Airline Passengers' Pre-Purchase Decision-Making:

A Case Study of International Tertiary Students in New Zealand

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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 where 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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1.0 Introduction

1.1 Background and Study Purpose

The world is seeing a rapidly growing industry in international study. The OECD (2013, p. 1) defined international students as "those who are not residents of their country of study or those who received their prior education in another country." The years from 1975 to 2012 saw international student grow globally by 3.7 million, moving from 0.8 to 4.5 million students, with nearly half of that growth occurring between 2000 and 2012 (OECD, 2014; United Nations Educational Scientific and Cultural Organisation, 2014). However, New Zealand has not experienced such growth with international student enrolments declining just over 18% from a peak of 126,503 in 2003, to 103,321 in 2014, despite nearly 10% growth between 2010 and 2014 (New Zealand Ministry of Education, 2014a, 2014b). The global trend has generated significant interest in international students as a field of research in many social and cultural contexts. However, very few researchers have considered international students from a general consumer standpoint.

Given the very nature of studying abroad, airlines play a critical role in the facilitation of the international study sector. For international students, the purchase of air travel is a somewhat routine event. This being said, there is very little known about *how* international students travel; rather, existing literature has primarily focused on *why* they travel. Given the numbers of international students travelling globally, it could logically be assumed that there is sufficient volume to represent a distinct consumer segment for airlines. For New Zealand, air travel accounts for 99% of international visitor arrivals (Statistics New Zealand, 2016). Therefore, airlines are almost always a necessary component of the international student market in New Zealand. The number of international students currently enrolled in New Zealand is certainly large enough to represent a viable customer segment for airlines. However, it is not known in any context, whether international students have distinct preferences or thought processes when purchasing airline tickets, or whether they simply conform to the behaviour of more generic passenger segments such as business or leisure travellers. A means to determine whether international students represent a distinct customer segment is through investigating how they purchase airline tickets and whether this differs from other segments. To understand this requires understanding the consumer psychology behind their pre-purchase decision-making process.

For airlines, a service tailored to the preferences of each customer is near impossible due to time, cost and the nature of their operations. The most effective solution for a common marketing-based issue facing many service industries, can be achieved through a degree of standardisation (Machauer & Morgner, 2001). Customer segmentation techniques that take buyer attitudes, motivations, patterns of usage and preferences into consideration are an effective means of determining service standardisation (Machauer & Morgner, 2001). Understanding customers and their purchase information allows firms to more effectively market to and cater for, different groups of consumers. Identification of new customer segments is a crucial function of business development and growth. The concept of customer segmentation is central to this study and forms the basis of the proposed research questions.

In developed countries such as the United States, up to 90% of airline tickets are purchased on the Internet (Chu, 2001). Furthermore, 18-29 year olds have been shown to be the highest users of Internet media (Lenhart, Purcell, Smith & Zickuhr, 2010). Given most international tertiary students fall into this age bracket, it is appropriate to assess international students' airline purchasing on an online platform. Tertiary students were chosen specifically as they are most likely to be responsible for undertaking their own purchase process. The purpose of this study was to determine how international tertiary students searched for and evaluated information to purchase airline tickets on the Internet. This study adopted a dual-phased qualitative methodology where an online purchase simulation was observed and participants were then interviewed about their pre-purchase behaviour and final purchase decision. A case study was deemed appropriate for two reasons, (1) the highly specific nature of different international travel markets (particularly New Zealand) make undertaking generalisable research very difficult and, (2) this study aimed to analyse a specific airline customer segment, because a sample of this segment was taken from a single geographic location it was deemed to be a case study. However, there is nothing to suggest that there would be any differences between international students at different tertiary institutes within New Zealand; therefore, this research was said to be a case study of New Zealand.

1.2 Research Questions

The population of international students currently studying in New Zealand represents a significant contribution to the New Zealand economy. Part of this contribution lies in the airline industry. There is little knowledge in New Zealand or internationally of whether airlines are effectively catering for or capitalising on international students. Hence, the objective of this research is to:

> Analyse the online pre-purchase behaviour of international students in New Zealand, to better understand how they search for information online and the evaluation criteria that are most valuable to them during the evaluation of information when making a final purchase decision. In doing this, this research will determine whether international students in New Zealand represent a distinct customer segment for airlines.

It is possible that a greater understanding of international students' purchase decisions could allow airlines to serve a niche market and achieve greater market penetration. This may be achieved by providing airline marketers with a greater understanding of pre-purchase decision processes, enabling better strategies for providing information desired by potential travellers. This could also result in more tailored service provisions for international students. Hence, the research asks the following questions with the goal of achieving the research objective above:

1. How do International students search for information when choosing flights to travel to New Zealand for international study?

2. What are the key factors/attributes/criteria that influence their evaluation of different flights when the final purchase decision is made?

The terms factors, criteria and attributes will be used interchangeably throughout this study. Additionally, the term “international students” refers to international *tertiary* students unless stated otherwise.

2.0 Literature Review

In this section, literature will be presented and discussed, beginning with broad concepts that will be increasingly refined and lead to the specific context of the research proposed in this thesis. This will begin with a presentation of general consumer behaviour that will then narrow to consumer behaviour in the airline industry and then online consumer behaviour. This section will conclude with an overview of international students in New Zealand, the customer segment to be analysed in the online purchase environment.

2.1Consumer Behaviour

Consumer behaviour can be defined as the process of acquiring and organising information for the purposes of making a purchase decision and evaluating products and services (Moutinho, Ballantyne & Rate, 2011). This process includes searching for information, alternative evaluation, purchasing, consuming and disposing of products and services (Blackwell, Miniard & Engel, 2006). Consumer behaviour is influenced by a wide range of both subjective and objective factors that exist both within the consumer and external persons or organisations. This section will discuss aspects of consumer behaviour that relate to the research objectives, with a strong focus on decision-making and how this is relates to service quality.

2.1.1 Behaviourist and Cognitivist Theory of Human Behaviour

Consumer decision-making has been heavily researched since the mid-20th century. From that time, literature has shifted from the behaviourist to the cognitivist theory of human psychology. Behaviourism claims that humans act rationally in response to stimulus that evoke a cause-and-effect relationship based on either positive or negative reinforcement (Hung, 2001). Whereas cognitivism claims that there are both subjective and objective reasonings for human behaviour that can only be explained by understanding the psychological process that underpins decisions (Hung, 2001). Cognitivist theory recognises that these underpinnings are usually a combination of both objective and subjective inputs. These theories outline two different approaches to analyse consumer decision-making and can be used to understand how international students purchase airline tickets and the reasons behind their decisions. By analysing underpinnings of consumer purchase decisions, one can begin to understand the specific preferences and thus purchase intentions of a given customer segment. Given the objective of this research, this thesis advocates the adoption of the cognitivist theory of human behaviour on which this research will be premised.

2.1.2 Descriptive Versus Decision Models

Ehrenberg, Barnard and Sharp (2000) explained and contrasted decision and descriptive models of human behaviour. These models can be summarised as:

> *Decision* models are for solving problems and said to contain marketing variables that managers can control or at least influence such as price, promotion and advertising. Implying that marketing variables have causal or predictive powers to influence outcomes when adjusted by managers.
>
> *Descriptive* models seek to uncover marketing phenomena and to represent them. Descriptive modelling aims to depict actual or potential marketing knowledge and to apply it. Such modelling often deals with marketing-mix factors separately instead of attempting to do so in one overall model.

When contrasting the two models, it becomes clear that one looks to provide a generalisable predictor of consumer behaviour (decision model), whilst the other looks to explain marketing factors influencing specific markets (descriptive model). Descriptive modelling represents the cognitivist theory of human behaviour, whilst decision modelling represents a behaviourist approach.

According to Little Little (1994) the logit model is a widely used decision model. Logit modelling is used to predict the probability of choosing alternatives in discrete choice scenarios (Guadagni & Little, 1983; Hensher & Greene, 2003). There have been variations of the logit including multinominal and nested logit models, but such models are beyond the scope of this study. The logit model has also been widely applied to airline demand studies, with far less attention paid to descriptive type modelling in aviation literature. Alamdari and Black (1992) presented a meta-analysis to determine the value of logit as a basis for estimating passenger demand functions. The study claimed that individual decision-makers would almost definitely differ in the weights they attach to evaluation criteria; therefore, no great confidence should be placed in studies that have adopted the methodology. Furthermore, such decision models assume causality between cognitive inputs and outputs that often lack empirically supported predictability. Finally, it was concluded that if differences exist between individuals or groups of customers, it is important that such differences are identified.

Ehrenberg (1990) showed the concept of decision models to be flawed, as real-life decision problems are unlikely to ever be solved by a model that is based on a single dataset. Leeflang and Wittink (2000) proposed that consumer preferences are measured on an ongoing basis, with forecasting accuracies tracked over time in different situations. This suggests that consumer decision models should be context specific and may be useful in markets with highly fragmented customer groups that have differentiated needs. Furthermore, Marshall (1996) claimed that there is a common misunderstanding regarding the aims of qualitative methodologies, where greater understanding of complex human issues is of greater importance than generalisability of results. Schofield (2002) claimed qualitative researchers should focus on trying to generalise to *what is, what may be* and *what could be.* In other words, using descriptive modelling to uncover and represent specific behaviour is more valuable than creating a model that attempts to assign causality to human behaviour to enable generalisability. This thesis will adopt descriptive modelling based on the arguments presented in this review with the aim of gaining a deeper, context specific understanding of consumer behaviour. Descriptive modelling will allow this thesis to discuss in-depth the reasons for behaviours and understand why there may be differences between those studied and other consumer groups.

2.1.3 Consumer Decision-Making Process

Consumer decision-making begins with the identification of a need or want, which presents the buyer with a gap between their existing state and their desired state (Cant, Strydom, Jooste & du Plessis, 2009). Whilst problem recognition may occur spontaneously or at the whim of individual consumers, the aim in marketing is to stimulate consumers to recognise a gap in their existing state (Solomon, Marshall & Stuart, 2011).

In the travel industry Ritchie, Tkaczynski and Faulks (2010, p. 411), explained the push-pull model for need recognition, "people travel because they are pushed by intrinsic or extrinsic internal forms that predispose people to travel, while they are then pulled to destinations by external forces of the destination attributes." Push factors can be described as motivational factors or needs that arise due to a disequilibrium or tension in the motivational system (Crompton, 1979; Dann, 1977; Kim, Lee & Klenosky, 2003). Pull factors are those that impact a traveller's choice of travel destination through attractions within a destination (You, O'leary, Morrison & Hong, 2000). Push factors usually exist within an origin location and initiate the decision to undertake travel, whereas pull factors usually exist within a host country and make that country appealing to foreign travellers (Kline, 2003). Furthermore, Mazzarol and Soutar (2002) concluded that both push and pull factors also originate within the traveller themselves and can be manifestations of an individual's personality. It should be noted that both push and pull factors are associated with international study. For example the desire to obtain a more culturally diverse education represents a push factor, while specialist facilities at a particular university may represent a pull factor.

Motives and motivations represent another significant source of need recognition. The terms motivation and motives are often used interchangeably. However, Gnoth (1997) stated that the two present vastly different meanings and are often used incorrectly in tourism and travel literature. The study claimed that motivation is a cognitive process and relates to specific interactions or drivers relating to a given environment. For example, a motivation for international students wanting to study in New Zealand may be the ranking of its universities or the speciality of a subject. On the other hand, motives are more generic, often widely held and less situation-specific ideologies that represents a more fundamental reason for behaviour to occur in the first place. For example, the motives for international students to consider undertaking study abroad may be that they wish to gain access to a higher quality education. Gnoth (1997) distinguished motive from motivation, stating that motives indicate a direction or target, yet motivations refer to an interaction between generic motives and a specific situation. Motives and motivations are influenced by both objective (e.g. time, money) and subjective (e.g. expectations, personal values) situations to ultimately determine what the consumer wants from a purchase. Motives and motivations can also be related to the consumer decision process. The recognition of a need provides the consumer with a motive to search for information to fulfil that need.

An information search provides the basis for an evaluation, which enables consumers to make an informed purchase decision. There are two ways in which consumers can search for information, internally and externally (Beales, Mazis, Salop & Staelin, 1981; Quester et al., 2007). Internal information is retrieved from a consumer's own knowledge or memory and can be actively sourced through personal experiences and past searches. Internal information may also be passively acquired from external sources, such as peer anecdotes or direct product experiences; this type of information acquisition is referred to as low-involvement learning. External information may be actively or passively acquired by the consumer and can come from independent groups such as consumer groups, personal contacts, marketing communications and experimental sources (e.g. personal trial). According to Erasmus, Boshoff and Rousseau (2001), the greater the perceived personal, social or financial risk associated with a purchase, the more consumers will engage in an external information search and a deliberate decision process.

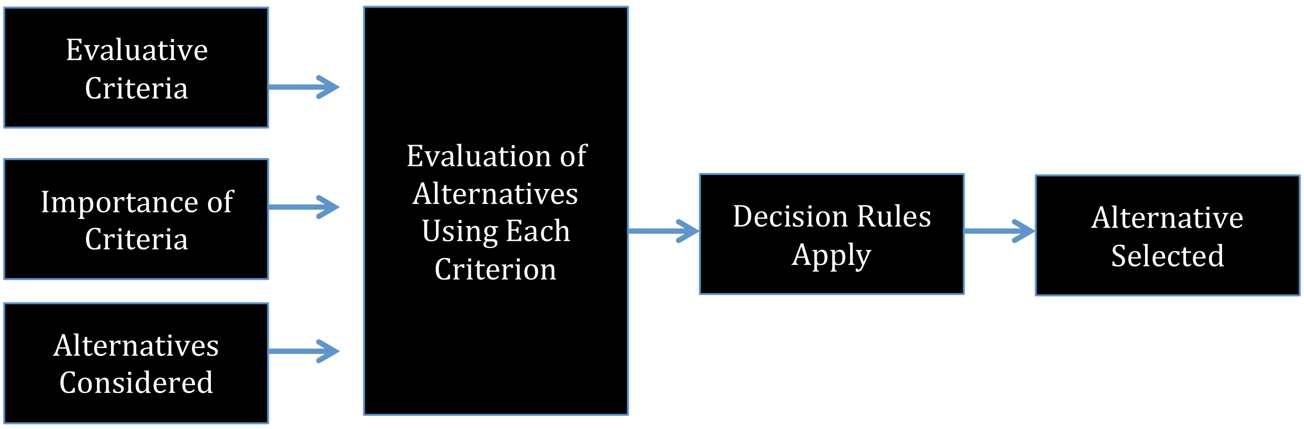
Beatty and Smith (1987) noted that the level of involvement a consumer has in a purchase influences the extent to which that consumer will search for information relating to that purchase. Engel, Blackwell and Kollat (1978) also claimed greater purchase involvement warranted a more extensive information search and less involved purchases, a more confined search. Mitchell (1979, p. 194) defined involvement as an "internal state variable that indicates the amount of arousal, interest or drive evoked by a particular stimulus or situation". The two key factors that determine involvement are perceived risk of the purchase and perceived value of the purchase (Mittal, 1989).

Once the consumer believes they have sufficient information, they will then evaluate all alternatives available. The evaluation of such information occurs following the motivation (outcome of information search) that drives interaction between that initial motive and the consumer's specific situation (Gnoth, 1997). During the evaluation process, the consumer establishes evaluation criteria, ranks these criteria based on importance or value and then evaluates the alternatives to determine which offering provides the most perceived value (Middleton, Fyall, Morgan & Ranchhod, 2009; Quester et al., 2007). In addition to prioritisation and evaluation of perceived direct benefits from an offering, brand associations play a significant role in the evaluation of alternatives, especially when limited information is available (Assael, 2004). This is supported by Howard (1989), who claimed that consumer confidence in an organisation and its brand must be measured when assessing consumer decision-making. The result of the evaluation process is an expected level of satisfaction for each alternative, which is used to make the final purchase decision.

Hawkins, Mothersbough and Mookerjee (2010) conceptualised the process for evaluating alternative purchase options (see Figure 2.0). This illustrates that subjectively weighted evaluation criteria are utilised to evaluate the alternative purchase options considered. Evaluation criteria represent the subjective standards and specifications used when comparing alternative purchase options and reflect lifestyles, attitudes, knowledge and experiences (Blackwell et al., 2006). Evaluation criteria and the importance/weighting of such criteria are market-specific. In order to effectively target different customer segments, evaluation criteria should be determined for each specific segment (Forney, Joo Park & Brandon, 2005). These criteria are utilised in a two-tiered process; firstly, the narrowing from an awareness set to a consideration set and then the undertaking a detailed analysis to reduce the options to a choice set (Bettman, 1982; Li, Kuo & Rusell, 1999; Vermeulen & Seegers, 2009). It is this choice set that the final purchase decision is made from. Bronnenberg and Vanhonacker (1996) hypothesised that consideration is influenced by brand salience, with brand salience being influenced by:

- Promotion that influences memorability
- Recency of purchase
- Price appropriateness

Figure 2.0. Alternative Evaluation and Selection Process

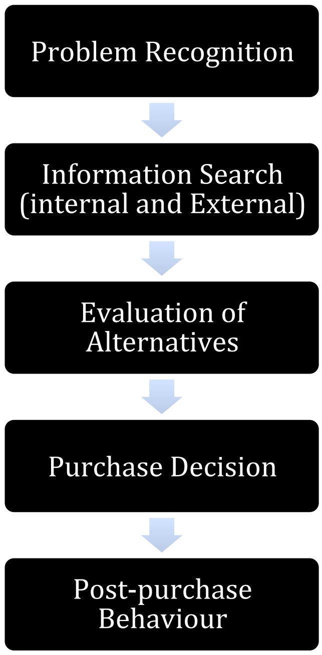


Source: Hawkins et al. (2010)

Once all viable alternatives have been evaluated, the consumer will then make a purchase decision. According to Widing (2003), this is a three-step process that involves identification of purchase choice, the intent to complete the purchase and the actual implementation of that purchase. The significance in the three-step process surrounds the possibility of delays between the choice identification and either completing the purchase online or traveling to a physical location (Greenleaf & Lehmann, 1995).

Engel et al. (1978) proposed that this pre-purchase decision-making occurred sequentially in a broader linear model that also encompassed the service transaction and post-purchase evaluation. There has been significant acceptance of this model (see Figure 2.1) in marketing literature (Blackwell et al., 2006; Brucks, 1985; Hawkins et al., 2010; Khosrowpour, 2001; Kotler, 1994; Lamb, 2009; Pride & Ferrell, 2015; Solomon et al., 2011; Spielberger, 2004). This model will be referred to throughout this thesis as the *traditional consumer decision-making process* (also referred to at times as the traditional consumer decision process). The model is comprised of five stages; problem recognition, information search, evaluation of alternatives, purchase decision and post purchase behaviour. This represents an extended problem solving process that consumers adopt to provide themselves with the best-perceived outcome.

Figure 2.1. Traditional Consumer Decision-Making Process.



Source: Blackwell et al. (2006)

Following the purchase of a product, or following the service transaction for a service, the consumer will then evaluate their purchase decision based on their prior expectations and this will influence repeat purchasing and customer loyalty (Griffin, 2002). A decision is made on whether the level of satisfaction provided by the product or service transaction justifies repurchase. Zeithaml, Bitner and Gremler (2013) conceptualised service quality and customer satisfaction using the Gap Model. This model assumes that a consumer chooses a service because of a set of expectations that differentiate that service from competitors (see Fodness & Murray, 2007; Kandampully, 1998). There is a close link between satisfaction and loyalty as continued satisfaction often leads to loyalty, with satisfaction being a significant contributory factor in achieving loyalty (Yang & Peterson, 2004). This is reinforced by Anderson, Fornell and Lehmann (1994) who found high customer satisfaction positively influenced loyalty and profitability.

However, the traditional consumer decision-making process has faced strong criticism, with many critics claiming it does not represent consumer decisions in most modern contexts. Firat (1985) argued that traditional consumer decision processes (like that depicted in Figure 2.1) were developed within certain contexts, time frames and socio-cultural situations and then applied to other product or service categories. This suggests that the traditional consumer decision process has a propensity to be inappropriately generalised across highly specialised and situation specific purchase decisions. Erasmus et al. (2001) also added that consumer behaviour theory has evolved significantly since the late 1970s, rendering the application of models developed in that era questionable in more contemporary contexts.

In addition, Cox, Granbois and Summers (1983) claimed that traditional consumer decision-making models are idealised because very short purchase planning is not uncommon. The authors went on stating that many consumers only consider a single brand in one location with very little or no external information search being undertaken. Martin and Kiecker (1990) stated that consumer decision-making cannot be modelled in a sequential, linear fashion and that some stages of decision-making occur simultaneously. These two critiques can be summarised as overcomplicating a decision process that in many contexts is quite straightforward (Erasmus et al., 2001).

Brand is a significant factor in such an overcomplication, as in most purchase situations consumers are often faced with at least one known brand. Macdonald and Sharp (2000) found that consumers were considerably less likely to engage in an extended decision process when faced with a known brand. Bettman

(1982) stated that the extent to which alternatives are evaluated could be affected by previously made evaluations; and such previous evaluations could largely be influenced by brand. Wright (1975) defined this concept as the "affect-referral", labelling it a strategy adopted by consumers to avoid or minimise evaluation of any attribute information in favour of previously formed impressions of the alternatives available. This supports further criticism based on the irrationality of consumer behaviour. The traditional consumer decision process assumes that consumers will act in a reasonable and justifiable manner to reach a logical purchase decision, which is often not the case due to the unpredictability of human behaviour (Kim, Ferrin & Rao, 2008).

