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Research paper



Buying Intention And Factors Influencing Buying Behavior

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Abstract

This study attempts to determine the factors that influenced passengers' airline selection for domestic airlines in Tanzania. This is because of persistent rise and decline of some airlines companies in Tanzania. The objectives of this study is to examine factors influencing the buying intention of airlines passengers' selection, to examine the relationship between buying intention and buying behavior of airlines passengers in Tanzania and to investigate the mediating effect of buying intention on the relationship between factors influencing and buying behavior. This study employed quantitative method based on questionnaire survey. The targeted population for this study was airlines passengers departing and landing at Julius Nyerere International Airport and sample size of this study is 367. Data was collected using closed ended questionnaire and analyzed using SPSS. The analyzed findings depicted that social acceptability; service quality and airline reputation had significant effect on the factors influencing airline passenger's selection. It also revealed that price, service quality; social acceptability, airline reputation and frequent flier, could be used to predict buying intention, where this influence the buying behavior of airline passengers for chosen flights. This implies that airline managers need to be adoptive by improving passengers' expectation through providing quality service, based on the result overall of the respondents consider other factors than price and frequent flier which influences their buying behavior. Most of them value how societies accept airlines companies, service quality and goodwill of the companies in the market.

Keywords: *Airline Selection; Buying Behavior; Buying Intention*.

1. Introduction

Consumer buying behaviors globally differ significantly across Countries; the buying behavior of developed countries is different from the buying behavior of developing countries. Consumer buying behavior is described as a procedure that involves choosing, buying, consuming and arranging of goods or services by the persons and groups to meet their satisfaction for necessities and desires (Solomon et al, 1995). The behavior of the consumer towards purchasing goods and services includes all the thoughts, feelings and actions that an individual has or takes before or while buying any product or service. The buying behavior of airline passengers refers to all the thoughts, feelings and actions taken by air travelers before or while purchasing an airline ticket of a particular airline company. The passenger's buying behavior has always been a great interest to airline marketers. The information obtained by airline marketers about the airlines' passengers' buying behavior, provide benefits to airline companies. It enables airline companies to recognize the factors which affect the behavior of their customers' preferences in selecting one airline over another.

The investigation done by Park et al, (2009) found that buying behavior of airline passengers varied significantly and it depended on the determinant factors of choosing particular airlines. This study focused on the factors influencing airline passenger's selection. The criteria for selecting product or service varied from one customer to another across the world (Msamba & Mamboleo, 2013). It depended on the characteristics and preferences of the customer. The characteristics and preferences of the customers may have included price, frequent flier, service quality, flight schedules, comfort, availability of flight, food, airline reputation, airline safety, availability of route and convenience (Qin,2012; Ubogu, 2013; and Buaphiban, 2015). Several investigations were done on the factors influencing airline passengers' selection. This study uses price, service quality, airline reputation, frequent flier and social acceptability, as the factors, which influenced the passengers buying behavior of the airlines ticket. The passengers buying behavior relied on buying intention. Ajzen (2005) assumed that intention is the direct originator of behavior. It implies that consumers buying behaviors to purchase particular products or services depended on consumer buying intentions.

The success of global economy depends much on the growth of airline industry. Air transport connects people and cultures all over the world (IATA, 2015)[1]. Tanzania was a sole provider of airline industry since in 1977 (TCAA, 2009)[2]. The liberalization of economy in 1990s, gave businesses chances to enter into new markets into all continents. The emergence of more airlines in the market creates competition among the flights (Acar &Karabulak, 2015).

The increase in competitions for airlines companies provides opportunity for airlines passengers to select their favorite flights.

[1] https://www.iata.org/whatwedo/Documents/economics/IATA-Economic-Performance-of-the-Industry-end-year-2015-report.pdf.
[2] http://www.tcaa.go.tz/page.php?page=12&m=About%20TCAA

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This study aimed to investigate factors influencing the airline passengers to select one airline and leave the others. The criteria for selecting and buying product or service differ from one customer to another across the world. It depends on the buying behavior of consumers. Consumer buying behavior is the process, which involves buying, choosing and arranging of products and services in order to meet human satisfaction in terms of psychological, emotional and interactive reaction (Stallworth, 2008).

