

## A study on factors affecting customer's preference of low cost carriers

<sup>1</sup> Deeppa K, <sup>2</sup> Dr. Ganapathi R

<sup>1</sup> Research Scholar AMET Business School East Coast Road, Kanathur Chennai, Tamil Nadu.

<sup>2</sup> Assistant Professor Alagappa University Karaikudi, Tamil Nadu.

### Abstract

The low cost carriers change the perception that air travel is reserved only for the elites. As a result, the sector which is completely dominated by full-service airlines till a decade ago is now dominated by low cost carriers. In a way, low cost carriers address the rising aspirations of the Indian middle class couple with their high price sensitivity. The exploratory factor analysis reveals that convenience, service, efficiency and brand name are the factors affecting customer's preference of low cost carriers. The results show that there is a significant difference between socio-economic characteristics of customers and factors affecting preference of low cost carriers except gender of customers and the factors affecting preference of low cost carriers. Therefore, the low cost carriers should operate efficiently and conveniently to the customers and must keep their brand name in high by providing superior services to their customers.

**Keywords:** Customer's Preference, Exploratory Factor Analysis, Low Cost Carriers

### 1. Introduction

Low cost carriers have reshaped the airline industry competitive environment within liberalized markets and have made significant impacts in the world's domestic customers markets, which have previously been largely controlled by full service network carriers (O'Connell and Williams, 2005) [15].

The term originated within the airline industry referring to airlines with a lower operating cost structure than their competitors. While the term is often applied to any carrier with low ticket prices and limited services, regardless of their operating models, low-cost carriers should not be confused with regional airlines that operate short flights without service, or with full service airlines offering some reduced fares (Kua and Baum, 2004) [10].

On the other hand, some of the private players are very much concerned about their customers as well as some of them are implementing low price strategy to attract the customers. Now as customers are playing the key role in aviation industry, all the airlines are trying to capture the lion share of the market. Though most of the airlines are introducing various lucrative strategies to retain their own customers and attract more new customers towards them, but still brand switching is increasing day by day.

Hence it is essential to understand the factors affecting customer's preference of low cost carriers. Therefore, the present research is attempted to study the factors affecting customer's preference of low cost carriers.

### 2. Review of Literature

In 2006 [6], Fourie and Lubbe conducted a research in South Africa the main goal of which was to identify the factors that cause business travelers choose between low-cost and traditional South-African airlines. The results of the research suggested that nine factors were influencing travelers' choice: fares, repeated flight programs, seat comfort, flight schedule, flight frequency, in-flight entertainment, seat reservation

possibility, ticket refund penalties, on-board food and drink services, and payment methods. Fares and safety were the most important factors while in-flight entertainment was shown to be the least important factor.

In 2009 [5], Faulhaber conducted a research on the factors influencing the airline choice decision making of German tourists who travel to South Africa. The research studied price, flight schedule, cabin shape, safety, and alliance membership. The results suggested that price is the most important factor in the decision making, thus playing the main role in the decision-making process in this particular market. Timeliness and flight schedule were the next important factors compared to the other factors.

In 1999, Prousaloglou and Koppel man researched the choice of air carrier, flight, and fare class, concluding that the choice is made based on the tradeoff between carrier market presence, service quality, passenger participation in carrier frequent flyer program, schedule convenience, and fare levels.

Most authors that conducted studies involving business travelers found out that in general they are much less price sensitive than leisure travelers (Prousaloglou and Koppel man 1999) [16]. The majority of studies found that the most important factors for leisure travelers were price, along with schedule and direct flight availability. Factors like safety (i.e., airline safety record, reputation for safety), frequent flyer program and flight frequency were also considered important by most leisure travelers. In case of business passengers the most significant factors were flexibility (fare and schedule), frequent flyer program, overall service quality, comfort, access to business lounges.

Since factors affecting seems to be an important aspect to retain customers. The study focuses on the below objectives.

- To identify the factors affecting customer's preference of low cost carriers

- To find out the association between the demographic profile of the customer and the factors affecting customers preference of low cost carriers.

