermore, the value of 0.631 shows that there is a strong positive relationship between frequency travelling by airline and holiday package.

#### Correlation between frequency travelling by airline and online communication

According to Table II, the Pearson Correlation between frequency of travelling by airline and online communication were found to be 0.617 with the P value of 0.001 which is higher than 0.01. Therefore, there is strong correlation between frequency travelling by airline and destination. Furthermore, the value of 0.617 shows that there is a positive relationship between frequency travelling by airline and online communication.

#### C. Multiple Regression Summary

**Table III: Model Summary**

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .896 <sup>a</sup> | .803     | .798              | .527                       |

a. Predictors: (Constant), IV3, IV2, IV1

As shown in Table 3, the R-square of multiple regression model is 0.803. This value indicates that the independent variables used, namely destination, holiday package and online communication contributed 80% towards frequency of travelling by airline. Furthermore, the variables present strong relationship toward frequency travelling by airline which determines the behavior of dependent variable.

#### D. One-Way ANOVA Analysis

**Table IV: ANOVA Table**

| Model |            | Sum of Squares | df  | Mean Square | F       | Sig.              |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1     | Regression | 131.117        | 3   | 43.706      | 157.533 | .000 <sup>b</sup> |
|       | Residual   | 32.183         | 116 | .277        |         |                   |
|       | Total      | 163.300        | 119 |             |         |                   |

a. Dependent Variable: Frequency travelling by airline

b. Predictors: (Constant), IV1, IV2, IV3

Referring to Table 4, the F-value of 157.533 with the p-value of 0.001 (lesser than 0.05). Subsequently, the overall regression model of destination, holiday package and online communication are statistically significant and fits the overall data properly in explaining the travelers' frequency travelling by airline in Kuala Lumpur.

#### IV. CONCLUSION & RECOMMENDATIONS

As conclusion, this research has proven that there is a relationship between destination, holiday packages and online communication with frequency of travelling by airline. The independent variables used in this study influenced travelers' frequency travelling by airline. The tests employed in this study including Pearson Correlation Analysis and Multiple Regression Analysis together with One-Way ANOVA Analysis have proven the relationships between all independent variable with dependent variable. Results shown that there is a strong positive and significant relationship between destination, holiday package and online communication toward travelers' frequency travelling by airline in Kuala Lumpur.

The findings in this research shown that holiday package is the strongest predictor in explaining the variance of travelers' choice of airline. In other words, the itinerary of holiday package available offered by airlines played an important role in travelers' choice of airline. This will contribute to the likeliness of travelers in selecting an airline. In addition, destination is the second most important factor influencing travelers' choice of airline. This research also found that online communication influenced travelers' choice of airline as well.

It is suggested that airlines hire travel consultants to provide customized itinerary planning service based on travelers' preferences and requirements. This helps airline passengers with busy schedule can travel effortlessly and at the same time, increase the chances of them flying with the same airline again. As for destination, it is important for airlines to develop new services such as redemption of loyalty points collected for something as simple as in-flight meals and entertainment to improve its customer relationship management that include lifetime customer value to capture the targeted market to maximize their profit margin. Finally, airlines should utilize Web 3.0 that has better features such as Artificial Intelligence (AI) and the Semantic Web for its online communication. The usage of Web 3.0 will enhance travelers' flight booking experience. In addition, increasing online communication channels and responsiveness is also recommended.

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