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The Effect Of Word Of Mouth And Employee Services On Low-Cost Carriers Purchase Intentions

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Abstract. The study highlights the determinants of low-cost carriers purchase intention. Field studies with 109 low-cost carriers' customers to find potential customers in relation to factors determine the intention of buyers of low-cost carriers since this key factor influences low-cost operators' purchase intentions, customers think "word of mouth and employee service" are important factors that influence their intention to buy low-cost carriers. Other than that, "Employee service" is the highest weight to emphasize the purchase intention of low-cost operators. The statistical regression method used in this study aims to develop instruments and results obtained using valuable references for low-cost carriers' managers who want to facilitate and effectively identify customer relationship management.

1. Introduction

The attendance of low-cost airlines (LCC) and its relatively rapid distribution greatly influences air transportation services because it can contribute to the growth of the economy of air transportation services which later if low-cost airlines have dominated the market, the number of new routes with sufficient demand will increase. On the other hand, low-cost carriers are more focus on flight frequencies and offer relatively low rates compared to full-service operators; this can lead to two customers' perceptions to determine airline selection. In the scope of low-cost airlines, low-cost carriers actively introduce their services through mass media, due to government regulations that do not allow low-cost airline ticket sales within airports.

Some studies had obtained evidence that external social support such as actual recommendations from experienced customers, the role of mass media, and brand image. Several researchers [1] reported that there are three aspects that benefit the LCC airline such as word of mouth communication, purchase intention and price sensitivity. Previous research has considered the external role as an additional aspect to increase customer trust in addition to the internal role that has a very important role, such as service and employee's work quality for customers. Although it can be assumed that prices are strongly related to determinants in the decision to choose low-cost airlines, but this factor is not always a reference since identifying determinants of purchase intention of low-cost carriers has many aspects that influence the decision-making process based on combining factors that include: share market, convenience, low rates, time performance, reliability and availability of effective flight frequency programs.

However, the way to identify decision-making problem factors that cover many aspects of different methods can be used to solve problems such as multiple linear regression processes, regression is applied to solve decision-making problems to see the influence between two or more variables that are functional. In the scope of low-cost carriers, identifying crucial factors and dividing into several dimensions will provide a reference for low-cost airline managers to implement these factors more effectively. To determine customer purchase intentions, airlines are required to show contributions through several marketing mechanisms and relationships since brand credibility has a crucial role by increasing factors that include service quality, time performance, responsiveness, assurance, and price perception so as to provide growth in purchasing intentions.

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2. Literature Review

2.1 Word of Mouth

Word of Mouth communication is a method of giving information and perceptions about a product or service purchase that includes an oral explanation of a product, service or company that is the same and recommending companies to others, this external source of information raises a level of trust and can identify a product or service. Some researchers [2]; [3] said that there are studies that show that service quality has direct consequences and indirect consequences in such cases through customer satisfaction intermediaries as parameters.

Word of Mouth communication is a verbal communication procedure to provide company recommendations that basically consist of several features related to customer perceptions of product value, product quality or brand image, perceived quality can be improved through positive effects of communication from mouth to mouth for increase price premiums and increase the number of customer purchase intentions. Furthermore, as several researchers [4]; [5] ; [6] proposed that communication from the mouth has a key role in customer loyalty to show resistance and customer preferences for a company's products or services to gain greater market share.

2.2 Employee Services

Employee service aspects have four sub-aspects, which are classified as employee service efficiency, nest employee appearance, politeness and employee attitudes, and how to handle customer complaints. First, [7] identified that employee service efficiency (such as accuracy and careful check-in and baggage services). Second, “the LCC requires employees who work at LCC must maintain aspects related to the employee's good name, for example by looking neat, not smelly and clean” [8] Third, [9] reported that good employees can affect various integrity and positive actions. Fourth, employee capability to resolve various complaints from customers that must always be swift to help customer complaints.