### 3. Methodology

The Indira Gandhi International Airport, New Delhi has been purposively selected for the present study. The 1200 customers of low cost carriers at Indira Gandhi International Airport, New Delhi have been selected for the present study by adopting random sampling technique and the data and information pertain to the year 2014-2016. In order to examine the socio-economic characteristics of customers of low cost carriers, the frequency and percentage analysis have been worked out. The mean and standard deviation have been calculated for level of factors affecting preference of low cost carriers. In order to identify the factors affecting customer’s preference of low cost carriers, the exploratory factor analysis has been employed. In order to examine the difference between socio-economic characteristics of customers and factors affecting preference of low cost carriers, the Analysis of Variance (ANOVA) test has been applied.

## 4. Results and Discussion

### 4.1. Socio-Economic Characteristics of Customers of Low Cost Carriers

The socio-economic characteristics of customers of low cost carriers were analyzed and the results are presented in Table-1. The results show that about 58.17 per cent of customers are males and the rest of 41.83 per cent of customers are females. It is observed that about 30.17 per cent of customers belong to the age group of 31 – 40 years followed by 41 – 50 years (25.92 per cent), 21 – 30 years (23.25 per cent), 51 – 60 years (9.83 per cent), more than 60 years (6.16 per cent) and less than 20 years (4.67 per cent).

The results indicate that about 34.67 per cent of customers have the educational qualification of graduation followed by post-graduation (26.83 per cent), diploma (12.58 per cent), secondary (9.75 per cent), higher secondary (9.42 per cent) and illiterate (6.75 per cent). It is clear that about 30.25 per cent of customers are working in private sector followed by business (18.83 per cent), Government sector (15.75 per cent), industrialist (15.33 per cent), housewife (6.00 per cent), retired (5.08 per cent), agriculture (4.92 per cent) and student (3.84 per cent).

**Table 1:** Socio-Economic Characteristics of Customers of Low Cost Carriers

Profile of Customers	Number of Women Consumers	Percentage
Gender		
Male	698	58.17
Female	502	41.83
Age Group		
Less than 20 years	56	4.67
21 – 30 years	279	23.25
31 – 40 years	362	30.17
41 – 50 years	311	25.92
51 – 60 years	118	9.83
More than 60 years	74	6.16
Educational Qualification		
Illiterate	81	6.75
Secondary	117	9.75
Higher Secondary	113	9.42
Diploma	151	12.58
Graduation	416	34.67
Post-Graduation	322	26.83
Occupation		
Business	226	18.83
Government Sector	189	15.75
Private Sector	363	30.25
Industrialist	184	15.33
Agriculture	59	4.92
Retired	61	5.08
Housewife	72	6.00
Student	46	3.84
Annual Income		
Less than Rs.1,50,000	164	13.67
Rs.1,50,001 – Rs.3,00,000	298	24.83
Rs.3,00,001– Rs.4,50,000	346	28.83
Rs.4,50,001– Rs.6,00,000	213	17.75
More than Rs.6,00,000	179	14.92

The results reveal that about 28.83 per cent of customers belong to the annual income group of Rs.3, 00,001– Rs.4, 50,000 followed by

Rs.1,50,001 – Rs.3,00,000 (24.83 per cent), Rs.4,50,001– Rs.6,00,000 (17.75 per cent), more than Rs.6,00,000 (14.92 per cent) and less than Rs.1,50,000 (13.67 per cent).

### 4.2. Factors Affecting Customer’s Preference of Low Cost Carriers

In order to identify the factors affecting customer’s preference of low cost carriers, the exploratory factor analysis has been employed. The principal component method of factor analysis has been carried out with Eigen values greater than one through Varimax Rotation and the results obtained through rotated component matrix are presented in Table-2. The results

of Kaiser-Meyer-Olkin (KMO test) measure of sampling adequacy (KMO = 0.873) and Bartlett’s test of Sphericity (Chi-square value = 0.0012; significance = 0.000) indicates that the factor analysis method is appropriate.

