



**KEY INFLUENCING FACTORS ON FLIGHT TICKET  
PURCHASE INTENTION AND PURCHASE DECISION:  
A COMPARISON STUDY OF MALAYSIA VS. TAIWAN**

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**Abstract:**

This study aims to study the factors that affect purchase intention and purchase decision of flight ticket buyers in Malaysia and Taiwan. We examined perceived value, service quality, purchase intention, price, and customer satisfaction that influence on the budget airline ticket purchase intention and purchase decision. Structural equation modeling was used to analyse the data from a total of 635 respondents in Malaysia and Taiwan. The findings indicate that, in the case of acquiring budget airline ticket in Malaysia, service quality, perceived value and price, are more appealing, while only perceived value was preferred by Taiwanese. This study's result will give an insight into industries related to air transportation services theoretically and practically on how to attract and retain customers of different nationalities to purchase flight tickets. This will allow airline companies, tourism agencies and ticket resellers to perform better marketing activities to attract Malaysian and Taiwanese travellers to purchase their flight tickets.

**Keywords:** comparison study, budget airline ticket, purchase decision, Malaysia vs. Taiwan

**1. Introduction**

Air transport has allowed people from all areas of the world to reach their desired location. The progression of air transportation has brought people living in different areas of the world closer by offering a fast and convenient mode of transport. Air transportation today is the most effective and efficient way to travel long distance. From the statistics obtained from The Malaysian Aviation Commission (MAVCOM) (2018), the number of passengers doubled in 2017 compared to 2014 and MAVCOM is optimistic

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that the number will continue to grow. MAVCOM (2017) also mentioned that Malaysia is the third largest aviation market in ASEAN by passenger traffic.

Malaysia is not the only country that has an increasing passenger count in air transportation, Taiwan's air passengers have also been rising over the years. The Civil Aeronautics Administration (CAA) (2018) of Taiwan has reported a total of over 65 million passengers in 2017. From CAA's latest annual report (2016), it was stated that there was an 8.8% increase in the number of passengers compared to 2015. According to IATA (2017), around 1% of the world GDP will be spent on air transport in 2017, especially on lower-cost alternatives with more routes. Over the past 20 years, air transport costs have halved while the pairing of cities has doubled to more than 19,000 which is a sign of economic development. IATA also forecasted that the value of international shipments by air cargo will rise continually to \$5.9 trillion in 2018.

From the government's perspective, they will gain substantially from the better performance of the airline industry and attain a forecasted tax revenue of \$124 billion generated from airline industries alone. The growth in traffic and capacity also indicate that the airline industry is critical to the employment market as job opportunities are constantly being created. Jobs being created will not only improve the productivity for the employers but will also contribute greatly to the economy (IATA, 2017). As the airline industry is consistently beneficial to the economy, government and also the labor market, airlines will continue striving for future growth. Hence the need to understand the market to develop strategies in order to capture a wider market share to gain profit. Having a better understanding on the factors that affect the purchase intention (Liew & Falahat, 2019) and decisions of their consumers, it will benefit them in creating marketing strategies that will tackle on the respective needs of their consumers hence being more effective.

From the research done by Snider and Williams (2011), it was identified that the airline industry has 2 types of barriers to entry which are operations and marketing. Although barriers to entry limit additional competition, it also means that the existing airline companies have the potential to grow rapidly which will eventually intensify the competition. This indicates that airline companies should understand the changes of market demand and the behaviour on air ticket purchases. By understanding what motivates the purchase intention and decision of consumers, strategies can be designed to effectively capture the market demand. Thus, the objective of this study is to provide insights to the airline and related industries in Malaysia and Taiwan on consumer behaviour by examining the relationships among the factors and evaluate how each factor influence their purchase intention and decision.

This study provides airline companies about the current environment of the aviation industry in terms of customer needs and wants towards its services. The aviation industry, specifically the low-cost carrier (LCC) industry is on the rise in value and consumer market. It is necessary to be aware of the environment changes which will affect their revenue. Regardless of how closely related or similar a country's culture can be to another country, there will always be differences in how consumers react. This

study provides an understanding to Malaysian and Taiwanese airline companies on the differences between two groups of consumers.