Because of the presented limitations, this thesis does not adopt the five-step consumer decision process depicted in Figure 2.1 as a basis for modelling consumer purchasing. Using the five-step traditional decision model as a basis for research would involve conforming to the assumptions of the decision modelling. Such assumptions rely on consumers acting in a rational manner, yet research has shown that consumers often act irrationally and unpredictably (Kim et al., 2008). However, a number of studies have suggested a framework proposed by Olshavsky and Granbois (1979), to be a more credible and robust approach to decision-making than the criticised traditional consumer decision process (Beatty & Smith, 1987; Hanemann, 1994; Holbrook & Hirschman, 1982; Zaichkowsky, 1985). Olshavsky and Granbois (1979), condemned the traditional consumer decision process, claimed that regardless of the model's limitations, all criticising studies seem to agree that:

1. Generally, two or more alternative actions exist, therefore, choice must occur.
2. Evaluative criteria facilitate the forecasting of each alternative's consequences for the consumer's goals or objectives.
3. A decision rule or evaluative process determines the chosen alternative.
4. Information sought from external sources and/or retrieved from memory is processed in the application of the decision rule or evaluation procedure.

2.1.4 Customer Segmentation

Segmentation from a marketing and research perspective is the act of outlining meaningful groups of people or objects within a wider population or environment (Teichert, Shehu & von Wartburg, 2008). Customer segmentation is the compartmentalisation of an organisation's consumer base into more manageable groups who are mutually exclusive and share common characteristics (Yankelovich & Meer, 2006). This process allows businesses to more efficiently allocate resources and target different groups of customers more effectively. Blackwell et al. (2006) refered to this as mass customisation, where firms customise goods or services to individual customer segments by understanding what type of customisation they value the most. The ultimate goal of customer segmentation is to increase satisfaction, loyalty and profitability.

Bayer (2010) outlined two common methods for customer segmentation, value-based segmentation and behaviour-based segmentation. Value-based customer segmentation defines customers by their contribution to overall organisational profitability based on current relationships with the organisation. Kim, Jung, Suh and Hwang (2006) explained this process as determining the customer's lifetime value (LTV), which involves calculating the sum of revenue generated over a customer's lifetime of transactions less the cost of attracting, selling and servicing and also equating for time value of money (the idea that the a sum of money is worth more today than that same amount is worth in the future). Value-based segmentation often segments customers into percentiles that represent how valuable a segment is to the organisation, for example the top decile (could be top 10%) of most valuable customers. An organisation can then adopt strategies to target its more profitable customers; such strategies will likely be different to those used to target low/medium value customers.

The second method for customer segmentation as outlined by Bayer (2010) is behaviour-based customer segmentation. This is the process of grouping customers by their behaviour as customers. Such groups may share preferences, motives or motivations, media or purchasing channels, or any other behavioural traits in relation to purchasing. This is largely a means of standardising marketing efforts and service offerings to meet the needs of those with similar consumer behaviours. This differs from value-based segmentation as those within certain value segments may differ in their behavioural traits. This thesis adopts a behaviour-based segmentation approach, as its objective is to assess whether international students represent a distinct behaviour-based customer segment for airlines. This segment, should it exist, represents a behavioural customer segment as it represents a group of individuals that share the common motivation in travel behaviour.

2.1.5 Life-Stage Marketing

Life-stage or lifecycle marketing refers to the different stages of consumer behaviour individuals will exert throughout different stages of their lives (Wells & Gubar, 1966). This relates to individual consumers' life circumstances and is not to be confused with product lifecycle, which relates to the different stages of a product or services' life. Factors such as financial circumstances, relationships, career development, children and retirement are all examples of factors that vary between life-stages and could change the way in which individuals act as consumers. Life-stage marketing affects customer segmentation, because as customers move from one stage of life to the next, their consumer behaviour may change (Moschis, 1996). Thus, they may not fit the definition of a customer segment into which they had been previously been placed. This is an important concept for this thesis. International students will not remain students beyond the completion of their studies, limiting the length of time that an individual will remain in this customer segment. Thus, any potential customer segment will be significantly influenced by life-stages and this should be a consideration of any customer segmentation strategy.

2.1.6 Expectations and Perceptions of Service Quality

Different customer segments often have unique views, preferences, expectations and perceptions of service quality (Chadee & Cutler, 1996; Marcus, 1998). Service quality significantly influences a firm's competitive advantage, as retaining customers through satisfaction, yields market share and ultimately profitability (Morash & Ozment, 1994). Service quality and quality experience must be differentiated based on subjective measures and their holistic nature. Quality experiences are holistic, with the focus in subjective internal factors, which are difficult to measure (Otto & Ritchie, 1996). Service quality has a more objective basis as it can be measured using attributes, with a focus on the external service environment (Otto & Ritchie, 1996). The benefits of quality experiences to consumers are experiential, sybaritic and symbolic, rather than functional and utilitarian as are those with service quality (Chen & Chen, 2010). The relevance of these concepts lies in the understanding that quality experience is an individual's subjective interpretation and feelings towards service quality.

Service quality can be defined as "a consumer's overall impression of the relative efficiency of the organisation and its services" (Park, Robertson & Wu, 2004, p. 435). Defining quality in service industries is increasingly difficult due to the intangibility, perishability, inseparability and heterogeneous nature of services (Chen & Chang, 2005). For this thesis, the definition becomes even more ambiguous. This is because the airline industry is not a perfect fit for the definition of a generic service industry, with value and differentiation often added to the service by providing tangibles, service products or add-ons (Kapoor, 2011; Verma, 2012). These include food, drinks, entertainment or hygiene and comfort amenities and can be evaluated on product quality as well as part of the service (Hill, 1986). Consumers' evaluation of service quality then depends on their pre-purchase expectations and whether these expectations are met by their perception of the service transaction (Pride & Ferrell, 2015).

Ingrained in consumer decision-making and in particular the evaluation of alternatives, are expectations of service and perceived value (Groth & Dye, 1999). The level of perceived value is revealed during the search for information and influences the evaluation of alternative purchase options, the final purchase choice and the post-purchase evaluation (Moorthy, Ratchford & Talukdar, 1997; Patterson & Spreng, 1997). For this reason, further explanation is required of expectations and the perception of value in order to understand how consumers search for and evaluate information when purchasing.

2.1.6.1 Expectations of Service Quality

Expectations of service quality are heavily ingrained in the purchase decision-making process of consumers (Bridges, Yim & Briesch, 1995; Lemon, White & Winer, 2002; Pham & Taylor, 1999). Expectations may form from past experiences or when consumers search for information about a purchase, informing them of the attributes or deliverables from each alternative offering (Moorthy et al., 1997; Patterson, 1993) According to Kumar (2010), consumer expectations are utilised in the evaluation of alternatives and final purchase choice in the consumer decision process. Pre-purchase expectations form the basis of post-purchase evaluation, whereby pre-purchase expectations are contrasted against the actual perceptions of the product or service (Lee & Kacen, 2008). Therefore, expectations are an important construct within consumer decision-making processes. However, Parasuraman, Zeithaml and Berry (1988) emphasised that the term "expectations" takes different meaning in service quality literature to that in consumer satisfaction literature. Expectations in service quality literature refer to the service one believes *should* be offered, in contrast to satisfaction literature that refers to expectations as what *will* be offered. This is an important distinction, as this thesis aims to assess the importance of service evaluation criteria based on how international students expect airline services *will* be offered.

A clear understanding of customer expectations are also crucial for strategic management and the direction of service offerings, as organisations must understand the expectations of their customers in order to tailor services to meet these (Hsieh, Yuan & Liu, 2014). Empirical research has found that to achieve successful customer-focused service, an in-depth understanding of customer needs, expectations and preferences is required (Gustafsson, Ekdahl & Edvardsson, 1999). Assigning importance to service evaluation criteria (illustrated in Figure 2.0) is based upon the expectation of how such criteria (service attribute) will perform at the time of the service transaction. Therefore, pre-purchase expectations must be understood to give context to how consumers decide which factors are important to them during pre-purchase decision-making

2.1.6.2 Perceived value

According to Groth and Dye (1999), expectations about attributes of service and perceived quality of service delivery combine to create a perception of value. However, Boksberger and Melsen (2011) claimed that perceived value occurs in four stages: pre-purchase, at the moment of purchase, the time of use or consumption and following use or experience. This suggests that consumers do not have to actually experience a service before they may perceive its value as suggested by Groth and Dye (1999), who claimed service delivery is required to perceive value. Patterson and Spreng (1997) also supported pre-purchase perception of value, claiming that pre-purchase perception of value may directly influence consumer purchase decisions. This verifies the intent of this thesis, which is to determine the extent of information searching, establish purchase evaluation criteria and determine those that are most important to a specific segment of airline passengers (international students). This is ultimately based upon their pre-purchase expectations of service quality and in turn perceived value.

2.2 Consumer Behaviour in The Airline Industry

2.2.1 Airline Passenger Pre-Purchase Evaluation

Services where the consumer has access to large volumes of search information can be more easily evaluated pre-purchase, than services comprised mostly of experience attributes, which can often only be evaluated post-purchase and during consumption (Cobb-Walgren & Mohr, 1998). Furthermore, Häubl and Trifts (2000) claimed online sales platforms enhance the product or service evaluation process and have strong favourable effects on the quality of the purchase decision due to less search effort expenditure. Airline customers have access to vast amounts of search information largely due to growing Internet distribution channels, which are virtually eliminating any information imbalance between airlines and the customer (Cunningham, Gerlach, Harper & Young, 2005). Therefore, it is appropriate to infer that airline passengers undergo a well-informed evaluation of airline services prior to purchase and consumption. This evaluation forms the basis of deciding between available purchase alternatives. Evaluation criteria must be used to make this decision and this section will review such criteria presented by relevant past studies. This section will present literature on service evaluation criteria of airline passengers, with a meta-analysis of this literature summarised in Table 2. The literature in the following section focuses on three general areas:

- Presentation of service attributes found to influence service perception for airline passengers. Such literature includes customer satisfaction, service quality, service expectations and attributes of service can be used for pre-purchase evaluation.
- Airline-adapted SERVQUAL framework, which establishes service attributes that are evaluated to determine service quality.
- The influence of brand and loyalty on pre-purchase decision-making. The operationalised variables of brand presented in past research can represent criteria that consumers use to evaluate service offerings.

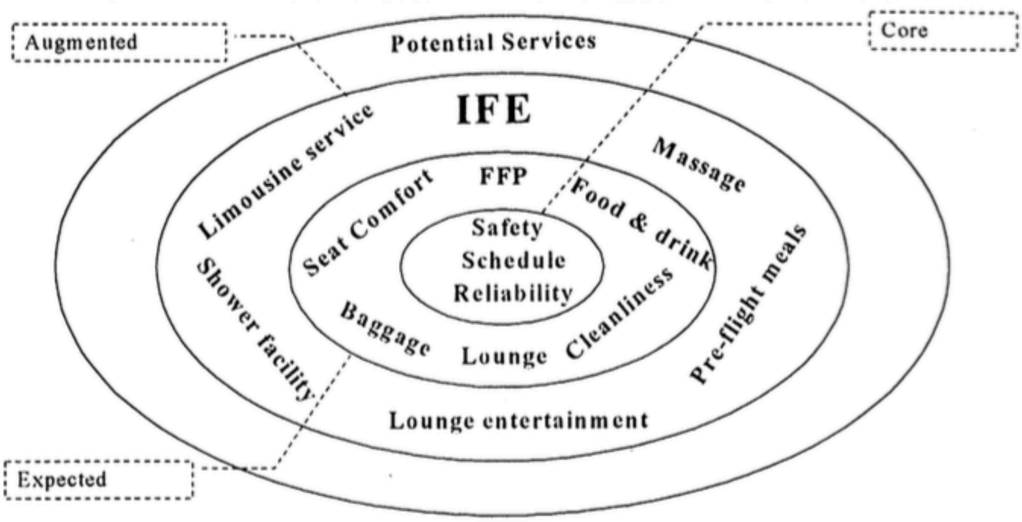
2.2.2 Airline Service Attributes/Evaluation Criteria

Gardial, Clemons, Woodruff, Schumann and Burns (1994) explained evaluation criteria as the relevant set of product or service characteristics describing consumers' desired product or service features, as well as their desired product or service performance levels associated with each. This section aims to review relevant literature that presents factors that have in some context been used to evaluate service. This section aims to provide an understanding of the type of factors or service attributes that are utilised by consumers to evaluate services, as these may be relevant for pre-purchase evaluations. See Table 2 for a summary of the studies reviewed in this section.

Teikake (2012) presented a study on the level of customer satisfaction with air service delivery within Kiribati. This study established what are referred to as six evaluative criteria dimensions. Airline service attributes encompassed five of the six dimensions including check-in process, boarding procedures, cabin staff performance, on-board performance and destination services. The sixth evaluative dimension was overall airline performance. Each of the given dimensions was operationalised through a set of attributes that passengers would utilise as service evaluation criteria (see Table 2).

Alamdari (1999) investigated whether airline investment in in-flight services were justified. Specifically, the study focused on in-flight entertainment (IFE as referred to in Figure 2.2), passengers' perceptions of IFE, passengers' willingness to pay extra for it and whether IFE was an effective differentiator for airline competition. At the time of the study it was concluded that IFE was in fact a differentiating factor, but the author acknowledged that passengers would come to expect it in the future, thus diminishing this effect. Furthermore, the study concluded that IFE was not a primary factor affecting passengers' choice of airline, but affected overall satisfaction. Figure 2.2 presents a range of airline service attributes that Alamdari (1999) claimed are core influences, expected but secondary influences and augmented or additional factors (unlikely to influence passengers' choice of airline).

Figure 2.2. Passengers' Map of Airline Service Attributes



Source: Alamdari (1999)

Vink, Bazley, Kamp and Blok (2012) investigated whether in-flight comfort influenced airline passengers' intentions to fly with an airline again. The results showed a high comfort rating was related to the intention to fly with an airline again. The study concluded that legroom, hygiene, crew attention and seat/ personal space were all correlated with comfort. Richards and Jacobson (1977) found legroom, seat firmness, seat width and seat shape to be the main factors related to overall comfort. Given the age of this study and advancements in technology and airline interior design, the value of such findings today is questionable.

Ostrowski, O'Brien and Gordon (1993) conducted research on airline passengers' perceived service quality and the resulting passenger loyalty in the United States. The research asked participants, either boarding or deplaning certain flights, to rank the importance of flight schedule, price, frequent flyer programme and airline preference when they chose that flight. Deplaning passengers were asked to rate the quality of sixteen variables that operationalised service quality. The aim of this study is not directly relevant for the current thesis, but the service evaluation variables used to analyse passenger expectations are relevant for inclusion in this literature review (see Table 2, which depicts a summary of the meta-analysis in Appendix A).

Chen and Chang (2005) examined the gap between airline passenger expectations of service and the actual service received on a single Taiwanese domestic airline. The study established seventeen factors representing ground service and fifteen factors representing in-flight service. The study claimed these were criteria for evaluating service quality. However, the criteria lack generalisability, especially for international airline services. They were developed on the basis of and intended to analyse only a single domestic airline service. Therefore, variables such as food quantity and boarding/check-in waiting times are not represented in the same context as in other, broader studies in Table 2. As this thesis will focus on international students purchasing international air travel, evaluation criteria must be appropriate for international airline services.

Bowen and Headley (2000) conducted research into Airline Quality Rating (AQR). This study followed nine previous AQR studies over the prior decade and are highly regarded in the United States and internationally (Gilbert & Wong, 2003). The study found on-time performance, safety, misplaced baggage, denied boarding and handling of customer complaints to be criteria of service quality. Much like Chen and Chang (2005), this research was undertaken domestically in the United States and as such, the service criteria used may not be generalisable to international airline services.

Wong and Chung (2007) presented passenger service quality criteria that were used to measure passenger satisfaction. Declining passenger numbers in the Taiwanese domestic air travel market was said to be the driving reason for investigating passenger satisfaction (perception either exceeding or failing to meet expectations) and passenger value. With international tertiary student numbers in New Zealand currently in decline, this also appears to be a valid justification for gaining valuable information on this customer segment (New Zealand Ministry of Education, 2014a). This information could help increase demand through increasing international student satisfaction and encourage repeat purchasing or promotion to peers (Griffin, 2002).

Aksoy, Atilgan and Akinci (2003) presented 33 variables referred to as service expectation attributes. These reflect the service evaluation criteria identified in other studies reviewed. Of note is the inclusion of the variable "cabin crew's ability to speak foreign languages" as this is a relevant consideration given this study is analysing international students.

Both Mason (2000) and Fourie and Lubbe (2006) found that price was the most important evaluation factor followed by seat/in-flight comfort and schedule/flight frequency. Chin (2002) found schedule to be of significant importance when choosing an airline for business and leisure travellers. Evangelho, Huse and Linhares (2005) found punctuality, frequency, flexibility of ticket, emissions, price, mileage programs, in-flight service and VIP lounges, were important evaluation factors. All three studies assessed business travellers only. However, it is difficult to define which type of traveller international students most closely align with. Welch, Welch and Worm (2007) defined a business traveller as someone for whom travel is an essential part of their occupation. Being a student is very often a full-time occupation and an occupation that international students must travel for. Sung, Morrison, Hong and O'Leary (2001) claimed that leisure travellers are driven to travel by importance, pleasure, interest, and self-expression. Therefore, it can be argued that international students represent a hybrid of the two customer segments, as international study is an occupation requiring travel, yet is also product of interest and self-expression.

Tsai, Chou and Leu (2011) proposed a quantitative model for consumer evaluations. This model weighted evaluation criteria and quantifies relationships between different criteria. This methodology represents a decision model as described by Ehrenberg et al. (2000) and a behaviourist ideology as described by Hung (2001), attempting to model consumer behaviour and predict a cause and effect type relationship based on marketing stimuli.

Table 2. Meta-analysis summary – Airline service attributes as passenger service evaluation criteria

Service evaluation criteria	Examples of sources that presented each criteria	Number of sources
Flight schedule convenience.	(Chang & Yeh, 2002; Chen & Chang, 2005)	11
Availability of non-stop flight.	(Leick, 2007; Lim, 2013; Pakdil & Aydın, 2007)	7
Price of ticket.	(Askoy et al., 2003; teikake, 2012; Lim 2013)	11
Convenience of ticket reservation.	(Leick, 2007; Lim, 2013; Ostrowski et al., 1993; Pakdil & Aydın, 2007)	11
Ticket flexibility.	(Leick, 2007; Lim, 2013)	2
Baggage allowance.	(Archana & Subha, 2012; Lim, 2013)	3
Frequent Flyer Program.	(Gilbert & Wong, 2003; Leick, 2007)	8
Availability of alliance partner.	(Gilbert & Wong, 2003; Pakdil & Aydın, 2007)	2
Appealing advertising.	(Aksoy et al., 2003; Bowen & Headley, 2000)	7
Country-of-origin preferences.	(Aksoy et al., 2003; O'Cass & Grace, 2003)	2
Airline brand image.	(Jamal & Goode, 2001; O'Cass & Grace, 2003)	6
Airline safety record.	(Liou & Tzeng, 2007; Wong & Chung, 2007)	14
Check-in, ticketing, boarding, efficiency/ waiting time.	(Aksoy et al., 2003; Bowen & Headley, 2000; Chang & Yeh, 2002; Chen & Chang, 2005)	12

On-time service.	(Tsaur, Chang & Yen, 2002; Wong & Musa, 2011)	15
Handling of flight delays.	(Chang & Yeh, 2002; Pakdil & Aydın, 2007)	4
Employee courtesy/enthusiasm.	(Chen & Chang, 2005; Chou, Liu, Huang, Yih & Han, 2011; Sultan & Simpson, 2000)	14
Employee efficiency when delivering service and handling requests.	(Aksoy et al., 2003; Chang & Yeh, 2002; Chen & Chang, 2005; Chou et al., 2011; Lim, 2013; Ostrowski et al., 1993; Teikake, 2012)	8
Employee complaint and problem solving.	(Chen & Chang, 2005; Chou et al., 2011; Lim, 2013; Pakdil & Aydın, 2007)	11
Employee appearance.	(Chang & Yeh, 2002; Chen & Chang, 2005)	12
Language skilled crew (bi or multilingual crew).	(Aksoy et al., 2003; Lim, 2013; Liou & Tzeng, 2007; Pakdil & Aydın, 2007; Tsaur et al., 2002)	5
Condition of aircraft (Appealing exterior, up-to-date facilities and cleanliness).	(Aksoy et al., 2003; Chang & Yeh, 2002; Chen & Chang, 2005; Gilbert & Wong, 2003; Lim, 2013; Ostrowski et al., 1993)	12
Seat comfort.	(Lim, 2013; Nejati, Nejati & Shafaei, 2009)	16
Legroom.	(Leick, 2007; Elliott & Roach, 1993)	6
In-flight food and drink service.	(Aksoy et al., 2003; Archana & Subha, 2012)	15
In-flight entertainment.	(Pakdil & Aydın, 2007; Tsaur et al., 2002)	7
Efficiency of baggage delivery at destination.	(Gursoy, Chen & Kim, 2005; Lim, 2013; Ostrowski et al., 1993; Teikake, 2012; Wong & Chung, 2007)	15
Up-to-date airline facilities at airport (lounges, check-in facilities, departure gates).	(Chen & Chang, 2005; Gilbert & Wong, 2003; Lim, 2013; Park, Robertson & Wu, 2006; Wong & Musa, 2011)	5
Use of airport lounges.	(Gilbert & Wong, 2003; Lim, 2013)	3

Source: Author (For full meta-analysis see Appendix A)

2.2.3 SERVQUAL in the Airline Industry

SERVQUAL is an instrument used for measuring customers' perception of service quality proposed by Parasuraman et al. (1988). The purpose of SERVQUAL is to explain the gap that occurs between consumer expectations and what they actually receive. This gap represents service quality and is a function of perceptions minus expectations. The initial SERVQUAL model consisted of 10 dimensions; however, the final model was refined to five (as illustrated in Table 1) (Parasuraman, Berry & Zeithaml, 1991). SERVQUAL framework has been shown to be successful in both domestic and international markets (Parasuraman et al., 1988; Sultan & Simpson, 2000). The SERVQUAL framework is relevant to this thesis as it presents a range of service evaluation criteria from which to measure pre-purchase expectations and post-purchase perceptions.