There are four factors which are extracted accounting for a total of 75.30 per cent of variations on 20 variables. The each of the four factors contributes to 26.15 per cent, 19.36 per cent, 16.67 per cent and 13.12 per cent respectively.

**Table 2:** Factors Affecting Customer’s Preference of Low Cost Carriers

Factor	Item	Rotated Factor Loadings	Eigen Value	% of Variation	Factor Name
1	Safety and security	0.64	2.63	26.15	Convenience
	Price	0.65			
	Compensations	0.63			
	Comfort	-0.61			
	Value for money	0.69			
	Flight network	0.60			
2	Check in services	-0.63	2.17	19.36	Service
	In-flight services	0.59			
	Food and drinks	0.64			
	Baggage services	0.58			
	Cabin services	-0.57			
3	Convenience of schedules	-0.67	1.49	16.67	Efficiency
	Reservation system	0.62			
	Rescheduling / Cancellations	0.66			
	On time performances	0.65			
	Refreshment on flight delays	-0.59			
4	Appearance of air plan	0.62	1.10	13.12	Brand Name
	Hygiene	-0.58			
	Behaviour of crew	0.68			
	Airline Image	-0.67			
	Cumulative % of Variation	-	-	75.30	-
	Cronbach’s Alpha	-	-	-	0.85

Extraction Method: Principal Component Analysis  
 Rotation Method: Varimax with Kaiser Normalization  
 Rotation converged in 9 iterations

Factor-I: From the results, it is inferred that out of 20 variables, six variables have their high, relatively tightly grouped factor loadings on factor-I.

This factor consists of:

- Safety and security (0.64)
- Price (0.65)
- Compensations (0.63)
- Comfort (-0.61)
- Value for money (0.69)
- Flight network (0.60)

Hence, this factor is named as “**Convenience**”.

Factor-II: is formed with:

- Check in services (-0.63)
- In-flight services (0.59)
- Food and drinks (0.64)
- Baggage services (0.58)
- Cabin services (-0.57)

These variables are named as “**Service**”.

Factor-III: This factor includes:

- Convenience of schedules (-0.67)
- Reservation system (0.62)
- Rescheduling / Cancellations (0.66)

- On time performances (0.65)
- Refreshment on flight delays (-0.59)

These variables are named as “**Efficiency**”.

Factor-IV: This factor is formed with:

- Appearance of air plan (0.62)
- Hygiene (-0.58)
- Behaviour of crew (0.68)
- Airline Image (-0.67)

This factor is named as “**Brand Name**”.

The Cronbach’s Alpha of the scale was 0.85 indicating that each measure demonstrated acceptable internal consistency. It is inferred that convenience, service, efficiency and brand name are the factors affecting preference of low cost carriers by the customers.

### 4.3. Socio-Economic Characteristics of Customers and Factors Affecting Preference of Low Cost Carriers

The customers’ perception about factors affecting preference of low cost carriers is varying with their socio-economic characteristics. The relationship between socio-economic characteristics of customers and factors affecting preference of low cost carriers was analyzed and the results are hereunder presented. The distribution of customers on the basis of factors

affecting preference of low cost carriers was analyzed and the results are presented in Table-3. The responses of customers about factors affecting preference of low cost carriers has been

classified into low level, medium level and high level based on “Mean ± Standard Deviation (SD)” criterion. The mean score is 84.88 and the SD is 5.07.

**Table 3:** Distribution of Customers on The Basis of Factors Affecting Preference of Low Cost Carriers

Sl. No.	Level of Factors Affecting Preference of Low Cost Carriers	Number of Customers	Percentage
1.	Low	252	21.00
2.	Medium	525	43.75
3.	High	423	35.25
	Total	1200	100.00

The results show that about 43.75 per cent of customers perceived that the level of factors affecting preference of low cost carriers at medium level followed by high level (35.25 per cent) and low level (21.00 per cent).

**4.3.1. Gender and Factors Affecting Preference of Low Cost Carriers**

The relationship between gender of customers and the level of factors affecting preference of low cost carriers was analyzed and the results are presented in Table-4.