2. Literature Review

2.1 Social Acceptability

The social acceptability influences the air traveler's choice. The study done by Buaphiban (acceptability found that social (٢٠١٥ Accordi .play significant function in the choice of airlinesng to his study social acceptability used by airlines companies as strategies of making their products or services to be accepted by the society, general the product or service needs to be accepted by different society. The success of airlines companies depends on how the societies accept their products or services .The achievement of any companies is measured in terms of revenues and the rate of growth. Social acceptability is an important factor to consider, because it influences the number of customers towards the products or services. However, a study done by Kalaiarasan et al.,(2015) shows that service environment is the key factors that determine the customers' satisfaction which influence the buying behavior.

2.2 Price

Price influences the buying decision for airlines passengers. The study done by Khor (2010) show that fair price influences customers toward buying behavior. According to the results customers mostly buy products or services from a company which offers quality goods with fair prices. Additionally another investigation done by Asamoah, (2012) found that Price was significant factor affecting Consumers Buying Behavior. Price is believed to be the key influential criteria on the passengers buying intention, (Yeoh et al, 2011). The study investigated by Witzenburg (2016) shows that low fares airlines influenced many passengers to travel from one place to another all across the world.

2.3 Service Qualities

Service Qualities influence passengers positively to select particular airline. A research done by Sokolovskyy, (2012) the results show that service quality is the most important and significant factor influencing passengers' choice and another study done Sandada et al, (2016) indicates that service quality positively influenced passengers fulfillment, and fulfillment was the initiator for passenger's loyalty. Meaning that passengers continued to travel with the same flight in the future after being satisfied with the quality service provided by airlines and spread positive information to their reference group by word of mouth and motivating them to travel with same airlines. The company which provides high quality service will be able to retain its passengers and become loyal passengers to that particular company. Also the study done Archana, (2012) indicates service delivered is important for passenger's satisfaction.

2.4 Airline Reputation

An airline image has positive influence on the passengers' selection. A study done by Geraldine and David (2013) specifying that service quality has impact on airlines image which influences passengers to travel with that particular airline. Another study done by Buaphiban, (2015) found that airline reputation was important factor, which influence airline passengers' selection. On the other hand airlines companies can achieve its objectives more easily if it has a good reputation among its stakeholders, especially key stakeholders such as its passengers.

2.5 Frequent fliers

Frequent flier encourages airlines' passengers to travel from one place to another. This program was introduced by American airlines in 1981, since then the program used by major airlines as means of influencing airline travelers (Buaphiban, 2015). Frequent-flyer programs are programs intended to inspire airline passengers to join in the program to add points which could then be exchanged for free tickets or other rewards such as, exchange for hotel room nights, or redeem gift items or routing and ticket preferences (Carlsson & Löfgren, 2006). The rewards given to the member under the program, frequent flier was quite important for passengers' loyalty (Artuğer, 2013). According to global passengers survey report, (IATA, 2015)[3] show that the frequent flier influenced passengers to buy airline ticket by 13%.

Activity based model was developed to replace four step models. The four-step travel demand model (FSM) has become the traditional tool for forecasting demand and evaluating performance of transportation systems and large-scale transport infrastructure projects from the 1950s (McNally 2007). The four step model it is the traditional mode for transportation forecast, it included trip generation, trip distribution, model choice and trip assignment. Each step planned to capture spontaneously rational questions linking to: how many trip based on house segmentation, on trip and size, where the destination is, what travel model they are going to use, and which routes will be taken (Bates, 2001). The introduction of activity-based approach (model) provides more options than four step models, such as family and social building impact travel and activity behavior. The major concern of activity based model is that travel behavior derived as the result from the needs for individuals to participate in particular activities outside their house (Jones et al, 1990). This model forecast for an individual on how people select whether to travel, where to travel, when to travel and how to travel. The greatest significant is to understand at what level travellers are ready to substitute out home activities for travelling activities.