Parasuraman et al. (1988) utilised a questionnaire to operationalise the SERVQUAL model, which includes 44 questions using a seven-point Likert-scale. 22 questions assessed participants expectations of a given service quality, whilst the remaining 22 questions assessed their perception of service quality, post-purchase. Parasuraman et al. (1988) applied SERVQUAL to companies in banking, credit card services industry, product maintenance and repair industry and telephone services industry. Factor analyses were conducted to determine the now five dimensions that comprise the SERVQUAL model. The factor analyses showed statistically significant R^2 values for all the studies, confirming the five dimensions identified were consistent across all four industries.

Table 1. Dimensions of SERVQUAL

Service Dimension	Description
Tangibles	Physical facilities, equipment and appearance of personnel.
Reliability	Ability to perform the promised service dependably and accurately.
Responsiveness	Willingness to help customers and provide prompt service.
Assurance	Knowledge and courtesy of employees and their ability to inspire trust and confidence.
Empathy	Caring, individualised attention the firm provides its customers.

Adapted from: Parasuraman et al. (1988)

The use of SERVQUAL to measure pre-purchase expectations has been scrutinised by Teas (1993), who claimed participants could interpret *expectations* in one of six ways:

1. *Forecasted importance* – This concerns the consumer's view of what service level is likely. This centres on how the consumer thinks the service will probably be.
2. *Deserved performance* – This can be described, as the level of service the consumer believes they are entitled to given their financial investment.

3. *Equitable performance* – This is the level of service the consumer believes they are entitled to due to a perceived set of costs, such as opportunity cost.
4. *Minimum tolerance* – This is the minimum level of service that the consumer will accept. This reflects the baseline service level that the consumer believes is acceptable.
5. *Ideal performance* – This represents the optimal level of performance that can be delivered. The consumer believes this is the upper limit of service quality that is possible.
6. *Service attribute importance* – This is where the consumer rates each statement based on its individual level of importance. This process essentially involves the consumer subjectively weighting the variable according to how important they consider it in the overall evaluation of the service. This can yield data that are biased by how important the consumer believes a variable is when evaluating the overall service rather than what is expected of that variable individually.

A number of studies have utilised SERVQUAL to examine passenger expectations and perceptions of airline service quality. These studies are relevant for the purposes of reviewing airline service evaluation criteria. According to Taylor and Burns (1999), consumers use evaluative criteria as standards of comparison about product or service performance, such standards of comparison take the form of expectations in a pre-purchase context. Half of the 44 SERVQUAL questions assess consumers' pre-purchase expectations. As the operationalisation of these expectations is through evaluation criteria, it is justified to review SERVQUAL applied to airlines as part of the review of airline passenger's service evaluation criteria.

Sultan and Simpson (2000) found that passenger's expectations varied significantly based upon their nationality. This is the first known application of SERVQUAL to airline passengers and also in an international market, with prior applications being in smaller domestic markets. The study presents 22 airline-adapted service evaluation criteria. However, the study acknowledged the limitation of greater airline alliance networks in international airline markets. This is of concern for the analysis of service quality and pre-purchase expectations. Passengers may not have booked to fly on the specific airline they were placed on; rather they were placed on a code-share flight with an alliance partner. As such it is unlikely that their pre-purchase expectations would have been of the alliance partner they flew with, but rather the airline they originally booked with.

Gilbert and Wong (2003) presented a study on airline passenger expectations, which investigated the airline service dimensions that are most important to different types of travellers and travellers of different nationalities. This study utilised SERVQUAL as a basis for a questionnaire that would measure customer pre-purchase expectations. This study is significant as it adapted SERVQUAL to analyse the expectations of airline passengers. Of particular significance to this thesis, are studies analysing pre-purchase expectations, rather than the gap between pre-purchase expectations and actual service perception.

Gilbert and Wong (2003) claimed customer segmentation strategies require comprehension of the specific airline service aspects that are important to different airline passenger segments. Additionally, the research hypothesised that if passengers were the decision-makers in their choice of airline, then their expectations of service quality would be significantly different to those who did not decide their own airline. Whilst no significant differences were found, this remains a valid consideration. International students may be more highly influenced by external parties than other groups of consumers. This is because their purchase decisions are often subject to the significant influence of family, education providers or scholarships (Richards & Wilson, 2004).

Park et al. (2006) used SERVQUAL as a foundation to formulate three “factors” that represented airline service quality: (1) reliability and customer service, (2) convenience and accessibility and (3) in-flight service. These factors were conceptualised by interviewing airline staff and passengers, asking them to describe their perceptions of airline service from initial flight reservation to arriving at the final destination. The interviews also asked participants to provide their opinion on how the SERVQUAL framework could be adapted to assess airline service quality. The three factors presented are then operationalised into airline service quality variables (refer to Table 2 and Appendix A) that the study claims influenced future purchase behaviour. By logical deduction, these service quality variables represent passenger service evaluation criteria.

A case study by Pakdil and Aydın (2007) examined the service quality of a Turkish airline. The research found that passengers' expectations and perceptions of service quality significantly differed by their education level. This study also adapted SERVQUAL to an airline context, going further than Gilbert and Wong (2003) by utilising the entire SERVQUAL framework. Both pre-purchase expectations and post-service perceptions were assessed using a five-point Likert-scale to measure airline service quality. The study presents useful pre-purchase service evaluation criteria used to measure passenger expectations under the SERVQUAL framework. However, no explanation was given as to how the service evaluation criteria used to measure expectations were developed. It was claimed that "SERVQUAL provides general quality dimensions for service industries, it does not include dimensions for each specific service branch" such as the airline industry (Pakdil & Aydın, 2007, p. 230). The only explanation of the criteria chosen was that the questionnaire instrument includes service quality dimensions consistent with SERVQUAL dimensions.

Chou et al. (2011) measured service quality of a major Taiwanese international airline. Safety, customer complaint handling and courtesy of crew were found to be the most important service evaluation criteria. The study adapted fuzzy weighted SERVQUAL framework as the basis for the questionnaire. Tsaur et al. (2002) and Chang and Yeh (2002) also measured service quality of domestic Taiwanese airlines. As with Chou et al. (2011), the fuzzy set theory was used in both studies to weight passenger evaluation criteria for service quality. The fuzzy set theory stated that aspects of human thinking have an ambiguous status in relation to imprecisely defined classes such as numerical values (Zadeh, 1965). In an attempt to compensate for this, less strictly defined linguistic variables can be adopted and weighted to better explain human behaviour[1] (Bellman & Zadeh, 1970). The fuzzy set theory has useful application when measuring service quality and consumer decision-making (Bellman & Zadeh, 1970). However, such a complex weighting system is beyond the scope and requirements of this thesis. Additionally, it is not necessary to yield such data to satisfy the research objective, which are not to measure airline service quality, but rather to determine pre-purchase evaluation criteria and qualitatively analyse importance. The fuzzy sets theory represents decision modelling as discussed by Ehrenberg et al. (2000), rather than the descriptive modelling adopted for this thesis.

It must also be noted that three of the studies reviewed in the previous paragraph share the same limitation in that they were all conducted in Taiwan and two analysed only domestic airlines. Any consensus across findings must be treated with caution and reviewed in the context of other studies from different regions of the world and different air transport markets.

Overall, SERVQUAL offers little contribution to this thesis from a research design standpoint. This is because of the ambiguity in the defining expectations and the fact that this thesis aims to assess pre-purchase decision-making rather than service quality. However, studies that have adapted SERVQUAL to the airline industry (Chou et al., 2011; Gilbert & Wong, 2003; Pakdil & Aydın, 2007; Sultan & Simpson, 2000) remain relevant as they present service attributes that can be used for service evaluation. It will be interesting to contrast these attributes against the evaluation criteria/attributes identified in the results of this thesis.

2.2.4 Branding and Loyalty in Airline Service Evaluation

Kotler (1991, p. 422) defined brand as “a name, term, sign, symbol, or design or a combination, which is intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.” Brand

[1] For further explanation of the fuzzy set theory see Zadeh (1965) and Bellman and Zadeh (1970).

equity refers to the incremental discounted future cash flows that would result from a product or service having its brand name compared to the proceeds that would be generated if the same product did not have that brand name (Keller, 1993). Chen and Chang (2008) explained that brand equity is operationalised through consumer perception (brand awareness, brand associations and perceived quality) and consumer behaviour (brand loyalty and willingness to pay a greater price).

Research on customer-based brand equity has shown a relationship between brand perceptions, decision-making and purchase intentions (Cobb-Walgren & Mohr, 1998; Laroche & Brisoux, 1989; Laroche, Kim & Zhou, 1995). Both Grace and O'Cass (2005) and Jamal and Goode (2001) claimed that service brands can be used to evaluate aspects of service quality prior to purchase. For this reason it has been deemed appropriate to review literature on service branding to identify any aspects of service brands that influence consumer purchase intentions or pre-purchase evaluations.

Wong and Musa (2011) investigated airline brand satisfaction of two international airlines in Malaysia. The study utilised nine dimensions of a service brand, price, core service, feeling, reputation, employee, word-of-mouth, service scape, publicity and advertising, which were adapted from generic service branding literature. These dimensions were operationalised into 30 questionnaire statements that asked participants their expectations of the two airlines' brand and then compared that to their perception of the brand following their flights. The authors claimed that these brand dimensions are used when evaluating services and used for making purchase decisions.

Krystallis and Chrysochou (2012) presented a similar study examining how consumers evaluate service brands. The study mostly utilised the same nine service brand dimensions, removing reputation and adding controlled communication and self-image congruence. A total of 233 Danish university students were asked which service dimensions were important to them when between airlines in the past. This sample renders this study a case study, similar to this thesis. However, it is not clear whether this study aimed to generalise its findings to airline passengers generically or whether its intent was to analyse students specifically.

Leick (2007) examined the relationship between passenger value, brand loyalty and increased airline profitability in an attempt to develop competitive strategies for relationship marketing in the airline industry. The study presented a variety of what it called “purchase evaluation criteria” and asked participants to score how influential these were when they purchased the international flight from which they had just disembarked. However, only international passengers travelling between the United States and Europe were included in this research. Whilst the criteria given may be the criteria passengers evaluated when they purchase in that market, it is not necessarily generalisable to passengers in other international air transport markets.

Dolnicar, Grabler, Grün and Kulnig (2011) found that airline loyalty differed depending on customer segment, with business travellers showing strong loyalty and leisure travellers showing little loyalty. Carlsson and Löfgren (2006) found that airline loyalty does influence switching costs, but is not a decisive factor on its own. The study went on to find that airline frequent flyer programmes can add to the cost of switching to competitors, but that switching costs were more substantially linked to ticket price. Sharp (2010) claimed that this is partly due to the greater buy-in to loyalty programmes from those that are already most loyal to a brand, as these consumers have greater benefits to gain from their already-established purchase behaviours. Sharp and Sharp (1997) also showed the weak effects of loyalty programmes in a retail context, concluding that loyalty may be a causal or additive factor in repurchase, but usually not a directly influential factor.

Independently, brand is inadequate for the purposes of comprehensively explaining pre-purchase evaluation criteria or decision-making. This is illustrated by Sarabia and Ostrovskaya (2014), who stated that consumers often utilise brand to shortcut the evaluation of alternatives process. Such a shortcut requires fewer evaluation criteria to be used, as brand provides the consumer with existing information about a product, service or organisation. However, brand alone cannot be used to make pre-purchase service evaluations, rather it is used by consumers as a tool during this process (Barnes, Hanoch, Wood, Liu & Rice, 2012; Brown, Zablah, Bellenger & Donthu, 2012; Sarabia & Ostrovskaya, 2014). Brucks, Zeithaml and Naylor (2000) found that consumers evaluate brand separately to price and other service quality criteria. As brand does not comprehensively address the wide range of service quality variables, branding literature alone cannot be used as a basis to form pre-purchase service evaluation criteria.

Nam, Ekinci and Whyatt (2011) examined the mediating effects of consumer satisfaction on the relationship between consumer-based brand equity and brand loyalty in the hotel and restaurant industry. The study found that the customer satisfaction somewhat mediates the effects of employee behaviour, ideal self-congruence and brand identity on brand loyalty. Additional results showed that the effects of physical quality and lifestyle-congruence on brand loyalty are fully mediated by customer satisfaction. This presents an interesting perspective on repurchase intentions and how consumers may be influenced by such factors when evaluating future purchase alternatives.

Akamavi, Mohamed, Pellmann and Xu (2015) found that employee behaviour was the most influential driver of service recovery and customer satisfaction was the most significant driver of passenger loyalty, not price. Service recovery is explained by Maxham and Netemeyer (2002) as a seller's response to service failures, which can either work to reinforce the buyer-seller relationship, or exacerbate the negative effect of the failure. Smith and Bolton (1998) claimed that service recovery in the form of *perceived justice* (reprieve for service failures) is critical for strengthening relationships with customers, as this significantly impacts how the service is evaluated. Nadiri, Hussain, Haktan Ekiz and Erdogan (2008) produced a similar study, finding that customer satisfaction was the key determinant in repurchase and word-of-mouth (WoM) intentions. Satisfaction was most influenced by service tangibles such as aircraft exterior and interior appearance, efficient cargo handling procedures, aircraft maintenance and highly trained personnel to understand and serve customers.

Dowling and Uncles (1997) found that consumers see little exceptional advantage in loyalty programmes and competitive forces usually erode any advantage received. The study claimed brand loyalty is more likely the product specific market environments and existing brand characteristics, than the outcome of targeted customer loyalty programmes. This finding is shared by Zins (2001). Satisfaction and loyalty rely on maximising the value-proposition for the customer, which according to Dowling and Uncles (1997), loyalty programmes often do not achieve. Nadiri et al. (2008) found loyalty to be primarily a product of service tangibles, rather than targeted loyalty efforts.

O'Cass and Grace (2003) investigated the importance of brand dimensions and associations in a number of industries including banking, hotels, airlines and postal. The relevance of this study is not in the findings, but stated brand dimensions that may be useful for analysing airline passengers' pre-purchase service evaluation process. Country-of-origin preference was included as a brand dimension that participants felt was important and influenced their purchase decision. Past studies have shown that country-of-origin preferences do influence consumers' choice of airline (Aksoy et al., 2003; Al-Sulaiti & Baker, 1997; Bruning, 1995, 1997). Additional research has shown that country-of-origin preferences specifically influence product and service evaluation (DeBerry-Spence, Dadzie, Ferguson, Dadzie & Johnston, 2008; Felzensztein, Hibbert & Vong, 2004; Jamal & Goode, 2001).

The majority of the service evaluation criteria illustrated in Table 2 originated from studies that analysed customer satisfaction or service quality. The limitation of this is that these have largely been analysed in a post-purchase evaluation context, rather than the pre-purchase focus of this study. However, such factors remain relevant for this thesis, as there is no evidence to suggest that the same factors would be any less influential at a time of repurchase or generally during pre-purchase evaluation.

It must be noted that whilst consensus was found across literature on the service evaluation criteria listed in Table 2, there were subtle differences in the way individual studies named each variable. As a result, some criteria were deemed to be the same as those presented in other studies based on their primary function. A certain degree of unavoidable, subjective categorisation is acknowledged for this process.

2.3 Online Consumer Behaviour

2.3.1 Online Information Searching

Airlines around the world utilise online booking platforms, with studies in the United States finding as many as 90% of passengers purchase their airfares via the internet (Chu, 2001). Additionally, of online tourism sales in Europe, air travel is by far the largest segment, accounting for around 57% of total online tourism sales (Dickinger & Mazanec, 2008). McCole (2002) claimed that this increasing utilisation is because the characteristics of air travel services are ideally suited to online distribution. These characteristics include intangibility, inseparability of production and consumption, perishability and highly fluctuating demand (Escobar-Rodríguez & Carvajal-Trujillo, 2013).

The Internet has changed the way in which consumers make purchase decisions. The greater availability of product or service related information online has been shown to lead to better quality decision-making and higher levels of satisfaction than purchases from physical distribution outlets (Park & Kim, 2003). Additionally, online searching allows consumers to undertake searches based upon their specific preferences, for example filter results based on price or promotion (Degeratu, Rangaswamy & Wu, 2000). This has allowed for more efficient and targeted consumer search processes than in physical purchase settings.

Chu (2001) found that airline passengers in Hong Kong wanted airline websites to be informative, interactive and attractive, that is, to provide them with price, routing, scheduling and itinerary information. They wanted to be able to choose seats and book meals. Finally, they wanted discount or bundled deals to be provided on the websites. Lubbe (2007) found that apprehension, satisfaction and preferences towards airline websites were heavily dependent on specific demographic characteristics of the population and the amount of prior use of airline websites. This supports the idea of descriptive modelling for specific customer segments, as segments such as international students demonstrate highly unique travel patterns.

2.3.2 Online Service Evaluation

Consumers evaluate services differently online when compared to physical purchasing environments. The virtual platform does not enable the same level of inspection, trial or experience that consumers may gain in a physical store or business (Hausman & Siekpe, 2009). As a result, consumers often perceive greater risk in purchasing and must place more trust in the information provided by online sellers in order to evaluate alternatives (Ling, Chai & Piew, 2010). The online market place has changed the consumer evaluation process by enabling: instant access to information, consumer-to-consumer communication, up-to-the-minute services, downloadable information and engagement in a range of educational services to improve consumer infirmity (Rose, Hair & Clark, 2011). So whilst consumers may not be able to engage in the same physical evaluation online, they gain access to a wider range of more easily accessible information. This creates a highly informed market place that can facilitate a more extensive and efficient alternative evaluation than in a physical purchasing environment. Jin and Park (2006) claimed that online evaluation of alternatives varies between different types of consumers and depends on online behaviour patterns. This implies that online consumer evaluations may vary between customer segments, further justifying the objective of this thesis.

2.3.3 Online Distribution Channels

Distribution channel's are a group of dependent-on-each-other organisational units, which take part in the process of flow of products or services from producers to buyers (Szopa & Pękała, 2012). Prior literature regarding online distribution channels referred to the Internet as being a distribution channel in itself (Olsen & Moore, 1998); however, more recent studies have acknowledged that channels now exist within the online platform (Koo, Mantin & O'Connor, 2011). Online consumers may purchase products or services directly from a seller's own platform, referred to as a direct distribution channel (DDC), or purchase from an independent third-party distributor (TPD) who acts as an intermediary in the distribution channel. Reardon and McCorkle (2002) explained that consumers choose between alternative distribution channels based on the relative opportunity cost of time, cost of goods, enjoyment of shopping, perceived value of goods and relative risk of each channel.

Utilisation of DDCs represents a significantly different search strategy to those consumers that use TPDs or indirect distribution channels. Chen, Kaya and Özer (2008) explained that "brand-sure" consumers, who have a brand in mind prior to commencing an information search, are the most common users of DDCs. The same study found that up to 77% enter an information search with a brand in mind, representing goal orientation rather than exploratory search strategy. Seifert, Thonemann and Sieke (2006) claimed DDCs result in improved customer service, as direct dealings with customers enables greater efficiency and communication than when third-parties add to the buyer-seller dynamic.

TPDs or sales intermediaries for airlines are often referred to as online travel agents. Law, Leung and Wong (2004) found that online travel agents offered consumers a greater range of choices and flexibility, coupled with convenient search and purchase processes. Ruiz-Mafé, Sanz-Blas and Aldás-Manzano (2009) found that perceived ease-of-use does not have a direct effect on online purchases, but strongly influences the perception of usefulness of online channels. McIvor, O'Reilly and Ponsonby (2003) showed that the rapid transmission and access of information enabled by TPDs generates efficiency for consumers in three key ways: (1) real-time decision-making mechanisms, (2) up-to-date information for buyers and (3) reductions in customers' search and transaction costs. Kim, Lehto and Morrison (2007) claimed that TPDs increase speed of access, scope of access, provision of interactive assistance and flexibility in representing information.

A consumer's choice of distribution channel is an important marketing consideration for any seller. Brand loyalty has been found to significantly influence repeat purchases and to be a driver of DDC purchasing (Kumar & Ruan, 2006; Ostrowski et al., 1993). Trust is also a factor that impacts on the choice of distribution channel. Wasserman (2006) claimed that consumers trust information directly produced from a corporation's website over that of a third-party. Conversely, Senecal and Nantel (2004) claimed that consumers may put more trust in an independent third-party as they have little incentive to promote any one particular offering they advertise over another.