**Table 4:** Gender and Factors Affecting Preference of Low Cost Carriers

Sl. No.	Gender	Level of Factors Affecting Preference of Low Cost Carriers			Total
		Low	Medium	High	
1.	Male	169 (24.21)	230 (32.95)	299 (42.84)	698 (58.17)
2.	Female	83 (16.53)	295 (58.77)	124 (24.70)	502 (41.83)
	Total	252 (21.00)	525 (43.75)	423 (35.25)	1200 (100.00)

(The figures in the parentheses are per cent to total)

The results show that out of 698 male customers, about 42.84 per cent of customers perceived that the level of factors affecting preference of low cost carriers at high level followed by medium level (32.95 per cent) and low level (24.21 per cent).

affecting preference of low cost carriers at medium level followed by high level (24.70 per cent) and low level (16.53 per cent).

The results indicate that out of 502 female customers, about 58.77 per cent of customers perceived that the level of factors

In order to examine the difference between gender of customers and the factors affecting preference of low cost carriers, the Analysis of Variance (ANOVA) test has been applied and the results are presented in Table-5.

**Table 5:** Gender and Factors Affecting Preference of Low Cost Carriers - Anova

Source	SS	Degrees of Freedom	MS	F	Sig.
Between Groups	62.637	1	62.637	.961	.327
Within Groups	78062.083	1198	65.160		
Total	78124.720	1199	-	-	-

The F-value of 0.961 is not statistically significant indicating that there is no significant difference between gender of customers and the factors affecting preference of low cost carriers. Hence, the null hypothesis of there is no significant difference between gender of customers and the factors affecting preference of low cost carriers is accepted.

**4.3.2. Age Group and Factors Affecting Preference of Low Cost Carriers**

The relationship between age group of customers and the level of factors affecting preference of low cost carriers was analyzed and the results are presented in Table-6.

**Table 6:** Age Group and Factors Affecting Preference of Low Cost Carriers

Sl. No.	Age Group	Level of Factors Affecting Preference of Low Cost Carriers			Total
		Low	Medium	High	
1.	Less than 20 years	13 (23.21)	6 (10.72)	37 (66.07)	56 (4.67)
2.	21 – 30 years	38 (13.62)	174 (62.37)	67 (24.01)	279 (23.25)
3.	31 – 40 years	82 (22.65)	181 (50.00)	99 (27.35)	362 (30.17)
4.	41 – 50 years	58 (18.65)	139 (44.69)	114 (36.66)	311 (25.92)
5.	51 – 60 years	37 (31.36)	15 (12.71)	66 (55.93)	118 (9.83)
6.	More than 60 years	24 (32.43)	10 (13.51)	40 (54.06)	74 (6.16)
	Total	252 (21.00)	525 (43.75)	423 (35.25)	1200 (100.00)

(The figures in the parentheses are per cent to total)

The results show that out of 56 customers who belong to the age group of less than 20 years, about 66.07 per cent of customers perceived that the level of factors affecting preference of low cost carriers at high level followed by low level (23.21 per cent) and medium level (10.72 per cent). The results indicate that out of 279 customers who belong to the age group of 21 – 30 years, about 62.37 per cent of customers perceived that the level of factors affecting preference of low cost carriers at medium level followed by high level (24.01 per cent) and low level (13.62 per cent).

It is observed that out of 362 customers who belong to the age group of 31 – 40 years, about 50.00 per cent of customers perceived that the level of factors affecting preference of low cost carriers at medium level followed by high level (27.35 per cent) and low level (22.65 per cent). It is clear that out of 311 customers who belong to the age group of 41 – 50 years, about 44.69 per cent of customers perceived that the level of factors

affecting preference of low cost carriers at medium level followed by high level (36.66 per cent) and low level (18.65 per cent).

It is apparent that out of 118 customers who belong to the age group of 51 – 60 years, about 55.93 per cent of customers perceived that the level of factors affecting preference of low cost carriers at high level followed by low level (31.36 per cent) and medium level (12.71 per cent). The results reveal that out of 74 customers who belong to the age group of more than 60 years, about 54.06 per cent of customers perceived that the level of factors affecting preference of low cost carriers at high level followed by low level (32.43 per cent) and medium level (13.51 per cent).