## **2. Review of Literature**

### **2.1 Underlying of Theories**

Progressively, many frameworks have been constructed to understand the intention of an individual for adoption or purchase. Among all the available frameworks, theory of planned behaviour (TPB), theory of reasoned action (TRA) and technology acceptance model (TAM) has been applied for this research. TPB is a model of attitude and behaviour that provides a clear understanding on consumer decisions for LCC (Buaphiban, 2015). Attitude is defined as an individual's evaluations of an object which can be formed through affective possess cognitive or social influence. It can be evaluated through information and previous experiences (Pratkanis, 1989). From previous studies of TPB, a wide range of studies was regarding the factors that influence consumer decision. According to Buaphiban (2015), this theory and studies can be closely applied to the airline industry as well.

### **2.2 Purchase Decision**

Consumers make actual order towards products that seem to be most suitable to their needs (Falahat, Chuan, & Kai, 2018). Consumers make 3 different types of purchases which are trial purchase, repurchase and long-term commitment purchases (Chinaka, 2016). Trial purchase refers to the first purchase done by consumers who have not used a specific product before and would like to give the product a try. Consumers will evaluate the product or services through direct use to determine whether it satisfies their needs. Repurchase indicates the loyalty of customers who purchase the same product from the same company (Falahat et al., 2018). A good experience in using the product that has made a mark in quality for years will encourage consumers to participate in long-term commitment purchases. When customers are committed, they will purchase directly without evaluating and testing a product from the same producer (Chinaka, 2016). According to Brown, Pope, and Voges (2003), they revealed that the intention of purchase has a positive relationship with actual buying behavior. Although there are many studies that support the impact of purchase intention on the purchase decision, it was always seen with other factors that moderates the relationship. According to Thøgersen (2007), it was a fund that uncertainty towards a product impacts the relationship between purchase intention and purchase decision. This indicates that there are other factors that influence the actual purchase decision even though having the intention to purchase.

### **2.3 Perceived Value**

Standing from the consumers' perspectives, a perceived value can be determined by comparing or balancing between what is received and what is given (Petrick & Backman 2002; Grewal, Krishnan, Baker, & Borin 1998). Nonmonetary costs such as time, search

cost and convenience are also considered in the evaluation of perceived value. Perceived value is also often defined as the consumers' overall assessment of the overall utility of a product or service against what is given (Petrick, 2004). In the aviation industry, perceived value will be determined based on what the passengers recognize they received with the price that they paid for their flight. Perceived value played a mediating role between perceived relative price and purchase intention, in which both hypotheses were proved to have significant relationship hence giving additional support towards the relationship between perceived value and purchase intention in general (Oosthuizen, Spowart, & De Meyer-Heydenrych, 2015). Kwok, Wong and Lau (2015); Bhakar, Bhakar, and Dubey (2015); Wu, Wu, Lee, and Tsai (2014); Hoang and Quang (2017) explored that there is a positive relationship between perceived value and purchase intention both with or without a mediating factor.

**H<sub>1</sub>:** There is a significant difference between the effect of perceived value on purchase intention of flight ticket in Malaysian and Taiwanese context.

## **2.4 Service Quality**

Service quality has been treated as customers' attitude towards the excellence of a service provided (Cronin Jr & Taylor, 1992). Being closely related to satisfaction, it results from the comparison between expectation with the performance of which can be a strong influence towards satisfaction (Chongsanguan, Trimetsoontorn, & Fongsuwan, 2017). In this context, service quality will be defined as customers' expectations of what they will be receiving in terms of service and the nature of the service received. Service quality is said to be the extent to which the services provided have fulfilled or met the expectations and needs of consumers (Shue & Falahat, 2017). If the performance did not meet the expectation, it will result in dissatisfaction (Singh & Khanduja, 2010). Many researchers conducted studies concerning the service quality of the airline industry (Salimi, Hadjali, & Sorooshian, 2012). Service quality is an essential factor that affects the decision process and assessment on whether expectations have been met (Arslan & Zaman, 2014). According to Buaphiban (2015), a number of aspects of service quality affect the purchase intention of passengers which includes ground service, in-flight services, punctuality and more. According to Salimi et al. (2012); Hassan, Hashmi, and Sarwar (2014), service quality was examined towards purchase intention and was claimed that service quality has a significant impact on purchase intention.