2.3 Consumers Purchase Intentions

As [11] said that in intention purchasing LCC in variant customer group is very influential for confirm to customer service can converge customer expectancy. Customers are able to choose the most important LCC because of the low cost they offer. Other provisions for the ability are to connect to online ordering, brand reputation, and advertising charm. Purchase intention is the desire or desire of someone who focuses on owning an item. Buying intention triggers aspects of someone's desire and intention to buy goods or buy products. Instead of that the purchase intention has a good way to predict the character of the buyer. [12]

3. Research Method

This study applies a multiple linear regression method using quantitative analysis of general information on the factors that influence customer spending in markets that support low prosperity; we question the sample of passengers who fly from Soekarno-Hatta International Airport to Asia using Air Asia. Primary data was collected directly from participants through surveys. One researcher revealed that multiple linear regressions are an extension of bivariate linear regression where more than one predictor variable is added to the classification that predicts the values of the outcome variable.

As [13] said that multiple linear regression is very complicated and far beyond the book. On the other hand, some of the main elements of multiple linear regression and provide examples to approve and add the findings of multiple linear regression. This research method uses 109 correspondence samples with regression variables X1 and X2 on the Y variable and this study uses the IBM SPSS application method to obtain the factors that affect the variable Y.

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3.1 Variable Measurement

This research was collected through a questionnaire survey obtained from low-cost carriers customer sources, the scale used to measure each variable is the ratio scale because it has all the properties of each research variable and can be identified absolutely, making it possible to declare a ratio or comparison between each variable. After reviewing the quality of "Word of Mouth (0.369)", "Employees Service (0.282)", and "Purchase Intentions (0.386)" these three variables have a significant impact. For comparison, for now, customers quality "Word of Mouth "(0.369) greater than" Employee Services "(0.282). This result explains the main perceptions of" Word of Mouth "and" Employee Services ". This difference can be explained by the fact that the two variables have different perceptions regarding the important determinant of purchase intentions low-cost carriers.[14][7][11][8].

4. Result and Discussion

To collect the validity of the questionnaire instrument, the results obtained on the average questionnaire instrument can be approved valid if the standard deviation value is> 0.5 (positive). Provisions for the validity of an instrument must meet the minimum requirements of 0.5 as one instrument that is considered valid. And the total results of the X1 validity test have a value of 0.904 (Valid), then the total results of the X2 validity test have a value of 0.828 (Valid), the last for the Y validity test has a value of 0.832 (Valid).

To determine reliability by using the reliability coefficient (Cronbach Alpha). Then the reliability test results of an instrument questionnaire can be concluded. The coefficient on the Word of Mouth (X1) variable of 0.369 means that every change in the Word of Mouth variable by one unit will result in a behavior of customer purchase intentions of 0.369 units, which assumes that increasing a Word of Mouth variable unit will reduce purchase intention-behavior customer 0.369 units, thus if lowering one unit in the Word of Mouth variable will increase the behavior of customer purchase intentions by 0.369.

The coefficient value of the employee service variable (X2) is 0.282, meaning that each change in employee service variables by one unit will result in a behavior of customer purchase intentions of 0.282 units, which assume that an increase in one employee service variable will reduce the customer purchase intention of 0.282 units, thus if lowering one unit in the employee service variable will increase the behavior of customer purchase intentions by 0.282.