In order to examine the difference between age group of customers and the factors affecting preference of low cost carriers, the Analysis of Variance (ANOVA) test has been applied and the results are presented in Table-7.

**Table 7:** Age Group and Factors Affecting Preference of Low Cost Carriers – Anova

Source	SS	Degrees of Freedom	MS	F	Sig.
Between Groups	1276.341	5	255.268	3.966	.001
Within Groups	76848.379	1194	64.362		
Total	78124.720	1199	-	-	-

The F-value of 3.966 is significant at one per cent level indicating that there is a significant difference between age group of customers and the factors affecting preference of low cost carriers. Hence, the null hypothesis of there is no significant difference between age group of customers and the factors affecting preference of low cost carriers is rejected.

**4.3.3. Educational Qualification and Factors Affecting Preference of Low Cost Carriers**

The relationship between educational qualification of customers and the level of factors affecting preference of low cost carriers was analyzed and the results are presented in Table-8.

**Table 8:** Educational Qualification and Factors Affecting Preference of Low Cost Carriers

Sl. No.	Educational Qualification	Level of Factors Affecting Preference of Low Cost Carriers			Total
		Low	Medium	High	
1.	Illiterate	17 (20.99)	24 (29.63)	40 (49.38)	81 (6.75)
2.	Secondary	13 (11.11)	53 (45.30)	51 (43.59)	117(9.75)
3.	Higher Secondary	33 (29.20)	51 (45.13)	29 (25.67)	113 (9.42)
4.	Diploma	30 (19.87)	84 (55.63)	37 (24.50)	151 (12.58)
5.	Graduation	95 (22.84)	178 (42.79)	143 (34.37)	416 (34.67)
6.	Post-Graduation	64 (19.88)	135 (41.93)	123 (38.19)	322 (26.83)
	Total	252 (21.00)	525 (43.75)	423 (35.25)	1200 (100.00)

(The figures in the parentheses are per cent to total)

The results show that out of 81 customers who are illiterates, about 49.38 per cent of customers perceived that the level of factors affecting preference of low cost carriers at high level followed by medium level (29.63 per cent) and low level (20.99 per cent). The results indicate that out of 117 customers who have the educational qualification of secondary education, about 45.30 per cent of customers perceived that the level of factors affecting preference of low cost carriers at medium level followed by high level (43.59 per cent) and low level (11.11 per cent).

It is observed that out of 113 customers who have the educational qualification of higher secondary education, about 45.13 per cent of customers perceived that the level of factors affecting preference of low cost carriers at medium level followed by low level (29.20 per cent) and high level (25.67 per cent). It is clear that out of 151 customers who have the educational qualification of diploma, about 55.63 per cent of

customers perceived that the level of factors affecting preference of low cost carriers at medium level followed by high level (24.50 per cent) and low level (19.87 per cent).

It is apparent that out of 416 customers who have the educational qualification of graduation, about 42.79 per cent of customers perceived that the level of factors affecting preference of low cost carriers at medium level followed by high level (34.37 per cent) and low level (22.84 per cent). The results reveal that out of 322 customers who have the educational qualification of post-graduation, about 41.93 per cent of customers perceived that the level of factors affecting preference of low cost carriers at medium level followed by high level (38.19 per cent) and low level (19.88 per cent).

In order to examine the difference between educational qualification of customers and the factors affecting preference of low cost carriers, the Analysis of Variance (ANOVA) test has been applied and the results are presented in Table-9.

**Table 9:** Educational Qualification and Factors Affecting Preference of Low Cost Carriers – Anova

Source	SS	Degrees of Freedom	MS	F	Sig.
Between Groups	1164.873	5	232.975	3.615	.003
Within Groups	76959.847	1194	64.455		
Total	78124.720	1199	-		

The F-value of 3.615 is significant at one per cent level indicating that there is a significant difference between educational qualification of customers and the factors affecting preference of low cost carriers. Hence, the null hypothesis of there is no significant difference between educational qualification of customers and the factors affecting preference of low cost carriers is rejected.