**H<sub>2</sub>:** There is a significant difference between the effect of service quality on purchase intention of flight ticket in Malaysian and Taiwanese context.

## **2.5 Purchase Intention**

Purchase intention is the willingness a consumer has to purchase a certain product or service that they consider worthy of buying (Kelly, 2001). In the business context, purchase intention covers a greater area than what a regular non-business person can understand from the term itself. Purchase intention is regularly used to measure the effectiveness of marketing actions and is also the anticipated response from consumers

(Liew & Falahat, 2019). Businesses will go to great extents to acquire purchase intention as it is the ultimate response from consumers that will bring in profits. From the study conducted by Salisbury, Pearson, Pearson and Miller (2001), ease of navigation, usefulness and web security was investigated towards their impact on purchase intention online. Increased level of web security will result in greater intention to purchase products online whilst ease of navigation and usefulness were found to be insignificant towards purchase intention. With the proposed framework, the authors can determine the value of the variables being investigated as they are being compared towards their impacts on purchase intention hence can be verified on its usefulness in the respective contexts. Purchase intention is a consumer's objective towards the desired product, which is said to prevail when there is a conscious intention to make an effort to obtain or purchase a product (Lu, Chang, & Chang, 2014). Undoubtedly, purchase intention is that optimum target for this research study because it is believed to be the ultimate measurement of success for an industry or business. Through purchase intention, variables that are examined in this research will be put into practical tests regarding their usefulness in the LCC context.

**H<sub>3</sub>:** There is a significant difference between the effect of purchase intention on purchase decision of flight ticket in Malaysian and Taiwanese context.

## 2.6 Price

Price is the amount of money used to pay and obtain a product. Economists often assume that sales will increase when a price is low. However, the price is sometimes linked to the perception of the quality of the goods and services (Zeithaml, 1987). The price that is low might be perceived to have low-quality product (Chaipradermsak, 2007). The consumer will always consider the quality and price before they finalize their decision of purchasing a product or service (Nguyen & Gizaw, 2014). According to Xu and Chen (2017), product's price has a significant impact on the relationship between purchase intention and purchase decision. Consumer has a price in mind when they are making purchase decisions. If the price is close to the price they have in mind, they will proceed to the actual purchase activity (Lu, 2013). However, Chaipradermsak (2007) found that there is no significant direct relationship between price and purchase decision. Purchase intention is not wholly reliable for predicting purchase decision. Expected product benefit, price, family income can be moderator that affect relationship between purchase intention and decision (Smriti, 2014).

**H<sub>4</sub>:** There is a significant difference between the moderation effect of price on purchase intention and purchase decision of flight ticket in Malaysian and Taiwanese context.

## 2.7 Customer Satisfaction

Customer satisfaction refers to the measurement used by companies to measure the degree of satisfaction based on previous experiences (Swetha, 2014). Customer satisfaction is a measurement of the response received from customers regarding their

fulfilment regarding their previous product usage or experience (Huy Tuu & Ottar Olsen, 2012). On the other hand, customers will also experience satisfaction when they feel that the product or services that they have consumed have fulfilled what they seek for in them (Tan, Falahat, & Sia, 2018). Compared to the price paid for the product or services and what they gained, customer satisfaction is also whether customers reach a satisfied psychological state (Howard & Sheth, 1969). It is also the difference between the standard of the service and what is actually experienced during the service. Kotler (1991) argued that it is the gap between the evaluation after purchase and expectations before purchase, customer satisfaction can be experienced from any forms of spending including products and services. It is also an essential factor that affects the probability of customer loyalty and purchase decision. Purchase decision can be affected by customer satisfaction along with purchase intention (Kin & Farida, 2016; Moslehpour, Lin, & Nguyen, 2017). When customers perceive value creation or competitive advantage, it is said to have achieved customer satisfaction (Tan et al., 2018). With expectations met and satisfactory perceived value, customers will be satisfied hence they become loyal (Tan et al., 2018). This indicates that customer satisfaction may affect the relationship between purchase intention and purchase decision moving forward. According to Yang, Schiller, Teo, and Wang (2017), customers will look into satisfactory prior experiences when the decision of making a purchase is not certain.