2.4 International Tertiary Student Market in New Zealand

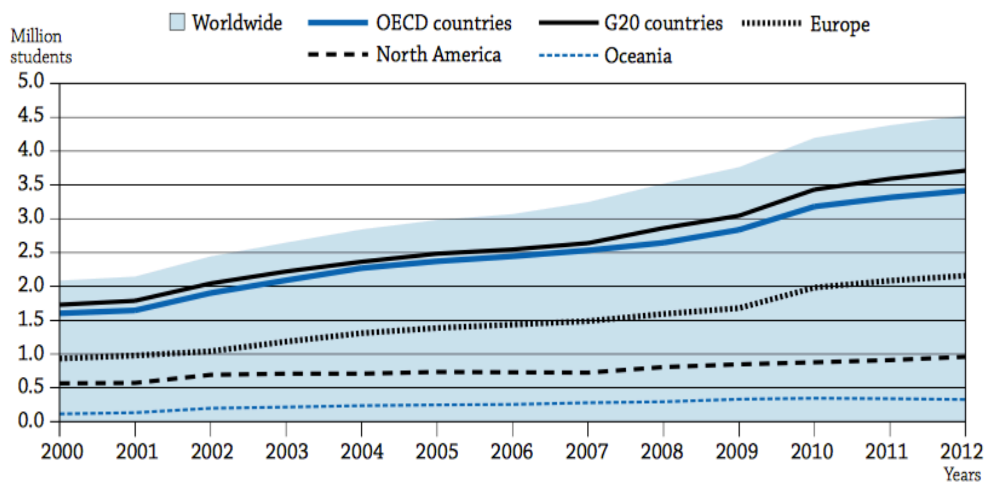
In the current global environment, the acquisition of worldwide cultural skills is becoming increasingly important for both personal development and for being competitive in international job markets (Kitsantas, 2004). Significant emphasis is placed on the importance of international influences in higher education and the benefits such influences may bring over local education alone (Saarinen & Ursin, 2012). According to Enders (2004), globalisation and the changing nature of the nation-state, now far less confined, results in the need for people to develop themselves to better understand international cultures and activities.

According to Spoehr and Jain (2012), international study has a range of benefits for destination countries and their tertiary education providers. These include internationalisation of tertiary institutes, their curriculum and research, benefits of cultural diversity for local communities and students and improving diplomatic and trade relationships with international partners. Such benefits have seen unprecedented global growth over the past two decades as illustrated by Figure 2.3. Nearly half of all international students are enrolled in only five countries: the United Sates (18%), the United Kingdom (10%), Australia (7%), Germany (7%) and France (7%) (OECD, 2011). However, New Zealand has not experienced the same level of growth, with total international student numbers declining from a peak of 126,503 in 2003, to 103,321 in 2014 (New Zealand

Ministry of Education, 2014a, 2014b). Figure 2.4 depicts this decline, showing the number of international tertiary students currently studying in New Zealand.

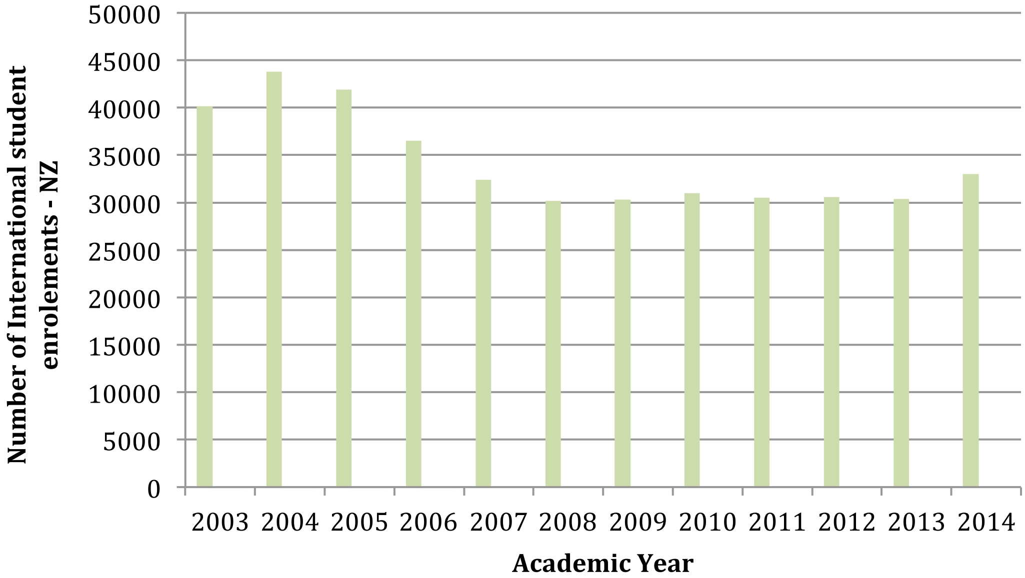
From a consumer standpoint, tertiary students represent a relatively independent and informed group of consumers in comparison to other groups of international students such as high school and primary school students. For the purposes of consumer research, tertiary students are the most appropriate focus point, as they represent the most independent group of international students (from a decision-making standpoint). Of the international students studying in New Zealand in 2014, 33,012 were enrolled to study at a tertiary institute in 2014 (see Figure 2.4) and paid just over NZD$460 million in tuition fees (New Zealand Ministry of Education, 2014b). This represents a significant market for the New Zealand economy. To ensure continued, sustainable market growth, it is important that key stakeholders within the international student industry cooperate to make New Zealand an attractive destination for international study. Michael, Armstrong and King (2004) stated that universities, airlines and destination management organisations such as national tourism agencies should collaborate to promote local study options to foreign students.

Figure 2.3. Number of international students enrolled globally 2000 – 2012.



Source: OECD (2014)

Figure 2.4. Number of international tertiary student enrolments in New Zealand 2003 – 2014.



Source: New Zealand Ministry of Education (2014b)

2.4.1 International Student Market and Airlines

Airlines play a crucial role in the facilitation of international study, particularly in New Zealand where around 99% of international visitors arrive by air (Schott, 2010; Tourism Industry Association New Zealand, 2014). International students' demand for airline services is derived from their demand for international study. Proussaloglou and Koppelman (1999, p. 195) explained that, "the demand for air travel is a derived demand that reflects travellers' need to participate in activities at their trip destination." This is a common market dynamic in the airline industry as few people travel by air for the sake of the travel itself (Belobaba, 1987). However, Cento (2008) argued that it is possible for airlines to create demand through promotion and discounted ticket prices. This suggests that in some scenarios people may be enticed to buy airline tickets and then determine their travel motivations later. This seems improbable for international students, as the decision to undertake international study is a substantial life decision that is unlikely influenced by discounted airfares. Understanding the nature of international students' demand for airline services is important for the overall context of this thesis. This is because evaluation criteria are part of consumers' purchase decision, which itself is a component of international students' demand for airline services. Therefore, understanding the nature of international students' demand for airline services provides context for their pre-purchase decision-making.

With growth in international student numbers globally, yet a decline in the New Zealand sector, research into the travel purchase decisions would be useful to better understand New Zealand's market. Understanding the value chain and nature of demand for a particular customer segment is important for tailoring offerings to meet expectations and satisfying the needs of that segment, which could even drive market growth (Narver & Slater, 1990; Woodruff, 1997). Chadee and Cutler (1996) found that international students represent a distinct travel market with specific needs and preferences. This further discredits any suggestion that international students have the same pre-purchase preferences or demand the same services as other airline passenger segments such as business or leisure. However, Chadee and Cutler (1996) examined motives for travel and destination preferences, not international students as airline customers.

It is clear that international students have been underrepresented in consumer research, particularly in commercial aviation. Travel and tourism literature has given little attention to student markets, as they are often perceived to be less lucrative than business or leisure travel markets (Babin & Kim, 2001; Chen & Kerstetter, 1999; Llewellyn‐Smith & McCabe, 2008). The meta-analysis summarised in Table 2, only included two studies examined international students (Elliott & Roach, 1993; Nejati et al., 2009). Yet, both studies examined the students' perception of service quality rather than pre-purchase decision-making. It is unclear why there has been such a focus on researching airline service quality, with such little attention given to how this impacts on passengers' future purchase intentions. Furthermore, there is a need to better understand how airline customers utilise online distribution channels, as online distribution represents the majority of airline sales in most countries. The significance of international students to the global economy and their consistent demand for airline services presents a need to better understand how they purchase air travel. In doing so, airlines stand to better target a globally growing customer segment and possibly create a more seamless and customised international travel process from pre-purchase to post-service delivery. International students also stand to benefit from a more satisfying service offering that is better tailored to meet their needs.

3.0 Research Methodology

This section will begin by restating the research questions that will address the knowledge gap illustrated by the literature review. Following this will be an outline of the methods used to answer these questions. Detailed explanations will be provided of: the participants examined and how they were recruited, ethical consideration, the adopted research paradigm, the qualitative methods used and the techniques used for data analysis.

3.1 Research Questions Revisited

- How do International students search for information when choosing fights to travel to New Zealand for international study?
- What are the key factors/attributes/criteria that influence their evaluation of different flights when the final purchase decision is made?

3.2 Participant Criteria and Sampling

Participants were recruited based on the criteria that they were international tertiary students and typically purchased their own airline tickets. Email correspondence prior to meeting with each participant ensured they met these criteria.

A total of 40 tertiary students were recruited for this study consisting of 17 males and 23 females from 20 countries. Participants were recruited from Massey University's Manawatū Campus located in Palmerston North, New Zealand. Convenience and snowball sampling, both non-probability sampling techniques, were applied largely due to time constraints. The most significant time constraint was the need to obtain the required sample within the 2015 academic year of study. Between the months of November and March many international students may be involved in exams, return to their home countries or appear less frequently on the university campus due to the summer break. For these reasons, it was deemed more pragmatic to utilise non-probability sampling techniques to ensure a sufficient number of participants could be recruited in the time available. All participants were compensated for their time with a $20 supermarket voucher.

There are a number of limitations associated with non-probability sampling techniques such as convenience sampling and snowball sampling. These include limited generalisability to a wider population, possible over or under representation of individuals with certain characteristics and the possibility of self-selection bias (Cozby & Bates, 2012; Koerber & McMichael, 2008). However, Sadler and Fullerton (2010) stated that snowball sampling is beneficial when participants sought are infrequent within the overall population and so well integrated with the mainstream community that it is difficult to identify individual group members. As it is often difficult to differentiate international students from the general student population and to avoid any potential racial or ethnic discrimination, snowball sampling was deemed appropriate. Tariman, Berry, Cochrane, Doorenbos and Schepp (2010) also stated the advantages of convenience sampling include greater accessibility to the desired population, fast accrual and high cost and time efficiency.

3.3 Ethics and Consent

The methods of this thesis were evaluated by peer-review and deemed to be of low-risk based upon the guidelines issued by the Massey University Human Ethics Committee (MUHEC). However, a number of ethical considerations were addressed throughout the progression of this study. These were primarily surrounding race or ethnicity, language barriers, consent and confidentiality.

Ethical consideration was given to the recruitment of participants as this involved identification and selection of individuals from foreigners to New Zealand. This process presented the possibility of racial and ethnic discrimination. All participants were approached for recruitment either with prior knowledge that they were international students or through voluntary admission based on recruitment posters placed around the Massey University Manawatū Campus. This approach eliminated the possibility of making assumptions that an individual was an international student based on their physical appearance, which could cause offence if they feel they have been discriminated against. Additionally, as English was not the first language of many participants in this study, extra consideration was taken to ensure they fully understood what this research was about and what was expected of them.

The identity of all participants was kept confidential and will only be referred to by an assigned code (such as "(P5)" indicating this was Participant number five). This was to protect any personal information revealed during the research. As statements made by participants during the study may allude to personal details, such as financial hardship or family circumstances, confidentiality was seen as important to avoid embarrassment or humiliation.

Any airline or other organisation named during interviews was kept confidential in order to avoid reputational harm. The only exception to this was the naming of Malaysia Airlines in the Results and Discussion section. This is because the circumstances of this discussion is already widely publicised in mainstream media, with no reputational damage expected to result in the identification of the airline. Additionally, the naming of Malaysia Airlines is important to understand the context of the finding.

Participants were presented with an information sheet (see Appendix B) outlining the purpose, aims and methods of the research. Once they had read this information and had any questions answered, they were asked to sign a consent form (see Appendix C). Transparency was seen as crucial for participants to thoroughly understand their role and rights in the study, allowing them to make a fully informed decision of consent.

3.4 Research Design and Paradigm

A dual-phase approach was used to examine the decision-making process of international students when purchasing airline tickets. Both phases utilised qualitative methodology, as qualitative research allows detailed access to individuals' understandings, perceptions and experiences (Taylor & Bogdan, 1998). A post-positivist paradigm was adopted for this research. Post-positivism refers to the concept that the researcher and his/her perceptions are not seen as being completely detached from the study (Guba & Lincoln, 1994). Under post-positivism, findings are not universally generalisable to all other situations or cases; rather they are contextually related and could be inductively applied to determine the probability of holding up in similar scenarios (Clark, 1998). Post-positivism acknowledges biases and limitations due to the human characteristics and personality of the researcher. Given the adopted paradigm, observational methods are highly useful and appropriate for investigating human behaviour in this context (Guba & Lincoln, 1994). In addition, open-ended qualitative methods are a means of mitigating the researchers involvement in the study by removing major assumptions made through research design. This allows the participants to freely provide information without major prompting or influence by the researcher. The basis of the research methodology in this thesis stands on the principle that the researcher cannot investigate why people do something without first understanding how they do something. The following methods aim to provide the researcher with an understanding of how international students undertake their pre-purchase decision-making when purchasing airline tickets and then ask them about this behaviour.

3.4.1 Phase One: Online Observation

An online observation was conducted using Camtasia recording software. This software was chosen because it met the functionality requirements, which allowed for straightforward screen-recording. This produced a screen-recording file that was then analysed to understand the processes participants went through to search for information and make their final purchase decision. The observation was intended to form the basis for further qualitative analysis to determine the search and evaluative processes that participants engaged in and the criteria they utilised to make their final choice of airline. Participants were given an open web browser and asked to hypothetically book airline tickets either to or from their home country for the purposes of traveling there to undertake tertiary study. They were told to act as they would when booking airline tickets on their next expected journey and to try and find the best deal possible based on their specific needs. A time limit of 30 minutes was set due to time constraints associated with analysis of screen-recordings.

Ayalew (2011) investigated the main factors that consumers take into consideration when purchasing mobile applications through Apple's App Store. The study used software called Morae by TechSmith to record links or icons the consumer clicked on, how long it took for them to compete a task, mouse clicks, keyboard strokes and so on. Dearden and Lo (2004) also studied tourist decision-making when planning a trip online. Participants were asked to plan a mock weekend trip for themselves and their partner to Paris. A less complex version of the Morae software called Camtasia, designed by Techsmith, was used to record participants' behaviour as they progressed through the mock scenario. On-screen activity and audio was recorded and lasted for between 30 minutes and one hour. The Camtasia software is limited to screen, webcam and audio recording and does not record more complex parameters such as mouse clicks or keystrokes. The Morae software used by Ayalew (2011) exceeded the needs of this research, thus it was not used in this thesis.

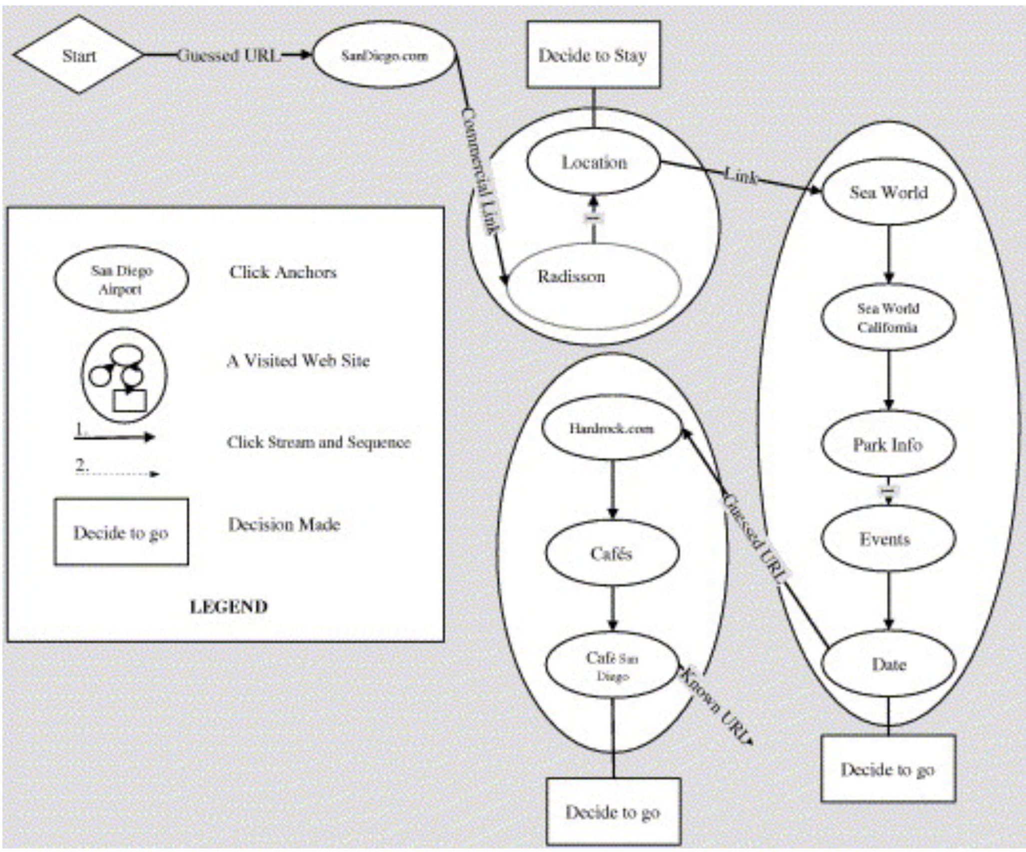
Pan, Zhang and Smith (2011) studied consumer information search strategies and possible usability problems encountered when using an online travel agency to book travel. Participants were given a pre-defined information search task, with their actions recorded using Camtasia by TechSmith. Participants were also asked to verbalise their actions as they progressed with the booking. However, the dual-task of verbal commentary and attempting to book online travel could yield different performance to single task orientation (Strayer & Johnston, 2001). Having to describe the task may alter the performance of that task, bringing into question the overall validity of the study. This thesis attempted to avoid such bias by interviewing participants following their booking. This still generated in-depth qualitative information, whilst maintaining a single-task orientation.

It is clear that there has been substantial research observing consumer behaviour and aspects of consumer decision-making in the context of online shopping or information searching. Online consumer behaviour in tourism has received substantial attention from researchers in the past; however, there has been little application of online observational methods to analyse consumer purchasing in airline industry specifically.

3.4.1.1 Online observational Techniques Adopted

A navigation path (see Figure 3.0) was constructed by analysing screen-recordings to illustrate the process taken by participants to reach their final purchase decision. This illustrated their search, evaluation and purchase decisions. The navigation map recorded the number of websites visited, which websites were visited and certain specific criteria utilised to make the final purchase decision. The mean time taken by participants to complete their simulation was 17 minutes and 39 seconds, with only three using the full 30 minutes and two using 29 minutes. Interestingly, the median point of the simulation times was 17 minutes and 21 seconds, showing little difference between the two measures of central tendency.

Figure 3.0. Online navigation path design.



Source: Pan and Fesenmaier (2006)

The researcher was in a complete observer role during Phase One of this study, meaning there was no influence of the researcher's presence on the experimental conditions. The researcher was neither seen nor noticed by participants during the period of observation, vacating the room for the entire duration of the online simulations. Not directly observing participants (using unobtrusive software rather than human observation) reduced the likelihood of the Hawthorne Effect, which is that participants may alter their behaviour because of the knowledge they are being observed (Macefield, 2007). Fiedler, Semin, Finkenauer and Berkel (1995) claimed that recording behaviour, in particular video recording could help minimise such biases. Whilst screen-recording is less obtrusive and noticeable than direct observation, participants are still aware of the presence of the recording software, thus the potential for observer bias cannot be eliminated completely.

Simulation of the airline ticket purchasing scenario was required as it was unfeasible to ask participants to record their actual booking processes due to the sporadic nature of booking air travel. Additionally, privacy issues such as the recording of payment details and possible reluctance to have unfamiliar recording software installed on participants' computers supported a simulated purchasing scenario over real world recordings. The benefit of a simulation is that it can be used to predict the performance of complex systems, particularly those that include random or unpredictable phenomena (Barton, 2010). Simulation also allows for a wider range of initial factors to be studied and detailed data to be collected than controlled experiments or questionnaires (Winsberg, 2003). This is appropriate for analysing human behaviour, which is known to be highly unpredictable and irrational (Kim et al., 2008). For these reasons, simulation models are being increasingly used to analyse human problem solving and decision-making (Sargent, 2005).

3.4.2 Phase Two: Semi-Structured Interviews

Phase Two consisted of semi-structured, face-to-face interviews. The shortest interview lasted five minutes and two seconds and the longest, 25 minutes and

56 seconds, with a mean duration of 12 minutes and 39 seconds. Interviews were audio recorded and transcribed in verbatim. Participants had the right to decline to be voice recorded, with two participants exercising that right. The interviews were chosen to build upon the information recorded in the online observations. This approach elaborates on the methodology of Pan and Fesenmaier (2006) and used navigation paths as a basis for the direction of the interview and questioning regarding observed online behaviour (see Figure 3.0).