**4.3.4. Occupation and Factors Affecting Preference of Low Cost Carriers**

The relationship between occupation of customers and the level of factors affecting preference of low cost carriers was analyzed and the results are presented in Table-10.

**Table 10:** Occupation and Factors Affecting Preference of Low Cost Carriers

Sl. No.	Occupation	Level of Factors Affecting Preference of Low Cost Carriers			Total
		Low	Medium	High	
1.	Business	40 (17.70)	80 (35.40)	106 (46.90)	226 (18.83)
2.	Government Sector	23 (12.17)	118 (62.43)	48 (25.40)	189 (15.75)
3.	Private Sector	72 (19.83)	233 (64.19)	58 (15.98)	363 (30.25)
4.	Industrialist	49 (26.63)	56 (30.44)	79 (42.93)	184 (15.33)
5.	Agriculture	16 (27.12)	15 (25.42)	28 (47.46)	59 (4.92)
6.	Retired	4 (6.56)	14 (22.95)	43 (70.49)	61 (5.08)
7.	Housewife	16 (22.22)	9 (12.50)	47 (65.28)	72 (6.00)
8.	Student	32 (69.57)	0 (0.00)	14 (30.43)	46 (3.84)
	Total	252 (21.00)	525 (43.75)	423 (35.25)	1200 (100.00)

(The figures in the parentheses are per cent to total)

The results show that out of 226 customers who are businessmen, about 46.90 per cent of customers perceived that the level of factors affecting preference of low cost carriers at high level followed by medium level (35.40 per cent) and low level (17.70 per cent). The results indicate that out of 189 customers who are working in Government sector, about 62.43 per cent of customers perceived that the level of factors affecting preference of low cost carriers at medium level followed by high level (25.40 per cent) and low level (12.17 per cent).

It is observed that out of 363 customers who are working in private sector, about 64.19 per cent of customers perceived that the level of factors affecting preference of low cost carriers at medium level followed by low level (19.83 per cent) and high level (15.98 per cent). It is clear that out of 184 customers who industrialists, about 42.93 per cent of customers are perceived that the level of factors affecting preference of low cost carriers at high level followed by medium level (30.44 per cent) and low level (26.63 per cent).

It is apparent that out of 59 customers who agriculturists, about 47.46 per cent of customers are perceived that the level

of factors affecting preference of low cost carriers at high level followed by low level (27.12 per cent) and medium level (25.42 per cent). The results reveal that out of 61 customers who are retired, about 70.49 per cent of customers are perceived that the level of factors affecting preference of low cost carriers at high level followed by medium level (22.95 per cent) and low level (6.56 per cent).

The results show that out of 72 customers who are housewives, about 65.28 per cent of customers are perceived that the level of factors affecting preference of low cost carriers at high level followed by low level (22.22 per cent) and medium level (12.50 per cent). The results indicate that out of 46 customers who are students, about 69.57 per cent of customers are perceived that the level of factors affecting preference of low cost carriers at low level followed by high level (30.43 per cent).

In order to examine the difference between occupation of customers and the factors affecting preference of low cost carriers, the Analysis of Variance (ANOVA) test has been applied and the results are presented in Table-11.

**Table 11:** Occupation and Factors Affecting Preference of Low Cost Carriers – Anova

Source	SS	Degrees of Freedom	MS	F	Sig.
Between Groups	4805.010	7	686.430	11.160	.000
Within Groups	73319.710	1192	61.510		
Total	78124.720	1199	-		

The F-value of 11.160 is significant at one per cent level indicating that there is a significant difference between occupation of customers and the factors affecting preference of low cost carriers. Hence, the null hypothesis of there is no

significant difference between occupation of customers and the factors affecting preference of low cost carriers is rejected.