**H<sub>5</sub>:** There is a significant difference between the moderation effect of customer satisfaction on purchase intention and purchase decision of flight ticket in Malaysian and Taiwanese context.

### 3. Research Framework

This study will examine both Malaysian and Taiwanese on purchase intention and purchase decision of flight ticket. The demographic differences will affect the results. The model comprises of perceived value, service quality, purchase intention, price, customer satisfaction and purchase decision.

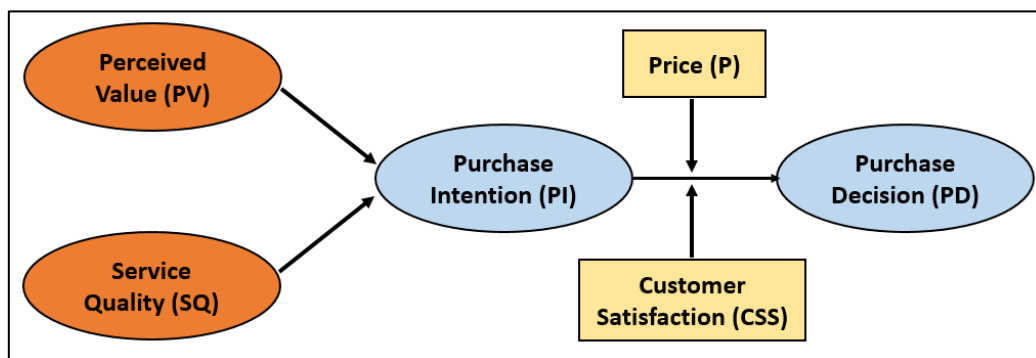


Figure 1: Research Framework

## 4. Methodology

This research will be conducted in Malaysia and Taiwan through online survey form through Google Forms in which the URL will distribute to Malaysian and Taiwanese on social media, internet peers and groups, and mobile application. The target respondents are passengers who use low-cost airline as their air transportation. Respondents must have several experiences from using low-cost airlines so that they are capable of reading and understanding the questions asked precisely. Through the convenience sampling, we able to achieve the desired sample size in timely and cost-effective manner.

All the questions are adapted from previous studies done by experienced and successful researchers. 13 items from 3 dimensions are adapted to represent perceived value (Cassandra, Lim, Tan, & Wong, 2014). A total of 19 items from 8 dimensions were adopted to measure service quality (Salimi et al., 2012). There are 3 items used to measure purchase intention which are adopted from Tang and Nguyen (2013). A total of items and 5 items were adopted to measure price and customer satisfaction respectively (Cassandra et al., 2014). 3 items are adapted to measure attitude towards purchase decision (Bhattacharjee, 2001).

Pre-test was used before the questionnaires are officially distributed to ensure that survey will provide valuable information and detect visible error in the design of questions which done in a small scale between 10% to 20% of sample size (Bird & Dominey-Howes 2008; Cohen, Manion, & Morrison 2000; Falahat, Kit, & Min, 2019). During the pre-test, every feedback from the respondents selected are taking into careful consideration to identify the areas that needed amendments in order to allow better understanding by the target population (Falahat, Lee, Foo, & Chia, 2019). Two sets of questionnaires, a Chinese version and an English version, were both put into pre-test. After amendments and finalization, the final and official copy of the questionnaires are distributed to the target respondents respectively.

### 4.1 Data Analysis

We have collected 315 and 310 sets of questionnaires from Malaysian and Taiwanese which have met the sample size that can be a fair representation of the overall population (Grover & Vriens, 2006; Cattell, 1978; Comrey & Lee, 1992). The collected data analysed by using SmartPLS. We also use SmartPLS to assess measurement model, structural model, and multiple group analysis. Measurement model has used to evaluate the reliability and validity of collected data (Hair, Ringle, & Sarstedt, 2011; Hair, Hult, Ringle, & Sarstedt, 2014). Structural Model is used to reveal model's illustrative power while the path coefficient measuring the strength of the correlation between construct as well as the accuracy (Hair et al., 2014).