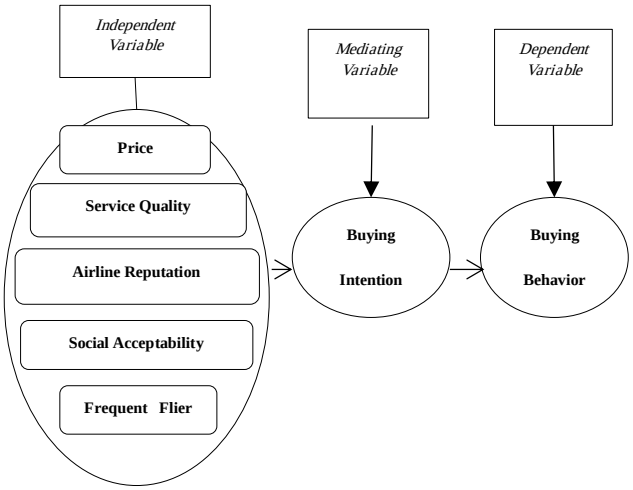
Theory of planned behavior developed from Theory of Reasoned Action in 1980 (Ajzen & Fishbein, 1980). The Theory of Reasoned Action explains human behavior specifically on the attitudes toward the products or services. The theory explains intention is the best predictor of an individual behavior. That is if a person plans to do something, they are more like to do it. The Theory of Reasoned Action concludes attitudes and subjective norms that influence intention, as the intention increases the consumers are more likely to buy the product or service.

Ajzen introduced the perceived behavior control in TRA and was where the Theory of Planned behavior was born. The Theory of Planned Behavior states that attitudes combined with subjective norms, and perceived behavior control predict intention, which leads behavior (Ajzen, 1991). The theory of planned behavior explains that the intention toward the product or service are influenced by attitudes, subjective norms and perceived behavior control and intention leads to the actual behavior which in this study is buying behavior of airlines tickets (Ajzen, 1991).

This study adapted the Theory of Planned Behavior. The TPB was designated as it has been revealed to be mostly consistent for accepting the choice of consumers and the factors influencing their selection (Ajzen, 2005). However this study included different independent variables which are price, social acceptability, quality service, airline reputation and frequent flier and two variables

[3] https://www.iata.org/events/Documents/wps2015-know-your-customer.pdf

from the theory except the researcher added the word buying, where mediation is buying intention and dependent variable is buying behavior. Figure 1 explains that buying intention influenced by price, frequent flier, social acceptability, service quality and airline reputation and buying intention leads to the buying behavior.



Source: Adapted from Ajzen, (1991)

Fig 1: Conceptual Framework

3. Methodology

This study employed the quantitative method based on questionnaire survey and descriptive designs for collecting data from Julius Nyerere International Airport (JNIA).The population of this study was (2,500,000) airlines passengers departing and landing at Julius Nyerere International Airport (JNIA). The population of 2,500, 000 passengers are according to Tanzania Airports Authority, 2016 based on their statistical results shown in their website. It is estimated the population of air travellers in 2016 is about 2.5 million[4]. The study employed Yamane formula to calculate the sample size of 400 passengers. The probability sampling was used to generate findings that are statically representative for the whole population. This method was useful for presenting the relationships and trends in the system of data, tables and graphs to examine the behavior of passengers towards airlines' selection (Saunders, 2012). The questionnaire was distributed through stratified sampling. Stratified sampling is described as the process whereby a subgroup is drawn randomly from each mutually exclusive (Kumar et al, 2013). The aim of this method is to provide assurance that the identified sample represents particular strata consequently, this methods includes division of entire group into a subgroup and chooses every element in strata equally (Dudovskiy, J. 2016). Where in this study gender was used as strata, the 400 respondents were divided into two of which females were 200 and males 200. However, the returned questionnaires from males and females were 190 and 177 respectively. This response is equal to 91.8%, according to Mugenda and Mugenda, (1999) which was excellent for data analysis.

4. Findings

This study analyzed data through Statistical Package for the Social Sciences (SPSS) version 22 to obtain findings from descriptive statistics correlation analysis, diagnostic test, Multiple Regression Analysis (MRA), and mediating analysis.

4.1 Descriptive Statistics

This study employed descriptive statistics to describe the characteristics of the population in terms of mean, maximum, minimum and standard deviation.

