

CONSUMER BEHAVIOUR RESEARCH ON AIR TRANSPORT SERVICES PRICE IN ORDER TO MAINTAIN THE SUSTAINABILITY

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Abstract

In the current period, as a member of the European Union within Romania is included, the economic and social dynamism Romania has been growing stronger and stronger, registering multiple mutations in various fields. In all European Union countries worldwide but especially in Romania, the service sector has been experiencing an unprecedented development.

When designing this research, several stages have been covered, as presented in the specialty literature (Cătoiu, 2009): decision problem definition, scoping research, identification of research objectives, defining the studied community, selecting the method of data collection, collection analysis and interpreting information.

The method of collecting information was the direct research of survey type, using the structured interview technique. It was applied in the period April-May 2014, at the respondents' home, the researched statistical community was made up of people aged over 18 who have traveled at least once by plane. All relevant research results can lead to better business marketing and business management in the airline..

Keywords: Sustainability, air transport, services, marketing research, strategy, purchasing behavior, fidelity.

JEL Classification: M31

Introduction

Taken as a whole, transports have an important contribution to economic development in most countries, their share varying between 3% -7% of GDP. In our country transports play an important role in the economy, accounting for a share of about 4% - 5% of total employment and participating in the creation of GDP.

Applying a sustainable marketing is the process of creating, communicating and providing value to consumers to satisfy their needs and meet the requirements of conservation without

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jeopardizing the possibilities of meeting the needs of future generations (Praude and Borman, 2013).

Many studies on the marketing of a service underline the importance of customer orientation. The high cost of air transport is currently leading the airlines wishing to remain competitive on the market considering what brings value to customers to meet their needs at the highest level (Fu, 2013).

The market price reflects the supply-demand ratio, this one being formed from permanent confrontation between the two sides correlative. Confrontation is achieved in practice from individual transactions, market price is a resultant periodically adjusted so that the two sides correlative to equilibrate. Supply-demand ratio appears to be caused by a number of formative factors of supply and demand. Identify them and how they influence the price of special importance for marketing the transport company.

Determining the most suitable price for a product or service requires every entrepreneur to consider a number of factors and how they interact with one another (Scarborough and Zimmerer, 2006).

1. Price in air transport services as a key element of business sustainability

In the current company operating on this market has countered a number of external factors and the possibility of creating a complex and integrated its internal factors requiring a sustainable path. The rules of this market, the European Union's intention to include aviation in the ETS (Emission Trading Scheme), quantification of carbon emissions (Steven and Merklein, 2013), but also some green marketing initiatives that push companies to find a fine balance between communication of environmental aspects of the marketing mix green while adapting to the standards of communication and implementation (Mayer, Ryley and Gillingwater, 2015) leading to the pursuit of sustainable activities, ensuring long-term success.

Innovation in marketing business on this market is very important and could include: improving facilities and services, promoting an airport known by companies targeting new routes, getting data from market research to delimit a market potential for removing obstacles lobby future developments, end-specific strategic marketing partnerships, flexible tariff policy, focusing on advertising and promotional campaigns, provision of necessary planning trips for passengers, improve the management system (Halpern, 2010). Airlines must constantly invest some financial resources to develop and maintain IT platforms and the operational mechanism geared towards efficiency. Fierce competition and high costs of oil, lead airlines to a website building and a perfect information system (Tsai, Chou and Leu, 2011).

Diversity tariff rates is accompanied by very large differences. For example, for the business class (the main source of revenue for airlines as traditional economic model of the sector - brought about three quarters of total revenue representing only half of the total number of passengers) - the charge for a ticket purchased very close to the trip moment is 5 times higher as an average than the lowest rate charged (Hoffman and Bateson, 2006).

In terms of pricing a company has on hand more possibilities, taking into account the scope, the consumer profile, company image, etc.

Taking into consideration the strategic alternatives, the company can achieve combinations thereof defining an accurate, complete, consistent price strategy. The company must decide how to position the offer, with the essential elements of price and quality. Particularly valuable are the options based on price-value ratio (Kotler, 2005).

