Factors Affecting the Choice of Low cost Airlines and Full Service Carriers: A Case of ASEAN Tourists Travelling to Thailand

Nunnicha Buaong,  
Faculty of Economics,  
Chiang Mai University, Thailand.  
E-mail: nunnich25@gmail.com

Piyaluk Buddhawongsa,  
Faculty of Economics,  
Chiang Mai University, Thailand.  
E-mail: piyaluk@gmail.com

Abstract
This study examines the decision and behavior of 2,424 ASEAN tourists who travelled to Thailand by air during March 2014 to June 2014. The main objectives of this study are (1) to determine factors affecting the choice of low cost airlines and full service carriers and (2) to compare the behavior of ASEAN tourists, who travel by low-cost airlines and full service airlines in terms of travel style, expenditure, and length of stay. Probit model is employed to analyze the choice of airline. Descriptive statistics are used to explain travel style. The expenditure function is estimated using tobit and the length of stay is analyzed by survival analysis. The finding indicates that socio-economic characteristics variables and travel information variables are the major determinants of travel style and expenditure. In term of the choice of airline, highly educated tourist is lower probability of travelling with low-cost airline than low-educated tourist. Married tourist is lower probability of flying low-cost airline than the others. Christian tourist is lower a probability of travelling with low-cost airline than the others. A tourist who earns highly income is lower probability of choosing low-cost airline than low-income tourist, and probability of flying low-cost in individual tourist is lower than those in group tourist. By contrast, tourist who is a residence in Indonesia, Malaysia, Singapore, and Vietnam are higher probability of flying low-cost airline than the others. First-time tourist is higher probability of travelling with low-cost airline than the others. In term of expenditure, highly educated tourist is lower spending than low-educated tourist. ASEAN Residences expect those from Laos and Indonesia tend to spend less than the others, and first-time tourist is lowers expenditure than the others. However, woman spends more than male, and an older tends to spend more than younger. Christian is higher spending than the others. High-income tourist spends more than low-income tourist. An individual tourist is higher spending than a group. In term of length of stay, female is shorter duration than male. A length of stay in highly educated tourist is shorter than those in lower-educated tourist. By comparison with type of trip, tourist who describes his/her trip as budget and regular travel is shorter duration than those as backpack and luxury travel. Christian is longer length of stay than the other religions. ASEAN tourists except those from Laos tend to stay longer, and tourist who has a purpose related to honeymoon, study, and health check-up is longer duration than the others. Tourist who has lifestyle in security, status, and control is longer duration than those in survival, escape, discovery, and enlightenment.

Key Words: ASEAN, full Service Carrier, low-cost airline, tourist, travel  
JEL Classification: B 40, C50, Z 30