Table 1: Descriptive Statistics

Variables	Min	Max	Mean	Std. Deviation
Social Acceptability	1.00	5.00	3.3392	0.60674
Price	1.00	5.00	3.5879	0.76350
Service Quality	1.00	5.00	3.6199	0.61732
Airline Reputation	1.00	5.00	3.7012	0.74047
Frequent Flier	1.00	5.00	3.4396	0.72673
No of obervation is 367				

4.2 Perason Correlation

Table 2 shows that there is positive correlation between variables, when one variable decreases as the other variable decreases, or one variable increases while the other increases. Also there was no strong correlation between variables; this indicates that there were no problems of multicollinearity. The highest correlation is between price and service quality 0.536, buying intention and Airline reputation 0.530 and buying intention with Frequent Flier is 0.513, the variables were positive moderate correlated (Sagaran, 2015). All variable are significant at 0.01 level 2 tailed.

Table 2: Correlation Analysis

Var	SA	P	SQ	AR	FF	BB	BI
SA	1						
P	0.365*	1					
SQ	0.294*	0.536*	1				
AR	0.417*	0.455*	0.482*	1			
FF	0.359*	0.376*	0.416*	0.488*	1		
BB	0.276*	0.251*	0.386*	0.405*	0.281*	1	
BI	0.452*	0.490*	0.389*	0.530*	0.513*	0.450*	1
The N of this study is 367, Independent Variables are social acceptability, price, service quality, Airline reputation and frequent flier, and buying behavior is dependent variable, buying intention Mediating Variable, the (*) means correlation is significant at 0.01 level (2-tailed).							

4.3 Regression Analysis

This is shown in table 3 when the standardized coefficient for independent variable and dependent variable (basic relationship) are reduced to zero when the mediating variable included, is shown on the second model of independent variable, mediating variable and dependent variable. The Table 2 shows two model of regression analysis, first model shows the relationships between independent variable and dependent variale, buying behavior, all variables are significant at 1% (**). The second model shows the relationship between independent variable, mediating variable and dependent variable. The variable social acceptability is significant at 5% (*), service quality and airline reputation is significantly at 1%. Where BI =.buying intention, SA= social acceptability, P= price, SQ= service quality, AR= airline reputation and FF= frequent flier.

Table 3: Regression Analysis

Regression between Independent Variable and Buying Behavior		
	Coefficients (Beta)	**P-Value**
Independent Variables		
SA	**0.276**	**0.000****
P	**0.251**	**0.000****
SQ	**0.386**	**0.000****

[4] http://www.taa.go.tz/index.php/about-taa/traffic-statistics

AR	**0.405**	**0.000****
FF	**0.281**	**0.000****
Model For Independent Variable (IV)And Mediating Variable		
(SA, BI)	**0.091**	**0.081***
(P , BI)	**0.041**	**0.446**
(SQ,BI	**0.248**	**0.000****
(AR,BI)	**0.232**	**0.000****
(FF,BI)	**0.068**	**0.215**

Table 3 shows mediating effect of buying intention (mediating variable) on the relationships between independent variable (factors influencing passengers selection) and dependent variable (buying behavior). There are mediating effects of buying intention on the relationship between social acceptability and buying behavior. The variable service quality and airline reputation does not show any significant change, these variables have constant p-value of (0.000) that means there were no mediating effects of buying intention. The p- value of price and frequent flier change the table 4.3. This shows that there were mediating effects of buying intention on the relationship between these variables and buying behavior. According to Baron and Kenny (1986) perfect mediation is obtained when the basic relationship is reduced to zero and significant mediation is obtained when the Sobel z-value is significant but the basic relationship is not reduced to zero.

5. Conclusion

Conversely, the findings of this study depicted that the study had statistically significant on mediation analysis. That means price, frequent flier, airline reputation, service quality and social acceptability influence buying intention and buying intention influencing buying behavior. This result was supported by the Theory of Planned Behavior, and the theory states that attitudes, subjective norms and perceived behavior control predict intention and intention leads to the actual behavior (Ajzen, 1991). Also the study found the positive relationship between buying intention and buying behavior, this means that the increase of buying intention lead to increase of buying behavior of airlines passengers in Tanzania.

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