**4.3.5. Annual Income and Factors Affecting Preference of Low Cost Carriers**

The relationship between annual income of customers and

the level of factors affecting preference of low cost carriers was analyzed and the results are presented in Table-12.

**Table 12:** Annual Income and Factors Affecting Preference of Low Cost Carriers

Sl. No.	Annual Income	Level of Factors Affecting Preference of Low Cost Carriers			Total
		Low	Medium	High	
1.	Less than Rs.1,50,000	24 (14.63)	96 (58.54)	44 (26.83)	164 (13.67)
2.	Rs.1,50,001 – Rs.3,00,000	86 (28.86)	77 (25.84)	135 (45.30)	298 (24.83)
3.	Rs.3,00,001– Rs.4,50,000	65 (18.79)	130 (37.57)	151 (43.64)	346 (28.83)
4.	Rs.4,50,001– Rs.6,00,000	30 (14.08)	132 (61.97)	51 (23.95)	213 (17.75)
5.	More than Rs.6,00,000	47 (26.26)	90 (50.28)	42 (23.46)	179 (14.92)
	Total	252 (21.00)	525 (43.75)	423 (35.25)	1200 (100.00)

(The figures in the parentheses are per cent to total)

The results show that out of 164 customers who belong to the annual income group of less than Rs.1,50,000, about 58.54 per cent of customers perceived that the level of factors affecting preference of low cost carriers at medium level followed by high level (26.83 per cent) and low level (14.63 per cent). The results show that out of 298 customers who belong to the annual income group of Rs.1,50,001 – Rs.3,00,000, about 45.30 per cent of customers perceived that the level of factors affecting preference of low cost carriers at high level followed by low level (28.86 per cent) and medium level (25.84 per cent).

It is observed that out of 346 customers who belong to the annual income group of Rs.3,00,001–Rs.4,50,000, about 43.64 per cent of customers perceived that the level of factors affecting preference of low cost carriers at high level followed by medium level (37.57 per cent) and low level (18.79 per

cent). It is clear that out of 213 customers who belong to the annual income group of Rs.4,50,001– Rs.6,00,000, about 61.97 per cent of customers perceived that the level of factors affecting preference of low cost carriers at medium level followed by high level (23.95 per cent) and low level (14.08 per cent).

It is apparent that out of 179 customers who belong to the annual income group of more than Rs.6,00,000, about 50.28 per cent of customers perceived that the level of factors affecting preference of low cost carriers at medium level followed by low level (26.26 per cent) and high level (23.46 per cent).

In order to examine the difference between annual income of customers and the factors affecting preference of low cost carriers, the Analysis of Variance (ANOVA) test has been applied and the results are presented in Table-13.

**Table 13:** Annual Income and Factors Affecting Preference of Low Cost Carriers – Anova

Source	SS	Degrees of Freedom	MS	F	Sig.
Between Groups	1007.879	4	251.970	3.905	.004
Within Groups	77116.841	1195	64.533		
Total	78124.720	1199	-	-	-

The F-value of 3.905 is significant at one per cent level indicating that there is a significant difference between annual income of customers and the factors affecting preference of low cost carriers. Hence, the null hypothesis of there is no significant difference between annual income of customers and the factors affecting preference of low cost carriers is rejected.

**5. Conclusion**

Majority of the customers are males and most of the customers belong to the age group of 31–40 years. Majority of the customers have the educational qualification of graduation and most of the customers are working in private sector. Majority of the customers belong to the annual income group of Rs.3,00,001– Rs.4,50,000.

The exploratory factor analysis shows that convenience, service, efficiency and brand name are the factors affecting customer’s preference of low cost carriers. The results indicate that about 43.75 per cent of customers perceived that the level of factors affecting preference of low cost carriers at medium level followed by high level (35.25 per cent) and low level (21.00 per cent).

The results show that there is a significant difference between socio-economic characteristics of customers and factors affecting preference of low cost carriers except gender of customers and the factors affecting preference of low cost carriers. Therefore, the low cost carriers should operate efficiently and conveniently to the customers and must keep their brand name in high by providing superior services to their customers.

**6. References**

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