The based pricing strategy is more competitive than the decision on the price reaction involving the choice of the way of adapting the competitive strategy of the firm to the new situation (Nagle and Hogan, 2008).

On the basis of price benchmarks and the factors of influence can be an option to align with the market price, or higher prices - prices of "skimming" the market, aimed at rapid recovery of costs of development and marketing of the offer, or lower prices - of penetrating the market, aimed at the rapid growth in sales volume (Lee and Carter, 2005).

Magical prices widely used as an alternative tactics involve the use of prices whose final figures are at a lower level of round numbers. For example, it was reported that 60% of the prices of all advertisements published in American newspapers keep ending in figure 9 and 64% of all prices in the UK, and this practice has been steadily growing (Harris and Bray, 2007) . A research carried out in different cultural environments, however, shows that people in high contextual backgrounds are less prone to the illusion of decreasing prices , earnings or values created by the odd terminations and rather offended by such a manipulation attempt (Nguyen Heeler and Taran, 2007).

Regarding the influence of the Internet on prices, there are a variety of studies on the comparison of prices at online level and at traditional prices, especially in terms of their level. Although studies show that online prices are generally lower compared to traditional prices, it can be asserted that these prices are similar to those that would form under conditions of perfect competition. Moreover, there are a number of studies showing that in some areas, the traditional price level is higher than the level set by the internet. But consumer expectations aim usually at the online prices as being lower than the traditional ones (Karlsson, Kuttainen, Pitt and Spyropoulou, 2005). It can be said that the literature provides conflicting results on the comparison of prices at online level and at that one of traditional prices. This may be due to multiple causes, such as the selection of products and markets, differences in research methodologies differences of calculating delivery costs, etc. However, it is generally accepted that the Internet hasn't had dramatic effects as expected and the companies might have many opportunities that can be exploited in the online environment (Sotgiu, Ancarani, 2004). The online environment provides so many opportunities specific to the online retailers impacting substantiation and pricing (Monroe, 2003).

2. The behavior of the consumer of air transport services

The research on the consumer behaviour, with its implications for pricing, is a clear objective in terms of marketing. Increased consumption increases sales and profits, costs essentially causing variation in consumption and price perception resulting costs (Harvard Business Review, 2008).

Hidden preferences play an important role in consumer purchasing decision air transport services sector. In assessing hidden preferences, one can see that the price is actually placed before direct connections and is by far the most important factor that determines the purchase of a ticket (Bieger and Wittmer, 2006). Regarding knowledge of consumer price noteworthy phenomena of memory and reconstruction distortion (Xia, 2005). The research on price awareness focused on price remembering and have proved that most consumers do not remember the paid price .

Number of passengers per capita will continue to grow in all regions, as shown by estimates. (Oxford Economics, 2009).Accordingly has been registered and there will be further an increase in air transport routes. Within these, the demand for business travel is

higher on domestic routes, the air transport being almost addicted to this type of request. Thanks to the improving of global communication and information systems, the demand for business travel on international routes has declined and probably will continue to diminish and, in the case being involved mostly the journeys for visiting subsidiaries, branches and implantations abroad, as an expression of the business globalization of the big companies. Holiday trips tend to grow faster than business, for which the market might reach the saturation threshold. The proportion of holiday travels to business travel is currently about 80/20, that is the opposite of the immediate prewar period, when business travel predominated (Airbus, 2009).

3. The applied research methodology

The research aims at studying the implications of the consumer behavior on the price of air transportation of people who have traveled at least once by plane. The price as a researched problem, presents a number of features, rather providing marketing research a complex character. One such character is determined by the price place in consumer behavior, particularly this one's perception either directly or indirectly, through the own links with the quality and value of services.

Such a situation has imposed first a grouping on general objectives of research then their structuring on derived objectives. At the same time some research objectives have been pursued by bond price - as expressed by a number of specific characteristics of air transport services: airline type (a traditional - low cost one), flight class, etc.