Bootstrapping is widely used method and 5000 subsamples size replacement value was adopted to measure the statistical significance of parameter estimate (Falahat et al., 2017). For p-value that is lower than 0.05, the null hypothesis is rejected in our research paper because there is a positive association between variable (Figueiredo Filho, et al.,

2013). In order to assess the significant differences between the model in Malaysia and Taiwan context, Henseler’s MGA method was used to compare the difference between path coefficient between 2 groups (Sarstedt, Henseler, & Ringle, 2011). Table 1 indicates the descriptive analysis for both Malaysian and Taiwanese model.

**Table 1:** Descriptive Analysis **Error! Reference source not found.**

### 4.2 Demographic Profile

Table 2 shows the summary for the profile of respondents which included 315 sample size from Malaysia and 310 from Taiwan.

**Table 2:** Respondents Profile

Characteristics	Frequency		Percentage (%)	
	MY	TW	MY	TW
<b>Gender</b>				
Male	88	87	27.94%	28.06%
Female	227	223	72.06%	71.94%
<b>Age</b>				
18 years old and below	4	13	1.27%	4.19%
19-34	189	158	60.00%	50.97%
35-50	82	109	26.03%	35.16%
51-70	40	30	12.70%	9.68%
<b>Marital Status</b>				
Single	195	190	61.90%	61.29%
Married	116	104	36.83%	33.55%
Divorced	2	16	0.635%	5.16%
Widowed	2	0	0.635%	0.00%
<b>Education Level</b>				
Secondary School	56	42	17.78%	13.55%
College Diploma	78	72	24.76%	23.23%
Bachelor Degree	166	121	52.70%	39.03%
Postgraduate Degree	15	75	4.76%	24.19%
<b>Race</b>				
Chinese	307	310	97.46%	100%
Other	8	0	2.54%	0.00%
<b>Place of Residence</b>				
CBD	257	248	81.59%	80.00%
Non-CBD	58	62	18.41%	20.00%
CBD *Malaysia = (Selangor, Kuala Lumpur, Johor Bahru, Penang) Taiwan = (Taipei, Taichung, Kaohsiung)*				
<b>Income Level</b>				
US\$500 and below	147	67	46.67%	21.61%
US\$501 – 1,500	89	112	28.25%	36.13%
US\$ 1,501 – 2,500	28	84	8.89%	27.10%
US\$ 2,501 – 3,500	18	22	5.71%	7.10%
USD\$ 3,501 and above	33	25	10.48%	8.06%

### 4.3 Measurement Model Assessment

From the analysis provided, outer loadings were found to be higher than 0.7 as indicating, indicator reliability. CR has shown results higher than 0.7 indicating, consistency reliability (Falahat, Lee, Ramayah, & Soto-Acosta, 2020; Migin & Falahat, 2016). AVE of 0.5 or higher has been recorded which referred to the measurement of



variance that has a sufficient level of convergent validity. Fornell-Larcker criterion was used to identify the validity of each construct and cross loading was used to determine if the constructs explain more accurately in its own variable or other variables.