Participants were firstly asked to explain the factors they considered or that influenced their decision when purchasing airline tickets when either travelling to New Zealand for study or returning to their home country following study. This line of questioning was aimed at determining how participants believed they evaluated different airlines' offerings and came to their final purchase decision. Following this, participants were asked to explain why they went to each location (e.g. web page or significant link clicked on) on the path to their final purchase decision in Phase One. The aim of this was to determine whether their purchase decision process was consistent with answers provided to previous questions, which asked participants the factors that they believed to influence their purchase decision. Participants were then asked to explain the specific reasons for their final choice of flights.

Asking participants the factors they considered and then asking them why they made certain decisions in the online simulation, was aimed at determining whether they utilised any underlying or subconscious criteria without being fully aware of it. Additionally, this method was used to see if there would be any contradiction between how participants perceived their own behaviour, how they explained their own behaviour and what their behaviour illustrated to the researcher.

In the final stage of the interview, participants were asked to rank what they believed were the four most influential/important factors in their final choice of airline tickets. Again this was to strengthen the understanding of the factors at the forefront of their evaluation process. They were then asked to briefly explain the reasons for the order of factors they had given. This was intended to extract reasons for the prioritisation or valuation of particular factors.

Semi-structured interviews were used as they provide greater depth and explanation to the observations recorded in Phase One. This is because semi-structured interviews offer a solution in situations where greater depth and explanations are required to justify a given response (Harris & Brown, 2010; Phellas, Bloch & Seale, 2011). According to Byrne (2004), interviewing is useful for understanding the experiences of participants and how they made judgments in those experiences. As this thesis is centred on understanding the search and evaluation processes of international students when purchasing airline tickets, semi-structured interviewing was deemed to be the most appropriate method for extracting in-depth, yet concise information.

The benefits of semi-structured interviews can be seen in prior research into online behaviour. Erdoğmus and Çiçek (2011) used semi-structured face-to-face interviews to analyse the online behaviour of Turkish consumers who engaged in group buying. The study claimed interviews were required due to the lack of existing literature from which to form any, more objective means of analysis. They also claimed that semi-structured interviews were an effective means of better understanding consumers' behaviour in their respective online environments. That being said, the methods adopted in Erdoğmus and Çiçek (2011) are reliant on retrospective accounts of participants' own behaviour. This introduces the possibility of responses being biased by memory limitations or desires to conform to social norms (O'Gorman, Wilson & Miller, 2008; Tversky & Marsh, 2000).

Zhang (2013) investigated the effect of information preferences on consumers' search for health information, their perceptions and needs of search tasks and user experience with search systems. This involved observing participant search behaviour using Camtasia by TechSmith, followed by a questionnaire asking about the perceived ease-of-system-use, how the system worked, levels of enjoyment and engagement and intentions of future use. This mixed-methods approach is limited by the questionnaire, which is constrained by the predetermined confines of the questions presented. These questions may not accurately represent the views of the participants, nor fully explain the entirety of their beliefs (Pawar, 2004). Thus, an interview with questions based upon the observations made in Phase One aimed to avoid any biases or assumptions in the interview design.

Many studies have either observed online behaviour or used qualitative tools such as questionnaires and interviews. However, an extensive review of the literature failed to find any that combined observation with follow-up qualitative methods as adopted in this thesis. Such a methodology unobtrusively analyses behaviour whilst also understanding the reasons behind that behaviour. Each method alone is limited, either by lacking the in-depth understanding of causal factors or by retrospective or prompted accounts of one's own behaviour. However, the triangulation of both methods helps to create a more objective and accurate analysis approach.

3.5 Data Analysis

3.5.1 Analysing Information Search

The first stage of analysing participants' information search looked at *how* this search was undertaken. This examined specifically which websites were visited, which types of distribution channels were utilised, the search strategies adopted and the reasoning behind any strategies. During the semi-structured interviews, each participant was asked a series of questions relating to their search behaviour during the online simulation. This was designed to uncover themes that may explain their particular search pattern.

Whilst the process of reaching the final purchase decision encompasses the information search and evaluation of alternatives, the total time taken to reach the purchase decision remains an appropriate measure of the information search process. According to Peterson and Merino (2003) Internet based information searches are likely to create more homogeneous and smaller consideration sets than previously existed. The study claimed that as a result people often pay direct attention to attributes over brands in a manner that results in simultaneous, not sequential, searches and evaluations. This is supported by Wagner (2003), who claimed the information search and evaluation of alternatives often occur simultaneously, with consumers often searching for information to assist in final stages of evaluation. It was assumed that participants were searching for information up until they made their final purchase decision; therefore, the total time taken in the online simulation is appropriate to represent and measure the extent of participants' information search.

3.5.2 Chi-Squared Test of Independence

A chi-squared test of independence was used to determine if the amount of time taken by participants to complete their online observation (make their final purchase decision) was dependent on whether they used third-party distribution websites (TPDs), such as www.edreams.com or only airline websites directly (DDCs). The chi-squared test of independence compared the observed time categories in the two groups (TPD and DDC) against the expected frequencies if the time taken and two groups were independent (Agresti & Kateri, 2011). The three time categories were less than 10 minutes, 10–20 minutes and greater than 20 minutes. The three time categories were chosen because the chi-squared test of independence requires a minimum of five participants in each test category (time category); these three categories met this requirement (Camilli & Hopkins, 1978). If there is a meaningful difference between time categories, beyond that of statistical chance alone, the test will show a statistically significant result. The chi-squared test of independence is non-parametric, thus it does not provide highly detailed information on the nature of any differences, only showing whether an association exists between two variables and the direction of this association (e.g. people over 60 years old are more likely to want in-flight food than those under 60). This test was chosen, as it is appropriate for small sample sizes, as stated, requiring only frequencies of five or more in each category as a general rule (Camilli & Hopkins, 1978).

3.5.3 Thematic Analysis

A thematic analysis was used to analyse the qualitative data gathered during the participant's semi-structured interviews. Thematic analysis is a method for identifying, analysing and reporting patterns or themes within qualitative data (Braun & Clarke, 2006). This technique is used to identify themes by reading data multiple times and determining recurrent trends or patterns (Fereday & Muir-Cochrane, 2006). Table 3 illustrates the processes of thematic analysis used in this study.

Table 3. Phases of thematic analysis.

Phase	Description
1. Familiarisation with the data	Transcription of data (Participants' interview audio recordings), multiple readings of the data, noting initial ideas.
2. Generating initial codes	Coding interesting concepts in the data in a systematic manner across the entire data set, collating data relevant to each data set.
3. Searching for themes	Collating codes into potential categories or themes, gathering all data relevant to each theme.
4. Reviewing themes	Checking if the themes are appropriate given the coded extracts (Phase One) and the data set (Phase Two), gathering a "thematic map" of the analysis.
5. Defining and naming themes	Refining specifics of themes and overall story through further analysis. Generating clear names and definitions for themes.
6. Producing report/discussion	Selection of extract examples and final analysis of selected extracts. Must relate the analysis back to the research question and literature, producing a scholarly discussion of the analysis.

Source: Braun and Clarke (2006, p. 87)

Additionally, thematic analysis allows the researcher to understand and present participant viewpoints or ideas without loosing the context from which the original discussion took place (Vaismoradi, Turunen & Bondas, 2013). In this thesis, both research questions aimed understand how information is obtained and evaluated by a specific customer group and the reasons for these behaviours. The data presented itself in the form of the simulation records (Navigation Map) and interviews transcripts. Thematic analysis was deemed to be an effective means of understanding such processes and analysing the data gathered. Thematic analysis was used in this thesis to identify:

1. Themes that explained reasoning for particular search strategies and behaviours of international students.
2. Themes given in the interviews regarding factors that participants believed most influenced their purchase decision.
3. Themes alluding to why international students chose the flights they did in the online simulation.

3.5.4 Descriptive Statistics

Descriptive statistics were used to report frequencies and percentages relating to themes and the number of participants who were found to support a theme. Additionally, frequencies and percentages were used to report the number of participants displaying different behaviours during the online simulation. In the Results and Discussion section, figures stated in brackets following the presentation of a percentage figure refers to the number of participants that percentage represents, unless stated otherwise. The vast majority of quantitative data recorded was nominal, which is most appropriately reported using descriptive statistics (Baker, Hardyck & Petrinovich, 1966).

4.0 Results and Discussion

This section will outline and discuss the findings of this study. The presentation of this is laid out in the order that participants undertook tasks during the study. First will be a discussion of how international students searched for information, including their search origins, the sales distribution channels used and extent/duration of search. This will be followed by a presentation and discussion of the evaluation criteria utilised by the international students when making their purchase decisions.

4.1 Information Search

This section aims to provide insight into how participants searched for information that they would then use to make their purchase decision. This includes explaining the origins of search behaviour, the sales distribution channels used and how this affected the extent of their search.

4.1.1 Search Origin

In beginning their search for flights, most participants displayed a distinct preference for Google with 75% initiating their search though www.google.com. A further 20% went directly to previously known sales websites and five per cent used alternate search engines (these two students used search engines from their home countries). Of the participants that used Google as a starting point, a small minority searched a previously known website (e.g. a Google search for “Air New Zealand”) rather than going to the airline’s website directly via URL input. These findings are very similar to those of Pan and Fesenmaier (2006), in the context of online travel purchasing.

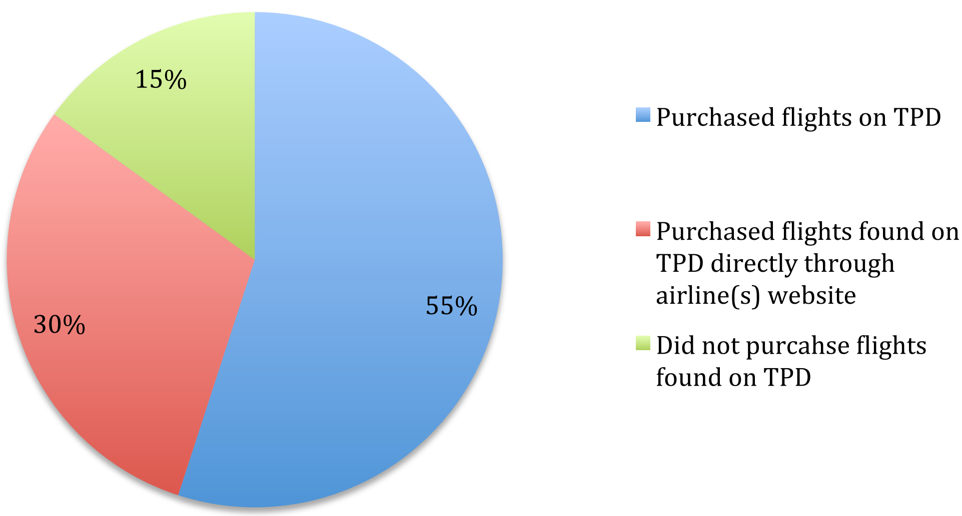
4.1.2 Distribution Channels

From a macro standpoint, the Internet itself represents a distribution channel for airline sales. But in reality, a number of distribution channels exist within the confines of the online environment. Consumers may go directly to airline webpages and conduct a systematic approach to their information search, or they may choose to use a third-party distributor (TPD) much like a travel agent in the offline world. Examples of such distributors include, www.skyscanner.com, www.edreams.com and www.expedia.co.nz, which were used by some participants in the study. Such websites offer consumers the ability to see and evaluate multiple different flight options and view them by order of their most important criteria (this could be price or number of stopovers for example).

A total of 67.5% (27) of participants visited a TPD website, with 85.2% (23) of these participants choosing flights found through a TPD. Participants provided a variety of reasons for their use of TPD websites over searching and purchasing on airline websites directly. The most prevalent reasoning was the convenience of a website that allowed them to view many of the available flights in one location and the ability to view them in order of their specific evaluation criteria (price, overall travel time, etc.). Participant 21 explained: "I think I can have a comparison of flights. It's a convenient way of looking at all the options, if I want to compare the airlines individually, I have to take a lot of time." This illustrates a desire to reduce time and search efforts by using a website that provides a summary of available options, in effect, undertaking the search on behalf of the consumer. Those participants who used TPDs overwhelmingly cited convenience and the comprehensiveness of options provided as being key benefits that drive their loyalty to the search method. These findings are consistent with those of Law et al. (2004) in the travel industry and McIvor et al. (2003) in a generic online purchasing context.

Participants also indicated that their use of TPD websites was to establish a type of benchmark from which to limit the scope of their search. Five participants believed that the use of such websites gave them an overview of all the available flight options and prices that helped them narrow their field from which to search. Participant 26 claimed they used TPDs to, "get an overview of which dates and times are the cheapest and which airports are the cheapest." Participant 29 believed that: "They give me a general standard for how much I'm going to pay in the very general sense." This illustrates the duel-phased search and evaluation approach proposed by Li et al. (1999), whereby consumers reduced the breadth of their consideration set by adopting some form of general parameters using broad evaluation criteria. This concept is also supported by Payne (1976), who found consumers avoided evaluating entire information sets by adopting an “eliminate-by-aspects process” to avoid complex evaluation of large amounts of information. In the case of this thesis, this appeared to be a commonly used search strategy. It was not only evident in the answers given but also in the online simulation. This strategy could explain the actions of those participants who initially went to a TPD, yet opted to complete their more in-depth evaluation and final purchase through direct airline distribution channels. Figure 4.0 illustrates the purchase behaviour of those who visited a TPD website.

Figure 4.0. Participants that visited TPD websites.



Further explanations may be given for those who visited TPDs, but chose to complete the purchase directly though airline websites. In 30% of such cases, the flights purchased were flights first found on a TPD website. Cunningham et al. (2005) found perceived risk falls dramatically at the information search stage for Internet services, but then rises dramatically from the alternative evaluation stage to the purchase stage. Whilst this is an over simplistic, sequential description of the decision process, it may help explain some unwillingness to commit to a TPD. Participant 27 stated: “I don’t think they’re (fares shown on TPDs) deals. It’s like when you ring a travel agency to book flights, they take a commission of that sale and I find it's actually more expensive when they do it." This shows that there was uncertainty surrounding the motives of such websites, that is, that they are not out to find the cheapest flights for consumers, rather to take commission on the fare. It appeared that some participants felt more comfortable purchasing directly from the airline(s) they had seen on a TPD than from the TPD itself, even if in some cases at a slight additional cost, which is consistent with Wasserman (2006). Some participants also felt that purchasing from a TPD added an unnecessary and complicated dynamic to the buyer-seller relationship. "If there is any cancelation troubles it is easier to communicate directly with the airline than one of those websites"(P23). This illustrates that any unforeseen risks could be better managed if their buyer-seller relationship was as direct as possible. This finding aligns with those of Seifert et al. (2006).

Many participants that utilised DDCs were found to have affiliations or preferences for the specific brands whose websites they visited directly. This was illustrated by the search patterns of Participant two, who explained their use of DDCs: "I've always flown (Airline name), I can't remember why… Generally I go straight to (Airline name) because it's my preference of airline … the (Airline name) is often regarded as being the best airline in the world … " Participant 33 had a similar thought process; "I always go straight for (Airline name) because I have had better experiences with them." This finding is consistent with the claims of Chen et al. (2008) and represents "brand-sure" consumers, who search with a predetermined brand preference, leading to DDC utilisation.

4.1.3 Scope of Information Search

The scope of information search refers to how extensively participants searched for information. In this study, search strategy and distribution channels were found to be the main factors influencing the scope of the information search. As previously mentioned, participants utilised two main search pathways, DDC channels and TPDs. The chi-squared test of independence was performed to examine the relation between the time taken to complete the online purchase exercise (online observation) and the distribution channel used. The relationship between these variables was found to be statistically significant χ^2 (2) = 8.076, p = 0.18 ($P \leq 0.05$). Participants that took less than 10 and greater than 20 minutes were more likely to be have used TPDs and those that took between 10 and 20 minutes were more likely to have used DDCs.

The fact that those who took less than 10 or greater than 20 minutes were more likely have used TPD websites than DDC channels is interesting given the reasons stated by some participants for using TPDs over using airline websites directly. The overwhelming reasons for using TPD websites were the convenience and comprehensiveness TPD websites offer. This thesis believes that these two factors may support the statistical findings of search extent/duration. A possible explanation is that those who used TPDs can be considered in one of two groups, which will be discussed below.

The first group consisted of participants who were seeking pure convenience and efficiency, wanting to minimise time spent searching for flight options by using a TPD. This group would search based on their specific evaluation criteria preferences and then simply choose the first option presented that meets those criteria. This ideal is likely to be achieved much more quickly than if that same option had to be identified by searching individual DDCs. Participant 10 is a good representation of this group; " … it's easy with only a few steps to give you date, destination and everything and then it gives you the best, cheapest option available." It is proposed that this group of participants are not concerned with a wide range of evaluation criteria, but rather they have a few, highly important criteria that they can search for quickly and effectively across a broad range of airlines using TPDs. Thus, the scope of their overall information search is minimised. This logic is consistent with Park, Gretzel and Sirakaya-Turk (2007), who found that participants utilised TPDs because they felt these did not waste as much time as searching DDCs.

The second group consisted of participants seeking comprehensiveness and utilised TPDs to get a more broad range of flight options that can then be specifically evaluated in-depth. This group generally reviewed all realistic purchase options to ensure they were getting the best possible flights, given their specific needs. Participant 26 illustrates the characteristics of this group, "From this price range I can start finding the cheaper deal. I find it an easy way of looking at all the options, comparing them, seeing what the best combination is. If I have to go to every website and check all their deals, then I have to go to 6 or seven websites to see the options and put the dates in again and everything." Whilst this appears to still be driven partly by convenience, it relates more to preventing an already extensive search and evaluation becoming even more time consuming, rather than convenience to shortcut the decision process. This group may have utilised TPDs to achieve a scope of information search that would otherwise been highly time consuming, to the point that it would have likely been unfeasible for the participant. This finding is consistent with Clemons, Hann and Hitt (2002), who explained how TPDs enable a complex product and market to be fully describable and organised, facilitating detailed and accurate comparison products of differing qualities. This is also constant with Kim et al. (2007) who claimed that Internet media such as TPDs have increased the speed of scope in representing information.

4.2 Evaluation Criteria

This section will discuss the evaluation criteria identified by participants during the study. Additionally, the discussion will seek to explain why such criteria were important to this particular group of consumers. Participants used the criteria to evaluate the information identified in the information search and to narrow down consideration sets, eventually to the final purchase decision. Table 4 illustrates the evaluation criteria identified in this study.

Table 4. Evaluation criteria identified.

Theme	Evaluation Criteria	Number Participants
Price	• Ticket price	39
Flight Characteristics	• Baggage allowance	25
	• Schedule	27
	• Overall travel time	16
	• Number and length of stopovers	31
	• Routing	11
Airline Brand	• Safety	16
	• Reputation	19
	• Past experience	16
	• Word-of-mouth	15
	• Country-of-origin Preferences	7
	• Loyalty	8
Service	• In-flight comfort	15
	• Employee behaviour	20
	• In-flight Food	18
	• In-flight entertainment	12

4.2.1 Price

Price was the most common theme identified in the interviews with participants. The cost of airfares was observed to be the most important and influential criterion participants used in their evaluation, with 98% claiming it was something they considered. Of the 98%, 69.2% (27) claimed it was the most important factor they considered when choosing between airline offerings. "For me, first priority is price … price is the most important factor"(P1), Probably price is literally the only factor I care about"(P6), "The price ideally, should be cheaper than other airlines, the one with the most competitive pricing"(P4). These results are very similar to those reported by Mason (2000), Fourie and Lubbe (2006) and Chen and Wu (2009). These findings are also in line with those of Lim (2013), who specifically studied airline service expectations and the importance of price for international students. Degeratu et al. (2000) found that online consumers respond better to the price discount itself, whereas consumers in traditional stores rely more on feature as an indicator of a good deal. This suggests that the increased salience of price during online purchasing may have further increased the importance of price in this thesis. However, these studies are all heavily quantitative and provide little information on the more in-depth reasons behind why price is so important to consumers in an airline context.

Price appeared to be one of the criteria that participants used to narrow the number of considered alternatives during their search and evaluation. Participant 26 claimed: “Firstly I get an overview of which dates and times are the cheapest and which airports are the cheapest. From this price range I can start finding the cheaper deal.” Participant 21 stated: “Firstly, I looked at the cheapest to most expensive, right, then I was looking at the time, first there were quite a lot, near 50 options, then went down to 30, then I compare prices and the different times.” These findings are similar to those of Bronnenberg and Vanhonacker (1996), who claimed that price appropriateness was a key factor in the narrowing of alternative purchase options considered by consumers. Park et al. (2006) found that price was one of four broad factors that significantly influenced airline passengers’ future behavioural and purchase intentions.