In this sense the research objectives are as follows:

The overall objective I - to establish the price held in choosing an airline (direct questions) and a number of its specific objectives derived: identifying the main criteria for selecting an airline (traditional or low-cost) to purchase a ticket, identify the most important criterion for the choice of airline (traditional or low-cost) to purchase a ticket, determining the overall goal of the journey of a passenger;

General Objective II - determining preferences, buying motives and attitudes towards companies with different price strategies (direct questions) and a number of specific objectives derived thereof: determining the type airline preference to different price strategies (traditional or low -cost) to determine preferences flight classes with different prices, determining preference to a particular airline various pricing strategies (traditional or low-cost), determining attitudes towards passengers on aircraft services offered by companies low -cost, determining the period of time before purchasing the ticket, the correlation between income variables and the purpose of travel, between the variables income and type of company preferred, the variables income and travel class, frequency of travel during a year, between the income variables and criteria for choosing an airline.

Defining the studied community, the unit of observation and survey unit - the studied statistical community was made up of people aged over 18 who have traveled at least once by plane. Therefore both the observation unit and survey unit were the air transport service consumer.

The method of collecting the information was to direct research survey type. Information collection instrument was a questionnaire. It was applied in the period April-May 2014, at the residence of the questioned people, the answers being recorded by interviewers (students who applied the questionnaire in the course of practice).

The sample size was determined using the following formula punctual statistics (Cătoi, 2009)

$$n = \frac{t^2 * p * (1 - p)}{\Delta\omega^2}$$

where:

- n - is the sample size or the total number of the questioned people;
- t - is the coefficient associated to the probability of guaranteeing the research results;
- p - refers to the non-percentage share of the characteristics investigated sample components;
- $\Delta\omega$ - is the margin of error;

For this study it has been established a probability of guaranteeing the research results of 95%, resulting a value of the associated coefficient t of 1.96. The value considered for p was 0.5, and the margin of error of $\pm 3.54\%$.

Therefore,

$$n = \frac{1,96^2 * 0,5 * 0,5}{0,0354^2} = 766$$

questioned people.

Sampling method consisted in the random stratified sampling; layers were formed according to demographic variables, the most important being considered gender, age and income level.

Harvesting information was made up approximately 55% among female sex individuals and 45% among those male. Sample distribution by age was not proportional in nature, because the number of people who are interested in travel and travel is not similar to that existing in statistical yearbooks. The age range with the highest frequency was that one of 18-25 years (494 questioned people), category of people who have the greatest desire to travel and so great importance for airlines, followed by segments 26-35 years (109 questioned people), 46-55 years (77 respondents) and 36-45 years (61 questioned people). The lowest frequencies were observed in the age groups 56-65 years (20 questioned people) and 65 years (5 questioned people). Income is a very important variable in terms that directly affects access to air transport services. The largest share in the sample hold people with a per capita income of the family member between 1000-2000 lei (267 questioned people), below 1,000 lei (196 questioned people) and between 2001-3000 lei (168 people) followed at a significant distance for those with a monthly income per family member of between 3001-4000 lei (69 questioned people) and 4,000 lei (66 people). As shown most people interviewed average monthly income individuals.

Although not taken into account in defining layers research, structuring sample was taken into account other variables such as the level of study, marital status, number of dependents under 18 and area of residence.

The majority of the sample was made up of people with secondary education (high school or college graduate), (424 questioned people), followed by: people with higher education (263 questioned people), people with post-graduate studies (66 questioned people), people with elementary education (13 people). The highest frequency of responses was recorded among unmarried people (539 questioned people), followed by the married segment (144 questioned people). A special category defined in this research is that of unmarried individuals, but living with a partner (57 respondents).

The lowest percentage in the sample is held by the category of persons divorced or widowed (26 questioned people). Approximately 85% of questioned people do not have

dependents, other 9% have a dependent person, followed by questioned people having 2 dependents (38 questioned people in absolute frequency) and questioned people with three or more than three dependents over 1%. Regarding the variable of residence, the urban environment constitutes the residence for approximately 93% of questioned people (712 people), the remaining 7% stating that live in rural areas (including areas on the outskirts of Bucharest and other urban areas).

4. The results of the research

Research has revealed that price is the most important criterion for the choice of the company 83.03% of respondents, followed by 62.27% flight safety, quality services on aircraft with 38.51%, with 34 destination airport 33%, with 31.59% flight schedule, company reputation by 31.2%, 28.07% and punctuality of flights with loyalty programs with 5.74%.