**Table 3: Assessment of the Measurement Model**

Construct	Items	Loading		CR		AVE	
		MY	TW	MY	TW	MY	TW
<b>A. Perceived Value</b>							
Functional Value	FV_1	0.811	0.838	0.903	0.929	0.653	0.725
	FV_2	0.865	0.909				
	FV_3	0.614	0.797				
	FV_4	0.876	0.845				
	FV_5	0.846	0.865				
Social Value	SV_1	0.901	0.964	0.959	0.981	0.855	0.928
	SV_2	0.925	0.965				
	SV_3	0.952	0.973				
	SV_4	0.920	0.950				
Emotional Value	EV_1	0.864	0.814	0.926	0.912	0.757	0.723
	EV_2	0.891	0.846				
	EV_3	0.882	0.913				
	EV_4	0.842	0.825				
<b>B. Service Quality</b>							
Seat Reservation	SR_1	0.796	0.854	0.843	0.882	0.642	0.714
	SR_2	0.809	0.853				
	SR_3	0.798	0.826				
Ground Service	GS_1	0.850	0.931	0.871	0.956	0.693	0.878
	GS_2	0.808	0.959				
	GS_3	0.840	0.921				
Flight Operation	FO_1	0.820	0.901	0.845	0.902	0.732	0.821
	FO_2	0.890	0.911				
Cabin Facility & Environment	CFE_1	0.881	0.915	0.855	0.909	0.663	0.769
	CFE_2	0.780	0.851				
	CFE_3	0.778	0.863				
Meal Service	MS_1	0.849	0.935	0.855	0.928	0.747	0.865
	MS_2	0.879	0.925				
Cabin Service	CS_1	0.888	0.891	0.811	0.866	0.684	0.764
	CS_2	0.761	0.856				
Baggage Delivery	BD_1	0.908	0.933	0.904	0.935	0.824	0.878
	BD_2	0.908	0.941				
Complaint response	CR_2	0.965	0.900	0.965	0.915	0.932	0.843
	CR_1	0.966	0.936				
<b>C. Purchase Intention</b>							
	PI1	0.948	0.962	0.958	0.975	0.883	0.929
	PI2	0.939	0.959				
	PI3	0.932	0.970				
<b>D. Price</b>							
	P1	0.901	0.959	0.922	0.956	0.797	0.878
	P2	0.933	0.919				
	P3	0.841	0.933				
<b>E. Customer Satisfaction</b>							
	CS1	0.867	0.933	0.941	0.967	0.762	0.854
	CS2	0.864	0.921				
	CS3	0.871	0.909				

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	CS4	0.874	0.936				
	CS5	0.888	0.923				
<b>F. Purchase Decision</b>							
	PD1	0.911	0.934	0.928	0.958	0.811	0.883
	PD2	0.915	0.967				
	PD3	0.875	0.917				

R square was extracted from the analysis which recognises the percentage that the constructs tested explains the variable. The variables tested explained 43.8% of purchase intention and 55.2% of purchase decision in the Malaysian context and 58.8% of purchase intention and 72.6% of purchase decision in the Taiwanese context. The remaining percentages untested were not taken into consideration in this research and may be looked into in future researches. F square was also extracted to illustrate the percentage that each variable explains the succeeding variable. Hypotheses that are tested to have significant relationship showed higher F square figures than the ones that show no relationship.

**Table 4: Result of Hypothesis Test**

Hypothesi	Relationships	Path coefficient		p-Values		Path coefficient differences	p-value Henseler's MGA	Decision
		Malaysia	Taiwan	Malaysia	Taiwan	(Malaysia vs Taiwan)	(Malaysia vs Taiwan)	
H1	Perceived Value → Purchase Intention	0.444	0.755	0.000	0.000	0.311	1.000	Not Supported
H2	Service Quality → Purchase Intention	0.267	0.016	0.000	0.752	0.251	0.001	Supported
H3	Purchase Intention → Purchase Decision	0.284	0.420	0.002	0.000	0.135	0.873	Not Supported
H4	Price x Purchase Intention → Purchase Decision	0.167	0.005	0.008	0.897	0.161	0.017	Supported
H5	Customer Satisfaction x Purchase Intention → Purchase Decision	-0.096	0.026	0.204	0.465	0.122	0.926	Not Supported

## 5. Findings and Discussions

The result of multi-group analysis (MGA) signifies that H2 and H4 are significantly different in Malaysian and Taiwanese on the effect of service quality on purchase intention and moderation effect of price on the purchase intention and purchase decision of flight ticket.