Opportunity cost was observed to be the single largest reason for price importance. Opportunity cost refers to the unrealised flow of utility from the alternatives a choice displaces (Frederick, Novemsky, Wang, Dhar & Nowlis, 2009; Nozick, 1977). In other words, the money spent on airline tickets is money that cannot be spent on other goods or services that one may wish to purchase. Nine participants referred to opportunity cost as justification for the importance of price. Participant two claimed: “The more money you save on the flight, the more money you have to spend in New Zealand or Singapore if I were going home.” Participant five related opportunity cost to the cost of further travel, stating: "If I can save $100 on each trip and I fly four trips a year, that’s $400 a year, times four years, that’s as much as a whole new flight.” It was evident that these participants believed that money saved on airline tickets, could be better spent in other areas of their lives. This is especially valid when there is little perceived marginal utility for higher prices, as some participants saw little additional value received for higher airfares. Participant 26 illustrated this lack of perceived value: “There is no major differences in the services they offer, I am satisfied with almost all of them, so why would I spend a much higher price for the same thing?” International students fit the characteristics of consumers with high monetary opportunity costs as they have low time costs and low incomes (Ratchford, 1982). Additionally, international students are particularly conscious of monetary opportunity costs due to the significant cost of studying overseas as opposed to domestic study or no study at all (Mazzarol & Soutar, 2002).

Lack of income and student budgets were cited as other reasons for price sensitivity. Participant one claimed: “The cost of a one-way ticket from New Zealand to China usually costs just under what I used to earn in a month back in China … I currently have no income as I am studying.” For this participant, the cost of travel was significant in relation to their annual income, highlighting that the perceived cost is different from those with different socio-economic backgrounds. Participant 21 claimed their sensitivity to price was because: “I have a limited budget”. This limited budget was often due to the high costs associated with international student tuition fees, which are often more than double those of domestic students. “I am a student International student, fees are relatively high and I try to keep costs down as much as possible”(P22). In the United States, Richards and Wilson (2004) found travel costs to be a significant proportion of international students’ annual income, with 61% earning between USD$0-5,000 and 22% earning between USD$5,000-10,000.

Supplemental income from family members was found to both decrease and increase the perceived importance of price in some participants. Seven participants regarded price as being of lesser importance than other factors, with only one participant not regarding price as a consideration at all. Financial support from family was observed as being the main reason for this. Participant 20 explained, “The ticket is not coming out of my pocket, so that price difference is not that important. Everyone wants to save money, but it’s not my money.” Participant three concurred adding, “Because my parents pay for my tickets, price is less of a consideration.” Participant 31 explained this concept further; “I think price would be more of a concern if I were using my own money.” It has been noted by Dworkin (1980) that an individual’s ability to pay for a good influences their price perception of that good. International students assign higher monetary values to airline tickets when they are able to utilise their parents’ resources, as this gives the students a greater ability to pay for that service. If they were limited to only their own resources, it is likely that they would value air travel less. In other words, people will pay more for a good or service that they value highly; Dworkin (1980) showed that consumers' ability to pay for a good or service influences how much they value that good or services. Therefore, greater ability to pay for a good or service can result in greater value attributed to that good or service. Consequently, international students, when using their own resources may value flights less as they have less ability to pay for them, resulting in less spent on flights than when utilising their parents' resources.

However, three participants indicated a desire to minimise the cost of flights paid for by their parents, in an attempt to save them money. Participant 14 explained: "My parents are retired so price is important. I don't want to cost them more than I need to." Participant five had a similar motive, "Price, because my dad pays for my tickets, I don't want him to pay an unreasonable amount." Some participants appeared to set a budget out of consideration for their parents, "I don't pay for my own tickets, but I try to keep within a budget to help manage the cost"(P3). These statements exemplify the agent-principal theory explained by Hollander and Rassuli (1999) as being an agent (international student) who undertakes purchase actions on behalf of the principal (parent or family member). This theory also states that an efficient contract is one that generates the best possible outcome for the principal given the constraints of the situation. Although the parent/student relationship is not a typical surrogate purchase scenario, as the principal is not necessarily purchasing for his or her own intentions, the agent is still acting on behalf of the principal that has ultimate control over the purchase decision. Budget constraint when using parents' resources, illustrates the intent to achieve an efficient contract and attain a preferable financial outcome for their parents. This finding is in contradiction to that of Gilbert and Wong (2003). This contradiction may be partly explained by the age of international students and their relatively high level of dependence on family compared to other airline customer segments.

Despite finding price to be the most important evaluation factor, many participants found it difficult to directly and concisely articulate exactly why price was so important to them. Participant 16 claimed price was important; "because everyone wants a cheap flight" and participant two stated: "Price is a consideration because obviously it is good to spend less money". These statements illustrate the desire to be cost efficient, but don't actually explain why the person feels that way.

4.2.2 Flight Characteristics

The thematic analysis revealed five themes that were deemed to constitute the wider category of flight characteristics. These include: (1) baggage allowance, (2) schedule, (3) overall travel time, (4) number and length of stopovers and (5) routing. These flight characteristics also represent criteria by which consumers can evaluate service offerings. Such attributes have been the subjects of numerous studies (e.g. Aksoy et al., 2003; Chou et al., 2011; Gilbert & Wong, 2003; Leick, 2007; Lim, 2013; Pakdil & Aydın, 2007; Park et al., 2006). These attributes were deemed to be flight characteristics rather than augmented aspects of human service delivery or brand. Baggage allowance may not fit perfectly within this categorisation, as it could be viewed as an augmented or add-on service. However, it was seen to be more of an intrinsic feature of long-haul international flights (which international students most often use) than a service add-on.

4.2.2.1 Baggage Allowance

Baggage allowance was found to be the most important factor within the wider "flight characteristic" category and one of the most important overall factors that participants used to evaluate purchase alternatives. The amount of checked-in baggage permitted was found to be a factor considered by 62.5% (25) of participants when purchasing airline tickets. The unique travel requirements of international students were found to be a significant driver of this finding. Such requirements are unlike those of leisure travellers, business travellers and those travelling for a permanent relocation. International students are relocating for a temporary yet substantial period of time and require significantly more baggage than those travelling on a holiday. An interesting contradiction to the literature is that this thesis did not find any consideration for the efficiency of baggage handling at destination airports, which was found to be an important aspect of airline service in past studies (Aksoy et al., 2003; Bowen & Headley, 2000; Chang & Yeh, 2002).

The direction and purpose of travel was found to influence the consideration of baggage allowance in this thesis. The importance of baggage allowance was greatest for participants when first travelling to New Zealand and then again on final departure. When participants travelled to their home country for a temporary visit, they appeared to consider baggage allowance less. Participant 23 exemplified this: "When I travel back to Germany I don't think about baggage, but when I came to New Zealand and when I go home, I have a lot of bags." Participant two had a similar opinion; "Baggage allowance was an important consideration on the first time I came to New Zealand, as I had all my clothes and other stuff." It was clear that different contexts and reasons for travel created different needs. This is consistent with the findings of Wong, Zhang, Van Hui and Leung (2009) that showed empirically how passengers' need for baggage allowance varies depending on a range of flight and personal characteristics. This is a particularly noteworthy finding, as international students' baggage needs are different to that of other customer segments. This further validates the use of descriptive modelling proposed by Ehrenberg et al. (2000), as the finding accounts for and explains differences between different customer segments.

4.2.2.2 Schedule

Schedule was deemed to encompass departure and arrival times, dates and any other timeframe preferences that participants indicated would influence their purchase decision. There have been numerous studies that have analysed schedule convenience as part of airline service quality (see Table 2 and Appendix A). A total of 67.5% (27) of participants claimed that the schedule was something that they considered when choosing flights. Whilst it is understood that no prior qualitative research has analysed the pre-purchase importance of airline schedules, this result is consistent with a number of quantitative studies that have shown schedule to be an important aspect of service quality (Lim, 2013; Ostrowski et al., 1993; Park et al., 2006).

Flight schedule was found to be an important consideration that often directly influenced participants' purchase decisions. Whilst it was not ranked by any participant as being their most important pre-purchase consideration, 10 participants ranked it either their second, third or fourth most important. However, statements made by participants, which often adopted language that didn't indicate schedule per se was imperative to their purchase decision. Participant 34 claimed they "*prefer* red-eye (late night/early morning)" flights and would "*probably* book on a Wednesday or something"; participant 37 claimed they "*prefer* to arrive day time not at night" and participant three claimed they "*prefer* arriving in the morning". Participant 27 more directly addressed this by stating: "If I get in in the middle of the night its not good for jetlag, *I'd rather* get in during the day, but I wouldn't be willing to pay much more for that." Such language indicates influence but does not suggest that schedule is a definitive factor alone; rather a factor to be considered after the scope of purchase options had been narrowed using more important evaluation criteria (primarily price).

The most obvious factor within participants' consideration of schedule was departure and arrival times. The geographic layout of New Zealand and the distance of Palmerston North in relation to international departure airports (Auckland and Wellington primarily) was a factor in schedule importance. For some, it was clear that certain international flights were not considered because of constraints imposed by the domestic transport to international departure ports. Participant one explained having to bus to Auckland, meaning they could only choose late night or early morning departures. Participant 35 expressed their dislike at having to purchase overnight accommodation because of inconvenient domestic connections. Participant five illustrated that this was also a factor of consideration for late night arrivals. For this reason, airlines utilise yield management strategies to set prices that entice travellers outside of peak travel times and maximise load factors at times that may not otherwise be attractive (Dana, 1999). Because this finding relates specifically to the location of the study sample, it is not generalisable to any population beyond the one from which it was found.

As alluded to already, international students are heavily reliant on family. This also influences the importance of schedule to this customer segment. Participant 11 explained how reliance on family influenced the importance of schedule for them; “It’s more about when my uncle can pick me up when I get here or when my parents can drop me off at the airport, they have to take work off sometimes.” Participant 37 shared a similar perspective; “If I arrive at midnight… and I want to go home, it’s not convenient for my family to drive me home in night time.” Whilst other consumer groups may also rely on family for ground transport, the average demographic of the international student market is more likely to be younger and therefore more reliant on family.

The significance of this finding is again emphasised through descriptive modelling. This finding is consistent with the findings of Chin (2002), yet the reasons for the importance of schedule in this study are different to that of Chin (2002). Chin (2002) claimed that business travellers were schedule-sensitive due to business cost minimisation and tight business schedules and leisure travellers due to high frequency of suitable flights allowing for greater choice and thus consideration. Neither of these represents the findings of this thesis. This shows a difference between the international students and other customer segments in literature. This difference can only be fully understood through qualitative descriptive modelling. Consensus with past literature may support general results, but often does not explain the reasons for such results, which have been shown to vary across customer segments.

4.2.2.3 Overall Travel Time

Overall travel time was deemed to be any references made to the total time taken from origin to destination of travel. Overall travel time was something they considered by 40% (16) of participants when evaluating different purchase alternatives. This is consistent with the findings of Lyons, Jain and Holley (2007), who found that rail passengers perceived less time spent travelling as converting unproductive time (e.g. time spent waiting during stopovers) into economically valuable time (e.g. time spent travelling). There is little research to directly illustrate this concept in context of airline passengers as consumers, with research in this area often focusing on airport ergonomics and design to minimise inefficiency during passenger movements or airline turnaround times to minimise cost, rather than consumer psychology (Caves & Pickard, 2001; Neufville, 2006a, 2006b). That being said, Bratu and Barnhart (2006) noted that airline planners should develop schedules with as little unproductive time as possible, but must remain mindful of a schedule's ability to absorb delays with such little margin for error.

Unproductivity minimisation links to opportunity cost, as unproductivity is often seen as a wasted opportunity cost (Konings, 2005). Some participants preferred to spend less time travelling to enable greater time to be spent in areas of higher priority. Participant 22 explained: "I'd rather be back with my family than waiting around there doing nothing." Participant 11 explained the simplicity of opportunity cost in relation to stopovers; "I don't want to be somewhere for six hours if I can be there for two." This further demonstrates the concept that international students are highly conscious of opportunity costs in terms of both money and time (Mazzarol & Soutar, 2002; Ratchford, 1982).

As with many evaluation criteria identified in this thesis, overall travel time was commonly considered against price, with participants stating that a balance of the two often helped determine an acceptable level of each. This balance is subjective, with human judgements often being vague and difficult for participants to express in numerical values, making modelling difficult (Chang & Yeh, 2002). Participants 28 and 36 explained a balance in their decision process between price and the fastest route. The balances referred to by participants were highly subjective and context-specific. This finding upholds descriptive modelling Ehrenberg et al. (2000) and illustrates the subjective weighting that occurred during evaluation. Chou et al. (2011) produced very similar results that illustrated the need for linguistic analysis of criteria weighting rather than numerical modelling.

4.2.2.4 Stopovers

Stopovers were found to be a key factor that participants used to evaluate different flight options. This criterion was found to apply to two different evaluative contexts: (1) the number of stopovers and (2) stopover length. Stopovers were found to influence the purchase decisions of 77.5% (31) of participants.

Twenty participants indicated that either the number of stopovers or stopover length was influential in their purchase decision. One might assume that the number and length of stopovers is related to the overall travel time, however this thesis would advocate that there are differing motives for each. Proussaloglou and Koppelman (1999) stated that the relative importance that travellers place on the additional time spent unproductively during travel (such as stopovers) is equivalent to the costs associated with a late arrival. Only 25% of the participants who stated that the number and/or length of stopover(s) were considerations, also stated that overall travel time was a consideration. Therefore, it could be deduced that there are different reasons for the two, one of which could be to minimise unproductive time.

However, a small minority (six participants) indicated they would prefer a greater number of stopovers in favour of a cheaper airfare. Participant 10 indicated they would not be willing to pay more for fewer stopovers. As did participant 11; "If I can save a couple hundred bucks then I will take the longer route." This represents a greater value of money than time (De Vany, 1974). This finding is consistent with Mayor and Tol (2007), who found price elasticity to be four times that of time elasticity. The trade-off between price and time is dependent on the subjective weightings of each individual's evaluation criteria.

4.2.2.5 Routing

The routing evaluation criterion comprised of three factors: (1) preference for direct flights, (2) interlined itinerary and (3) stopover airport location. Routing was found to be a pre-purchase consideration of 50% (20) of participants. Direct flights and itinerary considerations are well documented as being important to airline passengers (Aksoy et al., 2003; Chou et al., 2011; Chu, 2001; Gilbert & Wong, 2003; Leick, 2007; Lim, 2013; Pakdil & Aydın, 2007; Park et al., 2006). However, a widespread review of literature failed to produce any findings regarding preferences for stopover airport location.

Direct flights were said to be important to 27.5% (11) of participant when choosing between flight alternatives. Participants two and 14 explained their willingness to pay more for direct flights because of a dislike for transiting. The desire for direct flights appeared to be closely linked to travel time and stopovers, to either minimise overall travel time or unproductive time spent in transit. This finding is very similar to that of Brueckner and Whalen (2000), who found that airline passengers are typically willing to pay more for non-stop versus connecting services. However, those participants who were willing to pay more for a more direct route were in the significant minority to those who prioritised price more highly. Additionally, the destination of travel is likely to be a significant confounding variable in this finding, as direct flights from New Zealand are only available to those flying to Asia, Australia, the Middle East, the United States and the Pacific Islands. Therefore, it should be noted that those who are unable to reach their destination in a single and direct flight, might still consider the most direct route, but this is unlikely to be the same as considering one direct flight. Of the 11 participants that indicated direct flights were a consideration, seven were from Singapore, two were from Malaysia, one was from the United States and one was from Nepal. With the exception of the participant from Nepal all of these participants were within one direct flight of New Zealand at the time this thesis was written. This supports the theory that constraints posed by New Zealand's isolated international airline market likely influenced these international students' decision-making.

Having an interlined itinerary was said to be important to 17.5% (seven) of participants when booking airline tickets, which is very similar to the findings of Chu (2001). Interlined itinerary refers to having a journey whereby all flights are under a single booking with the same conditions from origin to destination. This is generally facilitated by use of a single airline or alliance network. It was found that two factors were driving this consideration: (1) the desire to avoid different/conflicting baggage allowances and (2) the desire to avoid changing airline or rechecking baggage. Participant 33 explained their desire to avoid different baggage allowances; "…if you transfer, the previous airline may allow you to take 23 kilograms and the next maybe 10 kilograms." Participant 17 explained: "I'd rather not change airlines, just risk losing your bag." These findings are consistent with those of Gursoy et al. (2005).

Stopover airport location was the final factor found to be part of the "stopover" evaluation criterion. Whilst this relates to the previous section on "stopovers", consideration of stopover airport location has a greater impact on routing decisions than the decision of whether or not to include a stopover itself. Thirty precent (12) of participants indicated that they considered the locations of stopovers on any given flight itinerary. The leading cause of this was found to be the common need for transit visas. Participant 23 explained how this made them avoid particular routes; "I avoid America, otherwise no problem. America has extra transit visa…" Participants 17 and 35 claimed to avoid Australia due to the seemingly unjustified need for transit visas. It must be noted that this finding is highly dependant on the type of passport held by an individual, as citizens of certain countries may require transit visas when others do not. These findings are unsupported by any past literature in this area. A comprehensive review found none ever mentioning the need for visas as a reason for stopover importance. Additionally, past studies (Chen & Chang, 2005; Gilbert & Wong, 2003; Lim, 2013; Park et al., 2006; Wong & Musa, 2011) have claimed airport facilities were an influential aspect of service quality and passengers' choices of airlines; however, such factors were not found in this thesis.

4.2.3 Airline Brand

Airline brand was found to be one of the four broad themes that participants utilised when evaluating different airline options. Participants' evaluation criteria identified in Table 5 fit the four aspects[2] that make up brand equity proposed by Chen and Chang (2008), thus the aspects of brand alluded to by participants have been categorised as airline brand on this basis. Table 5 illustrates the themes identified in the thematic analysis and the related aspect of brand equity proposed by Chen and Chang (2008). This justifies each criterion's categorisation under the wider theme of airline brand.

Table 5. Evaluation criteria as part of airline brand

Evaluative Criteria Identified	Relevant Aspect of Brand equity as stated by Chen and Chang (2008)
Safety	Brand Associations
Airline Reputation	Brand Associations/Awareness
Word-of-Mouth	Brand Associations/Awareness
Past Experiences	Brand Associations/Loyalty
Country-of-Origin Preferences	Brand Associations
Loyalty	Brand Loyalty

4.2.3.1 Safety

Forty per cent (16) of participants claimed they actively considered the safety of an airline before they would purchase airline tickets. Of those participants, 75% (12) said safety was their most important criteria, with another four stating it was in the top four evaluation criteria they considered. Participant three claimed: "The most important thing would be the safety, I will make sure their planes have not been hijacked before or that there is no history of bad things happening to the airline." This participant actively researched the safety of the airlines they were considering in their online simulation, prior to making a final purchase decision.

Whilst this finding may suggest that safety is a substantial pre-purchase consideration, only two participants actively searched for safety-related information in their online simulation. This leads to the possible explanation that safety was important, but was generally based on factors such as airline reputation. Whilst many participants noted safety as a consideration for

[2] The four aspects of brand equity proposed by Chen and Chang (2008) include brand associations, brand awareness, brand loyalty and perceived quality.

evaluation, some coupled this consideration with a certain degree of apathy; “Actually I would think about safety, but it’s the kind of thing that you are not in control of”(P30). Lim (2013) also found that safety along with price was one of the top four most important considerations for international students when traveling by air. The results of Archana and Subha (2012), Chou et al., (2011), Gilbert and Wong (2003), Liou and Tzeng (2007), Tsaur et al. (2002) show consistency with this finding.

This thesis found that some international students were influenced by the beliefs held by their parents or family members in relation to airline safety. Participant seven claimed: “My mums said do not fly with Malaysia Airlines”, whilst participant was more heavily influenced through financial control; “My parents are willing to pay more to ensure I fly on a safe and highly regarded airline; that is my parent’s desire.” Howard and Madrigal (1990) found that parents, particularly mothers, play a dominant role in shaping the decision-making of their children. Aquilino (1997) found that the influence of parents on their children’s lives does lessen as they transition through life; however, the level of influence diminished the least between childhood and young adult stages. Aquilino (1997) also suggested that the level of influence was still heavily linked to the previous stage of the child’s life. Given that the prior stage of many international students is often high school where parents are fully responsible for their children; the level of influence during tertiary study is likely to remain significant. As many international students have recently transitioned from high school, where they almost always lived under the control of their parents, it is logical to suggest that parents still exert significant influence over their children’s decisions. This influence is likely exacerbated when the students are financially dependent on their parents, as many participants in this study were found to be.

There is little qualitative research into airline passenger safety concerns, especially post the 2001 terrorist attacks in the United States, which had a significant impact on public perceptions of airline safety globally (Ito & Lee, 2005). It was evident that safety concerns identified in this thesis were based on historical events of specific airlines, rather than general concerns for the safety of the global airline industry. Participant 13 claimed to be highly deterred by the recent Malaysia Airlines accidents; "Recently, events with Malaysia Airlines … I avoid them, not even look at them." A total of eight participants specifically mentioned Malaysia Airlines when talking about airline safety, with no other airline was referred to in the context of safety during the interviews. Any safety concerns were limited in scope and largely ungeneralised to the industry as a whole. However, participants six and 26 indicated they would avoid all Asian airlines due to the Malaysia Airlines accidents, believing safety was a lesser priority for airlines in that specific region.

Mainstream news media may be responsible for fuelling such perceptions, many of which are often unsupported by global aviation safety statistics. Hall (2002) claimed that news media is a significant influencer of perception in the travel industry and influences individuals' decision-making. The study also claimed that media has a substantial impact on pubic policy measures taken by governments in the context of travel safety, thus further driving public perception. Aviation accidents are often highly covered media events due to the severe consequences, which often involve large numbers of casualties or deaths in a single event (Sweet, 2008). This makes airlines more susceptible to the influence of media-driven perceptions than other industries. Kaplanski and Levy (2010) found that the airlines that experienced disasters often continue to operate largely unaffected and any negative sentiment is often irrational.