The most important criterion in choosing a traditional airline or one with a low-cost price was 44.52% of the total questioned people. The second major criterion was considered the safety - 34.6%. This shows that most people want to *călătorească* the lowest price maximum or safe as possible. The importance of other factors was: quality services for on board with 4.57%, 4.18% reputation airline, destination airport with 3.92%, 3.39% flight schedule, flight punctuality 3, 13% and 0.91% loyalty programs.

Like how to buy the ticket people may opt for more options. The main way to buy a ticket online is the respective company's website for convenience and safety with 59.14%.

Other ways to buy a ticket were in order according to the study: 20.5% travel agencies, agencies that airline 20.37%, 14.49% telephone, 9.53% online on another site.

The research pursued also the quality - price ratio. In this regard it has been asked a question for answering whether the price paid for a ticket to a traditional company is fair compared to services that are as a benefit in general. Responses were collected on a Likert-type scale with five stages (from -2 to +2 disagree strongly agree). The score obtained was 0.82, which demonstrates that the majority of passengers are satisfied with the services they receive from a traditional airline compared to the amount of money paid for the ticket.

Also on a Likert-type scale with five levels, there were collected answers regarding the traditional air services if they seem as being expensive. The score obtained was 0.62, indicating that questioned people consider these relatively expensive services. This is demonstrated by the comparison between the prices of flights to a traditional company in Western Europe and our country.

Another objective of the research was to determine the general purpose of a passenger journey. The question of the questionnaire allowed the formulation of more choice, these percentages being calculated on the total sample counted 766 people.

Tourism and visits to relatives together 93.61%, an obvious through the development of tourism in Romania and more people leaving abroad on holidays and beyond. Another motivation is given for visits abroad of course, a very large proportion of people in Romania working abroad. The other reasons related to business, labor, education occupies a small percentage 34.08% of the total respondents.

In the sample studied, people prefer low-cost airlines with 48% of total respondents, due to low prices. Traditional companies are the second most popular with consumers at a rate of 31%. Such companies have the advantage of a very high reputation and a long history in this industry. The remaining individuals in the sample did not respond (2%), or are

indifferent type of company (19%), it is important for other factors in the selection of an airline.

In the studied sample, people who have no preference to a particular airline represent the largest share of 79.9% of total questioned people. This shows that air transport market in Romania is made up of passengers 'migrate' from company to company, depending on different variables pricing, offers, benefits, recommendations, etc. The remaining 20.1% prefer a particular airline, the results showing that the airlines' frequent flyer programs and traditional low-cost can be improved.

In the case of a low-cost score, it has been obtained was 0.81, which indicates that most passengers are satisfied with the services they receive an airline low-cost compared to the ticket price, which is usually lower. Also on a Likert-type scale with five stages were collected answers concerning air services if they are low-cost seem expensive. The score obtained was -0.33, indicating that respondents consider these relatively inexpensive services. This can be demonstrated by a comparison between the prices of flights to a low-cost company with a traditional company.

Conclusions

This paper aims in terms of market research, at creating action guidelines for the frameworks of the decision-staff at the level of any airline companies for a sustainable development by providing primary information obtained among demand carriers.

The aimed research enabled conclusions to be drawn regarding the quality of air transport services and also of the traditional low-cost ones and other aspects of price expressed by the questioned people. The phase of analysis and interpretation of the collected information allowed the liability to the central purpose of research and hence the objectives set out in the preliminary stage of research. The price itself as a tool and quality - price ratio, is a central element to each company's efforts and their foundation, especially for customers who have major implications in the concerned business. In addition to the concept of price there were also followed other aspects of traditional and low cost air services as for maintaining a long-term sustainability.

As the limit of this research it can be said that it is the truth of the information obtained from the questioned public. For a future research, there is required a data collection from individuals who travel often by plane not only for tourism purposes but also for business. In the management of each air transport companies and low-cost one embodied by the paper must stand a sustainable business marketing policy, the concerned research providing the relevant information necessary to substantiate it.

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