Table 1. Profile of Respondent based on Frequency

Demographics	Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	60	55.0	55.0	55.0
	Female	49	45.0	45.0	100.0
	Total	109	100.0	100.0	
Age	18-25	100	91.7	91.7	91.7
	26-35	6	5.5	5.5	97.2
	36-55	3	2.8	2.8	100.0
	Total	109	100.0	100.0	
Work	Government employees	4	3.7	3.7	3.7
	Entrepreneur	8	7.3	7.3	11.0

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	College student	90	82.6	82.6	93.6
	Other	7	6.4	6.4	100.0
	Total	109	100.0	100.0	
Experience using a plane	1-5 Flight	53	48.6	48.6	48.6
	6-10 Flight	25	22.9	22.9	71.6
	11-15 Flight	9	8.3	8.3	79.8
	16-20 Flight	6	5.5	5.5	85.3
	21 More Flight	16	14.7	14.7	100.0
	Total	109	100.0	100.0	
Reason for using a plane	Tour	79	72.5	72.5	72.5
	Business	7	6.4	6.4	78.9
	Other	23	21.1	21.1	100.0
	Total	109	100.0	100.0	

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
	(Constant)	2,563	0,394		6,506	0
	Word of Mouth	0,369	0,056	0,539	6,624	0

Multiple linear regression equation: Y = 2,053 + 0,326x1 + 0,126x2

Hypothesis 1:
Data analysis results presented in the table above obtained t1¬ = 6,624 db = 77 p - value = 0,000 / 2 = 0.000 < 0,05 Ho is rejected Word of Mouth Communication has a positive influence on Purchase Intention.
Known value of T count (X1) Word of Mouth 6,624. Because the calculated T value is 6,624 > T table is 1,983, it can be concluded that H1 is accepted. This means that there is the effect of Word of Mouth (X1) on Consumer Purchase Intentions (Y)

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		

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	(Constant)	3,29	0,482		6,832	0
	Employee Service	0,282	0,073	0,347	3,832	0

Hypothesis 2:
the analysis presented in the table above obtained t2 = 3,832 db = 77 p - value = 0,000 / 2 = 0,000 < 0,05 Ho ¬ rejected thus Employee Servives has a positive influence on Purchase Intentions
Know the value of T count (X2) Service Employees 3,832. Because the value of T count 3,832 > T table is 1,982, it can be concluded that H2 is accepted. This means that there is an influence of Employee Service (X2) on Consumer Purchase Intentions (Y)

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	54,208	2	27,104	23,932	,000[b]
	Residual	120,049	106	1,133		
	Total	174,257	108			

Hypothesis 3:
From the results of the above table, Fo = 23.932 dB = 77 p-value = 0.000 <0.05 HO rejected, thus having a positive Word of Mouth, Employee Services on Purchase Intention
It is known that the calculated F value is 23,932. Because the value of F count 23.932> F table 3,08, it can be concluded that the hypothesis is accepted or Word of Mouth (X1) and Service Employee (X2) are falling on the Intention of Consumer Purchasing (Y).

5. Conclusion

This research proves that mouth-to-mouth communication and employee services are two important aspects of driving the intention to purchase low-cost carriers into various customer segments. Low-cost carriers' managers will get data in improving employee service performance.This research will support low-cost carriers' managers to contribute to maximizing the sales strategy of potential customers with current customers. The main step to start sales and potential for customers, low-cost carriers' managers must maximize safety, service and price sensitivity aspects since using a relatively low ticket rate is a general strategy in increasing sales.

Managers of low-cost carriers must position the strategies they have planned in more detail so that customers feel interested in making a purchase since the potential for customers is very sensitive to airlines' ticket prices.To get regular sales of potential customers at this time, managers of low-cost airlines must be carefully examine employee attitudes and performance since the potential of today's customers hopes that low-cost carriers' employees to provide good service, low-cost carriers compete in service quality and flight frequency to continue to contribute to the development of low-cost carriers.

5.1 Recommendation

Based on the results of the discussion and conclusions of the research, here are some recommendations to maximize further research and airline managers with low costs as follows:

1. For the next researcher, it is better to use other research methods such as qualitative methods, path analysis, etc. to facilitate the process of identifying factors that influence the decision to choose low-cost carriers.

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2. For low-cost carriers managers, they should pay more attention to the level of consistency of employees to maximize work productivity and operational efficiency in order to increase the profitability of low-cost carriers.

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