However, 60% (24) of participants claimed they did not consider airline safety when choosing an airline. Again, this may be largely due to apathy and the assumption that the airline industry is sufficiently regulated to ensure safety is very rarely compromised. Participants 10 and 22 believed that the airline industry was sufficiently regulated and this meant they didn't need to consider safety. Many participants simply said they did not consider safety, providing little justification. However, participant 29 believed: "Safety is out of our control and nothing to do with the company, that is what I believe, often it cannot be predicted, we all must face that if it is going to happen … Safety issues are more serious on the road than in the air." These results are largely in contrary to past research reviewed in this thesis. Such studies analysed general airline customer groups, with none likely to yield a sample containing the same proportion of young adult consumers as in this thesis. This raises the question of whether international students are a particularly risk adverse group of consumers. Gardner and Steinberg (2005) found that young people between the age of 18 and 22 were more inclined towards risky decision-making than older adults, largely due to peer influence. Whilst this cannot be said to be the reason for 60% of participants not considering safety, it could be a factor in this statistic. This could be an area of future research in a more general context, relating to international students' or tertiary students' risk taking and uncertainty acceptance.

4.2.3.2 Airline Reputation

An airline's reputation was a consideration for 47.5% (19) of participants in their final purchase decision. Additionally, 73.7% (14) of those participants claimed that it was one of their top four pre-purchase considerations. Reputation is a perceptual collective construct, or a socially shared impression, that relies on an individual's perception of public consensus about how an organisation will behave in any given situation (Bromley, 2002; Helm, 2011; Sandberg, 2002). Terms such as "airline image" and "airline name" or "perception of service" were deemed to be "airline reputation". Whilst past experiences (see Section 4.2.3.3) are a factor in reputation, the two warrant separate discussion points. Categorisation of such terms as "airline reputation" is similar to that of Wong and Musa (2011). Reputation was not deemed broad enough to encapsulate overall brand and is primarily related to the associations individuals make with an airline. It is acknowledged that the holistic nature of brand may result in areas of overlapping discussion amongst the different aspects of brand (safety, reputation, past experiences, word-of-mouth (WoM) and country-of-origin preferences).

Airline reputation aided the participants in their evaluation, providing them with a set of base assumptions about the type and quality of service they might receive. Participant eight claimed: “The reputation makes me think quicker, it’s a shortcut, there’s no need to do as much looking or research… If the cheapest airline had been one that I had never heard before, I would have done more research”. Participant 10 agreed, claiming: “If it’s one I’ve never heard of then chances are I won’t fly it.” These statements resemble claims made by Sarabia and Ostrovskaya (2014), who claimed that consumers utilise dimensions of brand, such as reputation, to shortcut extended research and evaluation of purchase options. These results are also very similar to those of Graham and Bansal (2007), who found that airline customers summarise information such as service attributes in the form of a reputation judgement, which significantly influences their purchase decisions.

Airline reputation was also found to provide some participants with expectations of the service offerings in the pre-purchase stage of their decision process. Participant 23 claimed: “With the reputation you have in mind, you think what the airline offers and if the price fits this. This tells you what you can expect.” Participant 16 believed that reputation helped them to develop expectations of an airline’s safety and service. This being said, there are more objective means of assessing an airline’s safety performance than reputation, which is often significantly influenced by hearsay (Iglesias, Singh, Casabayó, Alamro & Rowley, 2011). However, for intangible aspects of service quality, reputation is often utilised by consumers to form expectations (Grace & O’Cass, 2005).

It was found that the two predominant factors comprising reputation were awareness of an airline and the service/quality expectations associated with an airline. Participants either knew of an airline’s reputation through past experiences or word-of-mouth communications (WoM), both of which will be explained in upcoming sections. It is expected that marketing communications such as advertising also contributed to the student’s perceptions of the airlines reputation; however, advertising was not specifically mentioned by any of the participants in this thesis.

4.2.3.3 Past Experience

Forty per cent (16) of participants claimed that past experiences were a consideration in the evaluation of future airline purchases. A clear link also emerged between past experiences and loyalty. Participant eight explained: "Based on my experience, I have flown with them many times before, this is why I've chosen them in the past and try to find flights with them if I can." Stable evaluations, as highlighted by Hoeffler and Ariely (1999), are based on rigorous experience and if consumers lack past experiences, they are much more susceptible to outside influences when constructing their preferences. Participant 22 explained their preference for specific easy-to-use airline websites based on past experiences. Participant 20 stated their preference for a small number of airlines was purely based on the fact they had flown with them before. These findings closely resemble those of Pakdil and Aydın (2007) and Jamal and Goode (2001), showing the influence of past experiences on consumers' perceptions of an organisation and consumer decision-making.

However, past experiences were not always seen as a positive or driving repeat purchase. A small group of participants indicated that negative past experiences induced disloyal behaviour. Participant 27 claimed: "(Airline name), gave me a bad experience last time I went home, so I wouldn't choose them again" and participant eight stated that they would no longer fly with an airline they were once loyal to, even if it were cheaper, because of two significantly delayed flights. Consistent with Maxham and Netemeyer (2002), Liao (2007) and Park et al. (2006), it is clear that the participants who recalled negative past experiences endured a lack of perceived justice, as the airlines involved failed to adequately implement service recovery procedures[3]. Regardless, these experiences affected their loyalty and repurchase intentions. Past experiences, in particular negative experiences and perceived justice significantly impact reputation, which has been shown to considerably influence the effectiveness of service recovery efforts (Nikbin, Armesh, Heydari & Jalalkamali, 2011).

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[3] Service recovery is a seller's response to service failures, which can either work to reinforce the buyer-seller relationship, or exacerbate the negative effect of the failure (Maxham & Netemeyer, 2002).

Rather than being a factor used to evaluate purchase options in itself, past experiences appeared to provide knowledge relating to other criteria that could then be utilised. For example, participant 23 explained, "When I see a cheap (Airline name) flight I never fly with them because from experience they don't have much leg space." It was not the past experience itself that drove this evaluation, but it was the context of the experience (legroom) that ultimately eliminated the airline from that participant's consideration set.

4.2.3.4 Word-of-mouth (WoM)

WoM communications was a theme identified as influencing participants' decision process, with 37.5% (15) of participants claiming to have been, or could foreseeably be, influenced by information provided to them by others. Nadiri et al. (2008) presented similar results, finding a positive relationship between satisfaction, WoM and repurchase intentions. Retold experiences or advice from others were deemed to be WoM. Söderlund (1998) explained WoM as being the extent to which a customer informs friends, relatives, or colleagues about an event that has created a certain level of satisfaction or dissatisfaction.

Of the 15 participants that mentioned WoM, six claimed negative WoM communications influenced their decision, with nine claiming positive influence. This finding differs from those of Hart, Heskett and Sasser (1990), who found customers that encounter a bad experience tell approximately twice as many people as those had a positive experience. However, the contradiction between the findings in this thesis and those of Hart et al. (1990) can possibly be explained by the interview design of this thesis. Participants were generally asked to explain the reasons for their chosen airline and flights, which is more likely to prompt answers supporting their decision-making, rather than answers discounting options they did not select. Sources of negative WoM included poor service, racism and safety concerns.

Participants in this thesis indicated a close link between WoM and their perception of airline reputation. The nine students that made reference to positive WoM influences, all related these to the airline's image and reputation. "I choose (Airline name) as I heard good things about them and I never flown them so I want to try"(P21). "I have heard many good things about (Airline name) and that makes me want to fly with them"(P3). This illustrates the significant influence of WoM on passengers' purchase intentions. It also shows that WoM can attract new customers, build favourable brand image and differentiating airlines from competitors (Jansen, Zhang, Sobel & Chowdury, 2009; Park et al., 2006).

WoM communications from close friends or family members appeared to provide some participants with sufficient reassurance to accept the risk and uncertainty of decisions in which they had little or no past experience. Participant nine claimed: "I had never flown with (Airline name) before, so I decided to fly with (Airline name) because my friend told me the food was really good." This participant had no prior experience with that particular airline, but chose it and accepted the risk because of a friend's recommendation. This finding is in line with findings of existing literature (Awad & Ragowsky, 2008; Dellarocas, 2003). This finding is also very similar to that of Bansal and Voyer (2000), who claimed that consumers actively seek more WoM if they are less knowledgeable or experienced. The study also noted that more experienced consumers perceive less risk during purchasing.

4.2.3.5 Country-of-origin Preferences (CoO)

Past studies have produced mixed results regarding the influence of CoO on consumer decision-making. This study also yielded mixed responses on the impact of CoO, with 17.5% (seven) of participants indicating that they had a preference for flying with their national airline when possible. This finding differs somewhat from that of Aksoy et al. (2003), who found CoO to be a significant factor underlying passengers' expectations of airlines. The finding of this thesis also contradicts other studies that found CoO to influence airline passenger decision-making (Al-Sulaiti & Baker, 1997; Bruning, 1995).

A key difference between this thesis and other studies that have assessed CoO is the participants being studied. None but one of the literature reviewed looked specifically at students. This thesis has shown international students to be highly price sensitive and the upcoming section on service (see Section 4.2.4) shows them to be relatively insensitive to service quality. This makes past research involving leisure or business travellers, who don't typically share these traits (e.g. price sensitivity and service insensitivity), especially ungeneralisable to international students. Furthermore, national airlines are almost always full-service airlines, representing a symbol of national pride and independence that promote a nation's interests (Barrett, 2006; Wheatcroft, 1998). Some participants claimed that their national carrier was often more expensive than many other airlines, meaning it was not an airline they would usually consider. Participants seven and 15 specifically stated that their national airlines were so expensive they actively avoided them. Because of the full-service, ambassadorial role of national airlines, they may often be priced at a premium in relation to other airlines in the market (especially if low-cost airlines exist in the marketplace). This could be a significant factor deterring customer segments such as international students from choosing national carriers.

Of those who did believe CoO did influence their purchase decision, it was seen as being a secondary consideration, behind more important criteria (e.g. price, baggage allowance, schedule). Participant 11 claimed: "(Airline name) is really expensive, I guess if they were the same price, I would choose the Canadian one." This illustrates that CoO could influence their decision if other, more important criteria were equal or non-distinguishable. Participant 10 shared a similar view; "I would probably choose an airline from my home country. But it would have to be the same price or cheaper." Whilst some participants illustrated a degree of patriotism, this was not seen to be highly influential when compared with factors such as price. This minority finding is consistent with the findings of Bruning (1997).

Even though CoO wasn't found to significantly influence decision-making, nine participants indicated wider ethnic preferences for their airline choices. The first theme identified was a preference of Asian students towards Asian airlines. Racism amongst specific western airlines was cited as being one of the main reasons for this. Participant five, from Singapore, claimed that racism experienced on a western airline has resulted in a preference for Asian airlines whenever possible. Participant 3, also from Singapore shared similar experiences that drove their preference for Asian airlines. There has been research into racism amongst pilots and aviation workplaces; however, there is yet to be any research to investigate racism in airline service delivery. Therefore, these findings cannot be supported with those of others, but may provide an avenue for future research.

4.2.3.6 Loyalty

This study observed loyalty in two contexts. Firstly, Frequent Flyer Programmes (FFPs) or targeted loyalty schemes and secondly, participant's loyalty to specific brands. Past research on the effectiveness of FFPs has yielded mixed and often contradictory results. What is clear is that airline loyalty differs between customer segments (Dolnicar et al., 2011; Vlachos & Lin, 2014).

An overwhelming majority of participants claimed that airline FFPs were not a pre-purchase consideration and participants generally showed disloyal consumer behaviour throughout the study. When asked if FFPs influenced their purchase decision, 80% (32) of participants stated that they gave no consideration to FFPs and had no loyalty to specific airlines or alliances such as Star Alliance. Participants largely shared common views on FFPs; "I never think about to get points; I really like the cheap sales though"(P37) and "I don't really care about FFP, it's a bonus if I can earn miles"(P38). Kopalle and Neslin (2003) claimed that consumers maximise FFP utility over a long-term horizon, with short-term value being uncertain. Participants in this thesis illustrated short-term mindsets, primarily around cost saving, indicating they may not achieve significant utility from FFPs. "I don't think I fly enough, so the points earned would not be enough to spend the money to get them"(P29) and "I think I'm on (Airline FFP name), but I don't think I fly regularly enough to get any benefit"(P34). There was a clear lack of perceived value in the rewards generated through loyalty programmes, with short-term cost savings much more important than accruing miles. Loyalty programmes must enhance consumers' value proposition in some way, which is difficult to achieve short-term, as short-term loyalty almost always yields low-value rewards (Dowling & Uncles, 1997). This finding is in line with the results of past studies on FFPs and loyalty schemes (e.g. Bejou & Palmer, 1998; Gilbert, 1996; Whyte, 2004).

For the few participants that did consider FFPs as a factor of importance in their pre-purchase decision-making, it appeared that it was not highly prioritised. Participant 11 took a longer-term view; "I'll be here for the next three or four years so the more AirPoints I can get the better, but still the price is more important." Participant 22 claimed that FFP was not a "deciding factor", rather a "secondary factor" when two offerings were indistinguishable by more important criteria. This finding replicates that of Dolnicar et al. (2011) who found that price was significantly more influential than loyalty in the case of price sensitive travellers.

Dowling and Uncles (1997) found that brand loyalty was more likely to be an outcome of wider market environments or the nature of the existing brand rather than the add-on benefits of a loyalty programme. This can be seen in responses given by participants in this thesis. Participant 12 explained: "I've flown them for years, their service is great. Nice food, comfortable." Participant 24 illustrated their loyalty to the airline brand rather than loyalty programme, when asked if FFPs influenced their purchase decision; "I would really prefer (Airline A) because I'm a member of them so I build miles." However, when later asked to explain their final flight choice, the participant did not mention FFP as a factor in their loyalty to Airline A, citing other factors such as service preferences and limited service providers. This raises the question of FFPs' influence and validates the use of the dual-phased methodology in this study. When prompted in the interview, the participant claimed FFP was important, yet failed to mention it when explaining their behaviour in the online simulation. The discrepancy between the two statements suggests that; (1) the participant's loyalty was more a product of a favoured brand rather than a loyalty programme, (2) loyalty was coerced by market confines, as the participant stated that there were only two airlines that operated frequently on the desired route and (3) the service tangibles were a greater driver of loyalty than the perceived benefits generated by loyalty programmes. These findings are consistent with the conclusions drawn in past airline and customer loyalty literature (Akamavi et al., 2015; Dowling & Uncles, 1997; Nadiri et al., 2008; Zins, 2001).

4.2.4 Service

The fourth major theme that emerged was service aspects. The term "service" has proven difficult to accurately define for general consumers and academics alike. Service is not a process in itself, rather it is composed of a set of processes that combine to deliver an overall experience (Chen & Chang, 2005). For this reason, service was subjectively separated into four criteria based on participants' descriptions: (1) in-flight comfort, (2) in-flight entertainment, (3) Food and (4) employee behaviour. Categorisation of these attributes under service is consistent with existing literature (Aksoy et al., 2003; Chen & Wu, 2009). Overall, these service attributes were found to be important considerations for the international students in this thesis. However, a lack of differentiation amongst full-service airlines and assumptions of intrinsic service provisions appeared to result in many service attributes becoming secondary considerations to more important criteria (e.g. price, baggage allowance, schedule). Additionally, service attributes are very difficult for consumers to evaluate prior to purchase without having past experiences or received WoM communications (Berry, 1995; Mitchell & Greatorex, 1993).

4.2.4.1 In-flight Comfort

It is difficult to pinpoint a single definition of comfort. However, one thing is for certain, comfort is a subjective experience and can be descried as a pleasant state of physiological, psychological and physical harmony between a person and the environment (De Looze, Kuijt-evers & Van Dieën, 2003; Vink et al., 2012). In the past, studies have considered aspects of in-flight comfort (such as legroom and seat comfort) independently of one another (Leick, 2007; Lim, 2013; Ostrowski et al., 1993; Park et al., 2006). However, the thematic analysis in this thesis indicated that the international students generally considered overall flight comfort rather than factors such as the seat or legroom independently. This shows great consistency with Richards and Jacobson (1977). It must also be noted that different passenger segments value in-flight comfort differently in different contexts, such as low-cost airlines versus full-service airlines (Fourie & Lubbe, 2006). Additionally, it is important to note the difference between the importance of in-flight comfort for *satisfaction* (post-purchase) and whether it is considered specifically during *pre-purchase decision-making*. This is a potential confounding variable that may have influenced participants' responses during the interviews. It cannot be fully determined whether participants referred to the importance of in-flight comfort in the context of pre-purchase decision-making or in the context of post-flight evaluation.

A total of 37.5% (15) of participants indicated that in-flight comfort influenced their final purchase decision. In-flight comfort was deemed to be any influences relating to seat comfort, legroom or both, with five, four and six participants mentioning these respectively. However, these findings appeared to be highly variable, depending on a participant's personal characteristics. For example shorter participants very rarely indicated that legroom was a consideration when they purchased airline tickets; "Well I'm obviously quite short, so legroom isn't really ever an issue for me"(P40) and "Their seats are a bit smaller, a bit narrower, less space, I'm big I need space"(P36). Participant 36 also illustrated the propensity for passengers to bundle aspects of in-flight comfort rather than assessing them separately. However, this thesis does not necessarily advocate against the idea that consumers may evaluate these factors separately in some cases and this may depend on personal variables such as height. This study is not able to empirically show a correlation between such variables because personal characteristics such as height were not recorded. Lee and Luengo-Prado (2004) found that economy class passengers were not willing to pay extra for additional legroom, in fact the contrary, which is in line with the majority of participants in this thesis. These findings are also very similar to those of Makens and Marquardt (1977) and Archana and Subha (2012).

Some participants indicated a perceived relationship between the aircraft size or type and the level of in-flight comfort. Four participants indicated they would choose a particular aircraft type based on comfort. The reality of this relationship may be less correlated than those participants thought, as airlines differ in their seating configuration and size, often irrespective of aircraft size or type (Balcombe, Fraser & Harris, 2009). However, for the few that mentioned this relationship, it appeared to be a strongly held view. Participant one and 12 illustrated a willingness to pay more for an aircraft they believed was bigger and more comfortable. Whilst there may not necessarily be a link between aircraft type and the size of seats or level of comfort, Vink et al. (2012) found aircraft design to have a positive effect on passenger comfort. The lack of direct evidence is likely due to the lack of standardised seating types and configurations across airlines, making generalisable empirical research difficult. It is likely this finding was influenced by past experiences on specific aircraft that were comfortable and generalised to the entire aircraft type.

In this thesis, in-flight comfort was believed to be a latent service attribute in the context of pre-purchase decision-making. Only one participant searched for or viewed any information relating to in-flight comfort as it has been defined in this section. Yet, 15 participants indicated it was an important service attribute that influenced their decision of airline. This shows the value of mixing observational methods with qualitative interviews. Participant six explained the latency of in-flight comfort factors during their purchase decisions; " … only if it were advertised … I wouldn't research it first. The only time it might come up is when the seat options come up at booking." This statement again illustrates that the intangibility of such service attributes makes pre-purchase evaluation difficult during online purchasing (Berry, 1995; Mitchell & Greatorex, 1993).

Comparing the findings of this study to those of existing literature has proven to be difficult and in some cases inappropriate. Because this study has advocated for descriptive modelling of consumer behaviour, its findings cannot simply be compared to quantitative studies that seek to investigate correlation. It is difficult to relate a statistical correlation to highly descriptive, qualitative information. However it has been attempted where possible throughout this thesis because of a lack of qualitative research in this area.

4.2.4.2 Employee Behaviour

Zeithaml et al. (2013) claimed that employees represent the source from which services are delivered and are a large component of the customers' overall perception of the service experience. Fifty per cent (20) of participants mentioned that employee behaviour influenced their purchase decision. In the past, authors have split employee behaviour into specific context such as, in-flight performance, ground staff, employee friendliness, helpfulness and responsiveness (Aksoy et al., 2003; Chang & Yeh, 2002; Chen & Chang, 2005; Chou et al., 2011; Lim, 2013; Ostrowski et al., 1993; Teikake, 2012). However, this thesis found only two factors within the wider theme of employee behaviour, namely employee friendliness and employee attitude.

Seven participants mentioned the importance of employee friendliness. Participant 15 claimed employee friendliness drove their loyalty to an airline; "I always tend to book that flight through (Airline name) because they are very friendly." However, by self-admission for some, it was unclear whether this is something that is actively considered at the time of booking airline tickets. Participant seven articulated this difference; "I wouldn't research it [employee behaviour] at all when I'm booking, only if I heard from someone that they were rude or unhelpful." This suggests that whilst this may be important to the participant, they wouldn't actively seek or consider it at the time of booking; thus, it's unlikely to influence the majority of their purchase decisions. These findings are consistent with those of Tsaur et al. (2002). However, these findings deviate somewhat from those of Chen and Chang (2005), who found that consumers' most valued area of service quality was service tangibles such as employee responsiveness. Responsiveness is tangible in that there is a physical outcome in the response action itself. Responsiveness was not found to be a consideration of participants in this thesis.

