

Airline Passengers' Pre-Purchase Decision-Making: A Case Study of International Tertiary Students in New Zealand

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Jamie Thomas Henderson

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Abstract

The number of students studying overseas is growing rapidly, driven largely by the desire for cultural exposure and greater access to higher quality institutes. With over 100% growth in the past 15 years, this sector also represents an increasingly valuable contributor to the global economy. However, until this point, there is yet to be any research on how this industry acts as consumers and whether they represent a distant airline customer segment in their own right.

Airlines represent a significant facilitator of international study. This is particularly true in countries such as New Zealand, which receives 99% of its international visitors by air. Over 100,000 international students currently study in New Zealand, with nearly a third studying at a tertiary level, representing a significant number of generally independent and informed consumers. The aim of this study was to determine if international students represent a unique and distinct customer segment for airlines. This was assessed by how they purchase airline tickets online and whether they conform to the behaviour of more generic customer groups such as leisure or business travellers. This included an examination of how information is searched for and how various purchase criteria are evaluated to make a final decision.

A dual-phased, qualitative methodology was adopted with a sample of 40 international students from the Massey University Manawatū Campus. The first stage of the study involved an online observation where participants were asked to search for and purchase airline tickets as if they were doing so for their next journey to or from their home country. This was screen recorded and analysed to show the search patterns and information evaluation that lead to the final purchase decision. Stage two consisted of a semi-structured interview asking participants to explain their search and evaluation process, including the factors that were most influential in their purchase process and why.

The results indicate that the unique preferences of international students render them a distinct customer segment for airlines. The majority searched through online travel agents or indirect distribution channels. There were three levels of evaluation criteria were established, with price being the most influential factor in purchase decisions, followed by stopovers (number and length), schedule of international flights and baggage allowance. Definitive flight characteristics (aspects that can be completely defined prior to purchase) and brand appeared to be more influential than more intangible service attributes, which were largely expected or taken for granted and not considered by many participants. Generally, the international students in this study were found to be highly price sensitive, disloyal and not overly patient with respect to travel duration.

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