H1 indicated that perceived value has a positive relationship with purchase intention of flight ticket among Malaysian and Taiwanese with p-value less than 0.05. This showed the results are consistent with the previous findings (Kwok et al. 2015; Bhakar et al. 2015; Wu, Wu, Lee, & Tsai 2014; Hoang & Quang 2017). H2 indicated that there is a significant difference between Malaysian and Taiwanese on the effect of service quality on purchase intention towards flight ticket with p-value lower than 0.05. The effect of service quality on purchase intention towards flight ticket is significant in Malaysian with p-value less than 0.05. This result is consistent with previous studies by Tat, Sook-Min, Ai-Chin Rasli, and Hamid (2011); Mehmood and Shafiq (2015). However, conflicting results in Taiwanese context indicate that service quality has no significant influence on purchase intention towards flight ticket with p-value of 0.752. From the analysis above, the results showed a difference between Malaysian and Taiwanese air ticket buyers' attitude towards service quality. H3 indicating that there is no significant difference between Malaysian and Taiwanese on the effect of purchase intention on purchase decision on flight ticket. Both Malaysian and Taiwanese shown that there is a positive relationship between purchase intention and purchase decision with p-value less than 0.05. The results obtained are consistent with previous studies between purchase intention and purchase decision like one done by Bhattacharjee (2001).

The result of H4 showed that there is a significant difference between the moderation effect of price on purchase intention and purchase decision of flight ticket in Malaysia and Taiwan with p-value lower than 0.05. P-value for the moderation effect of price on purchase intention and purchase decision of flight ticket for Malaysian shown 0.008 and Taiwanese is 0.897. It also can be explained that Malaysians take price into consideration when they decide to purchase their flight ticket even with the intention to purchase while the Taiwanese do not. This reveals that Taiwanese is less price sensitive when making purchase decisions on flight ticket when they have the intention to purchase while Malaysians still take price into consideration. Results obtained regarding Taiwanese were not consistent with previous studies while Malaysian's results were consistent with a study done by Rohman and Rachmawati (2015). The result of H5 proved that moderation effect of customer satisfaction purchase intention and purchase decision has no significant in both Malaysian and Taiwanese context with p-value of 0.204 and 0.465 respectively. These results are inconsistent with previous studies such as one done by Kin and Farida (2016); Moslehpour et al. (2017).

## 6. Conclusion

In Malaysia, consumers take price into consideration when making decision on purchasing flight tickets from low cost carriers. So, low cost airline companies that targets

Malaysians must be aware of their price. Customer satisfaction is not important towards Malaysians when they already have the intention to purchase but price will still affect the purchase decision.

For Taiwanese, only perceived value is found to have significant influence on purchase intention towards low cost flight tickets. Perceived value covers more than half of the influence on purchase intention, being the strongest variable to affect purchase intention of Taiwanese towards low cost airline services. Notable differences between the behaviour of Malaysians and Taiwanese towards purchase intention and decision of low-cost flight tickets were identified. Both service quality and price were considered by Malaysians but were found to be insignificant towards Taiwanese. This means that service quality and price is not being considered when Taiwanese purchase low cost flight tickets.

Although customer satisfaction is found to be insignificant in both nations, low cost carrier providers should not sacrifice on improving in these areas. Customer satisfaction may not be significant in this research design but might influence the model in some other ways not tested in this study. Furthermore, airline companies are international business targeting not only local passengers but also passengers of all nations, hence the purchase intention of other nationalities must be put into consideration as well. With regards to perceived value, customers will have the intention to purchase low cost airline flight tickets when their perceived functional, social and emotional value are met. With the hypothesis accepted in both Malaysian and Taiwanese context, low cost carrier companies should add value to customers' experiences to result in more people having intention to purchase flight tickets.

As for service quality, it only influences the purchase intention of Malaysians but no Taiwanese. Service plays an important role for consumers, from seat reservation, ground service, flight operations to complaint response. Excelling in them will enhance the experience of passengers, however, the experience may or may not influence their purchase intention. Price and customer satisfaction were evaluated as a moderating variable between purchase intention and purchase decision. Price is an important moderator towards the Malaysian market, but customer satisfaction was found to be insignificant between purchase intention and decision. However, both moderators were insignificant towards the Taiwanese market. This implies that Malaysians will take price into consideration before deciding, even when they already have the intention to purchase, while Taiwanese will not make their actual purchase based on price and satisfaction. Service quality was found to be insignificant in influencing Taiwanese's purchase intention and decision towards low cost air ticket. This is also shown in the demographic profile of Taiwanese as they use a variety of low-cost carrier companies while most Malaysians only choose one. This shows that service quality is not a factor that motivates them to purchase but other factors may, such as perceived value.

### **Conflict of Interest**

The authors declare no conflicts of interest.



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