A further nine Participants referred to employee behaviour in a slightly wider context, namely the attitudes of employee's towards customers. Participants elaborated to explain attitudes as being the level of helpfulness, attentiveness, responsiveness and care shown by employees; "I would consider what I know about their attitude, which is how they treat me on the flight, their willingness to help and how genuine this is"(P40). However, participant 40 stated that they relied on past experiences or WoM to determine the usefulness of employee behaviour as purchase evaluation criteria. This reinforces the subjectivity of employee behaviour as a purchase evaluation criterion. Whilst it may be important to some, it's very difficult to draw any wider conclusions on whether participants in this thesis actually considered employee behaviour when they choose between airlines. Park et al. (2006) found similar factors to be of importance to airline passengers. No differentiation was found between ground and in-flight employee behaviour in this thesis, which contradicts Chen and Chang's (2005) study. In addition, as many participants were speakers of English as a second language, it is interesting to note that none mentioned bi- or multilingual employees as being an important consideration. This is also in contrast to the findings of Aksoy et al. (2003).

Those participants that mentioned employee behaviour often did not indicate that it was a highly influential consideration, with some explicitly stating that it was a secondary consideration. Participants 18 and 22 specifically noted that this was a secondary consideration to more important criteria. It appears that the importance of employee behaviour was a consideration for some, but ultimately was unlikely to be highly influential in driving preference towards specific airlines.

Whilst it did not appear that employee behaviour in itself was a factor that drove participants to purchase specific flights, six participants indicated that poor employee behaviour might lead them to remove some flight options from their consideration set. This is consistent with the findings of Hart et al. (1990), raising the question of whether the influence of poor service may be more so than that of good service. This also links to a concept already alluded to in Section 4.2.3.3, where past experiences are a means of informing consumers about factors that they then use to evaluate purchase alternatives, in this case employee behaviour. There is little research to empirically support this, possibly due to the complexity and variation of customer loyalty across different consumer groups. Bejou and Palmer (1998) explained that tolerance for perceived service failures varies depending on factors such as length of relationship with the seller, perceived switching costs, number of past failures encountered and magnitude of failure. Therefore, it is difficult to infer whether employee behaviour had more positive or negative influence on purchase decision-making.

4.2.4.3 In-flight Food

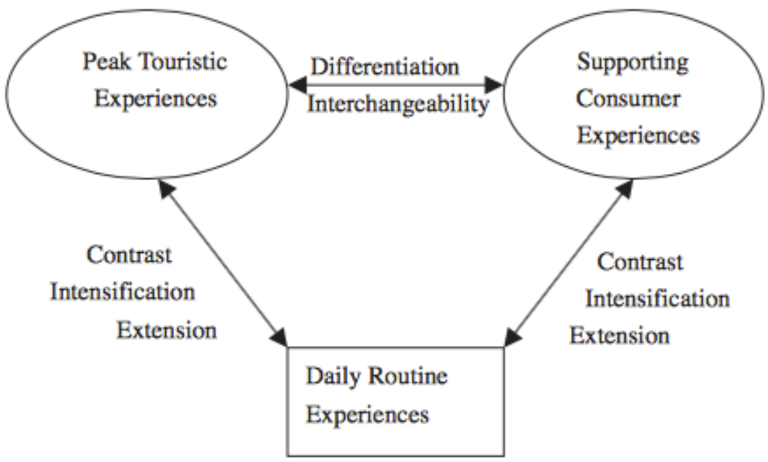
It is difficult to measure the importance of in-flight food because without prior experience it is very difficult for passengers to research this prior to purchase. Food was said to be important to 45% (18) of participants during this thesis. However, it is questionable whether this is a valid representation of the number of participants that actually considered it during their pre-purchase decision process. The key reason for this is that a large number of those who indicated that food was important to them, did not indicate that it was something they specifically considered or researched prior to purchase. The following quotes from participants illustrates this theory:

> "Food is important on a long-haul flight, yes"(P4)
> "This is something that is important to me"(P15)
> "I'm not very fussy, but as long as they provided a meal"(P16)

These statements indicate a preference for in-flight food service, indicating it is important to them, but nothing is indicated to suggest that this would at all influence their pre-purchase decision-making. It must also be noted that not one participant researched or sought any information relating to in-flight food during the online observations recorded during this study. Past studies have found in-flight food to be a significant attribute of airline service quality, (Aksoy et al., 2003; Gilbert & Wong, 2003; Lim, 2013; Suzuki, Tyworth & Novack, 2001), but none have actually assessed whether or not that importance influences their overall choice of flights. The findings of this thesis indicate that whilst in-flight food was important to a significant group of participants, it was not a factor that was actively considered when participants chose between airlines. This finding should stand to highlight the difference between service quality, satisfaction and pre-purchase considerations. Passengers may value in-flight food highly and this may be a significant contributor to overall satisfaction, yet it is very difficult to determine whether satisfaction in this specific case has any influence during future or inexperienced pre-purchase decision-making. The lack of in-flight food information provided by many airlines during booking processes may contribute to this lack of consideration.

This thesis would advocate that the reason for a lack of consideration for in-flight food is the perceived intrinsic nature of food as part of airline services generally; " … on a long-haul flight they normally include baggage and food so I don't really think about it if it's a long-haul flight"(P7) and "I assume the service on all options, similar meals and entertainment"(P21). These statements show an underlying assumption of service provisions. It is argued that these assumptions are caused by a lack of differentiation between the airlines operating international services in the New Zealand market. Figure 4.1 illustrates a model proposed by Quan and Wang (2004) in tourism that can be applied to show the role of airline service attributes such as in-flight food.

Figure 4.1. Conceptual model of a service experience in a tourism environment



Source: Quan and Wang, (2004)

In-flight food supports consumer experiences and the core service (international airline services) and can be differentiated (core service is depicted as "Peak Touristic Experience in Figure 4.1). Some participants felt airlines were not differentiating their food from that of competitors and that food was assumed to be part of the base service. When participant 14 was asked if food was important, they answered: "not really, as long as they feed me." This is a seemingly irrational comment as it implies that food is not important providing the participant receives it, therefore implying it is important. This statement also shows a possible source of differentiation as being serving food versus not serving food, rather than differentiation by types or quality of food. As figure 4.1 shows, differentiation of a supporting experience, can differentiate the core experience. This thesis has shown that in-flight food was not commonly found to be a pre-purchase consideration that influenced participants' choice of airline.

It is also interesting to note that not one participant made any reference to drink service, be it alcoholic or non-alcoholic, as an important service attribute or pre-purchase consideration. This deviates from the findings of An and Noh (2009) who have shown drinks to be an important aspect of service quality to economy class passengers. The absence of such a finding in this thesis could either be attributed to further assumptions that drinks are an intrinsic aspect of in-flight food services or drinks were simply not something that was considered by participants. It seems unlikely that participants would not value access to refreshments on an international flight. However, these theories cannot be concluded, as there is no evidence to support or dismiss the value of drinks to participants in this thesis.

4.2.4.4 In-flight Entertainment

Participants viewed in-flight entertainment very similarly to in-flight food. The number of participants that specifically indicated it was important may not accurately reflect the number that actually considered it when making a purchase decision. Additionally, it isn't clear whether not having in-flight entertainment as standard (such as on many low-cost airlines), would impact this.

Thirty per cent (12) of participants claimed that in-flight entertainment was an important aspect of airline services. However, those participants that indicated its importance did so largely in the context of their in-flight experience or from the perspective of themselves during the service transaction. This is supported by the wording many used when referring to in-flight entertainment and by the fact that no participant sought any information on in-flight entertainment during their online simulation. Participant 11 explained the importance of in-flight entertainment, but also noted the difficulty of evaluating it prior to purchase. This finding is consistent with those of Chu (2001), who found that passengers wanted more pre-purchase information relating to in-flight entertainment to enable greater pre-flight planning.

Many participants assumed that in-flight entertainment was something that was included with every airline ticket purchased; it is likely that this assumption influenced the extent to which in-flight entertainment was considered prior to purchase. This again relates to the lack of perceived differentiation referred to when discussing in-flight food services. Participant two claimed: "In-flight entertainment is a consideration, but I come to expect it on the airlines I fly on so I don't really consider it." This is well explained by a similar finding made by Alamdari (1999, p. 208), who stated:

> "In-flight entertainment is not a primary factor affecting passenger choice of airlines. However, passengers appreciate the provision of in-flight entertainment, especially on long-haul flights. Provision of in-flight entertainment will meet passengers' needs to relax and be entertained during long-haul flights."

The lack of perceived differentiation demonstrated by participants in this thesis could be somewhat influenced by the airline markets serving New Zealand internationally and possibly even by long-haul international markets generally. The Asia/Pacific region has a far lower market concentration of low-cost airlines when compared with regions such as Europe. Low-cost airlines currently hold around 15% market share in the Asia/Pacific region, yet hold 42% in the European market (Boeing, 2016; Travel Industry Association New Zealand, 2015). Furthermore, from New Zealand, most international destinations outside of Australia and Southeast Asia, such as the United States, China and Canada are not serviced by low-cost airlines at all. This is largely because the traditional low-cost business model generally works on the basis of short to medium length route structures (Gross & Luck, 2011). It is believed that many participants may have had their expectations of service provisions influenced by the high concentration of full-service airlines in the New Zealand international market. This is supported by statements such as: "…every flight I have taken so far has many movies so hasn't been a consideration so far"(P10), yet such services are often ancillary products on short/medium haul flights and on low-cost airlines (Alamdari & Fagan, 2005).

This thesis also found the importance of in-flight entertainment on long-haul was greater than on short-haul flights, further supporting the findings of Alamdari (1999). Participants nine and 17 stated that long-haul flights rendered a greater need for entertainment than short-haul." Chin (2002) presented similar findings, illustrating significant differences between customer preferences for short-haul and long-haul flights. However, there was little direct evidence of greater willingness to pay more or greater importance of in-flight entertainment because of this. In this thesis, in-flight entertainment was found to be a valued aspect of airline service, but perceived generally as a latent service attribute in the context of pre-purchase decision-making. This is very similar to the results of past studies (Carlos Martín, Roman & Espino, 2008; Francis, Dennis, Ison & Humphreys, 2007; Wensveen & Leick, 2009).

Finally, the growth of personal media and the ability for individuals to provide their own in-flight entertainment was another reason found to detriment the perceived value of airlines' in-flight entertainment. Participants two and 29 claimed personal media has diminished the importance of in-flight entertainment. Karch (2011) suggested that personal media such as tablet computers were substitute forms of entertainment aboard aircraft; however, there is little empirical research to show the impact such media has on in-flight entertainment usage. This knowledge could be used by airlines to invest more wisely and create greater integration between personal media devices and airline entertainment systems. Such an initiative has been undertaken by Virgin Australia (2016), which allows their customers to access the airline's online entertainment, without additional cost, through on-board Wi-Fi systems. A reduction in media hardware aboard their airline's fleet has generated significant cost savings, whilst utilising the increasing willingness of customers to provide their own media.

5.0 Implications

This section will link the findings discussed in the Results and Discussion section to explain the potential implications for airlines and international students, as well as answer the research questions stated in the Introduction and Methodology sections. A descriptive model will be presented to illustrate the pre-purchase evaluation criteria utilised by international students when purchasing flights in this thesis. This will be followed by an explanation of the theoretical implications of the dual-phased methodology used to analyse online consumer behaviour. This section will conclude with the limitations of this research and possible avenues for future research.

5.1 Practical Implications

This section links the results from this study in order to present an overview of the international students as a consumer segment as found in this thesis. Airlines should recognise the extent to which customer segmentation is now taking place. As this thesis shows, new customer segments are emerging from areas not generally considered by traditional segmentation strategies. Airlines should no longer look at their consumers based solely on conventional demographics or whether they are business or leisure travellers. They must strive to identify markets where air travel is a necessary component of the supply chain. From here, airlines can look to capitalise on non-traditional traveller groups as a means of competitive advantage.

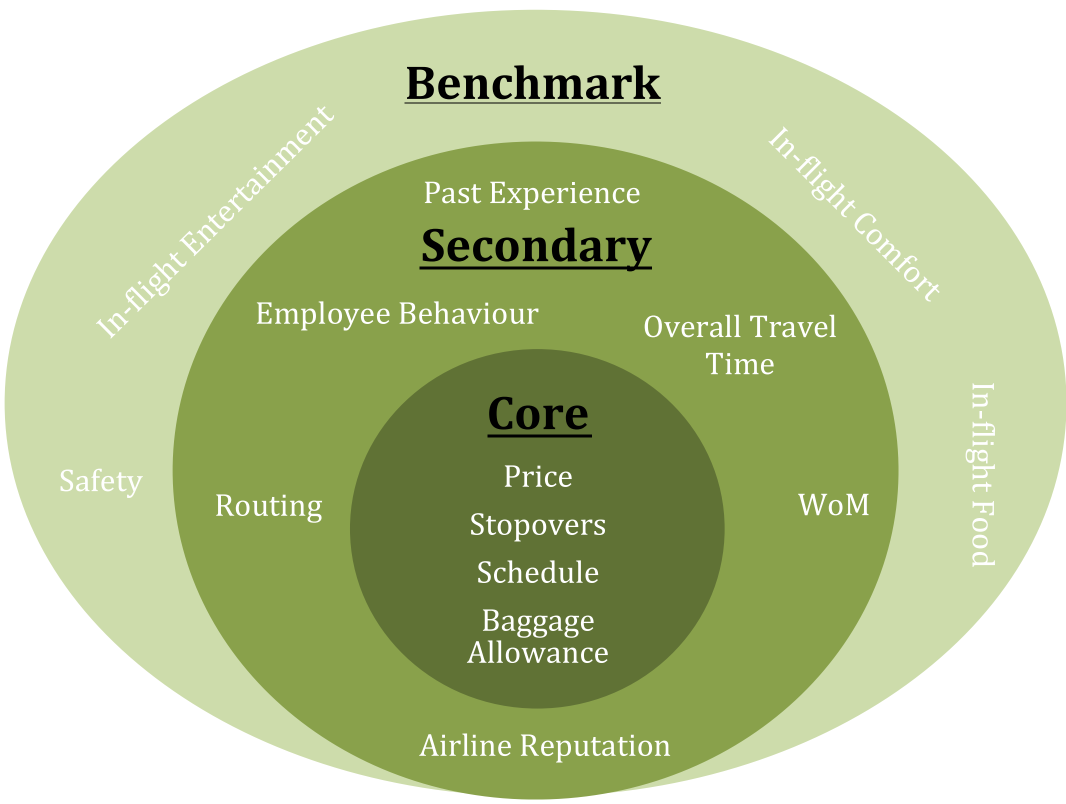
There is very little research to suggest how airline passengers, regardless of customer segment, search for purchase information online. Therefore, this study cannot easily differentiate the search processes of participants from other airline customers. However, it is hoped that this study will provide a basis for further research, as the growth of online retail distribution and online intermediaries continues to grow rapidly (Thakran & Verma, 2013). The international students in this study were found to search either very hastily based on few criteria, very methodically and thoroughly, or very loyally.

Generally, the international students in this thesis searched TPDs for either convenience or search scope or went directly to airline websites because of a relationship that generated loyalty or preference. The fact that 67.5% of participants used an intermediary (TPD) as an online search tool suggests airlines are failing to effectively build and maintain customer relationships. Airlines may not be able to combat the highly competitive nature of online shopping, which allows consumers to shop around easily, making them more informed about price, product attributes and WoM (Frias, 2015). But, airlines should strive to build stronger relationships with their customers as this is the main element in sustaining demand and developing the airline's brand name over other distribution channels (Nassar, 2002). An airline cannot provide, nor would they want to provide, international students the comprehensive, market-wide search of TPDs; therefore, they must look to build a relationship where brand loyalty exceeds the desire to search other purchase options for potentially better deals. The 32.5% (13) of participants who went directly to airline websites would appear to validate this approach, as this group of participants overwhelmingly indicated a specific preference for the particular airlines whose websites they had chosen. This conclusion is consistent with Tsai et al. (2011, p. 15515), who found airline websites performed poorly in terms of consumer engagement, suggesting that airline should used their "websites to gather information about customer needs, buying patterns and preferences."

This thesis has shown that international students may differ from both business and leisure travellers in what is important to them when they choose between flights. Substantial differences were found between the pre-purchase decision-making of international students in this thesis and business/leisure travellers in prior research (Aksoy et al., 2003; Bowen & Headley, 2000; Chang & Yeh, 2002; Chin, 2002; Wong et al., 2009). This is significant evidence to suggest that the participants in this thesis represented an independent and distinct group of consumers with their own set of preferences and evaluation criteria. This finding is consistent with theory stated by Teichert et al. (2008), who claimed that segmenting passengers by business and leisure alone does not fully capture the preference heterogeneity of all customers. Whilst this thesis cannot provide any basis to quantify the scale of a possible customer segment, it does provide evidence to suggest that a segment does exist based on the unique purchasing decision process.

This thesis found a purchase decision process that was dominated by three groups of evaluation criteria, conceptualised in Figure 5.0: (1) Core decision factors, (2) secondary factors and (3) benchmark factors. Core decision factors were deemed to be those factors that directly influenced participants' choice of airline. Secondary factors were deemed to be those that were adopted to aid in a purchase choice if all other core factors were equal or couldn't be differentiated. Benchmark factors were those that were expected or assumed to be included as part of the purchased service. Benchmark factors often may not be actively sought after, but their omittance could diminish satisfaction and increase the possibility of repurchase attrition.

Figure 5.0. Map of evaluation criteria for international students in New Zealand.



There were also a range of factors that weren't found to be of importance to or consideration by the international students studied. FFPs or loyalty schemes were perceived to be of little influence, as were the type of aircraft, country-of-origin preferences, airline lounge or airport facilities and multi-lingual employees. Furthermore, the students did not differentiate between on-ground and in-flight services.

Based on these findings airlines could look to target international students by offering student price promotions, coupled with "students' flights" scheduled around key tertiary dates. Additionally, it would appear that student deals on baggage allowance would also be of value, with two participants specifically mentioning they had encountered this before, claiming it was very beneficial. Marketing communications that specifically targeted international students would benefit from innovation, aiming to generate WoM communications or build that perception into overall brand identity. WoM may be of particular interest for airlines, as 72% of people between 18-29 used social media websites such as Facebook and Twitter in 2009 (Lenhart et al., 2010). Furthermore, Whiting and Williams (2013) claimed that two key uses of social media include: (1) information seeking such as consumer self-education and (2) communicatory utility, which largely facilitates communication of information to others.

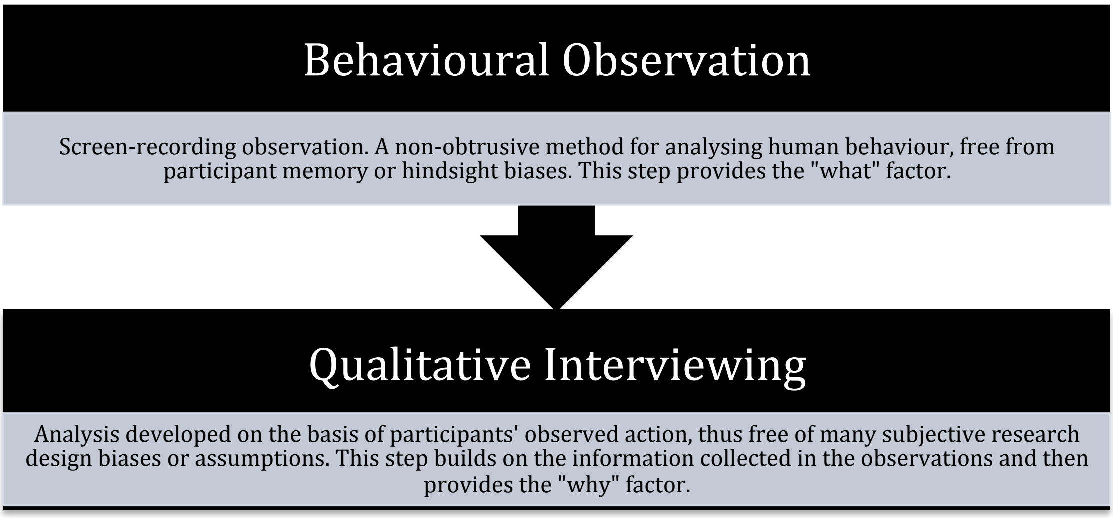
Despite finding evidence to suggest that international students may represent a distinct customer segment for airlines, there would likely be significant difficulties associated with attempting to target this market. Firstly, defining the market would prove difficult. For airlines, any marketing efforts would require segment definition and determination of that definition could risk dissatisfaction from domestic tertiary students or other customer segments that feel equal entitlement. Secondly, there would be difficulties defining when such entitlements should apply. For example would the offering of additional baggage allowance to international students apply to only their initial arrival and final departure flights? Or would this entitlement be available on any flights they purchase? Finally, as dictated by lifecycle marketing, the very nature of international study results in a highly consistent mortality rate of international students as consumers. As students usually only remain students for a short number of years, once they complete their studies they are no longer part of any international student customer segment. This would leave airlines little time to build loyalty, with little assurance that any loyalty will remain as international students move to the next stage of their lives. It is possibly that loyalty generated during a student's study may continue after they graduate; however, the changes brought about by the next stage of their life may influence this (e.g. greater financial resources due to full-time employment). Regardless, implementation of airline marketing strategy and the feasibility of targeting international students is beyond the scope of this thesis.

5.2 Methodological Implications

This study has provided some interesting insights into consumer decision-making. Despite the distinct and sequential nature of the traditional consumer decision-making process proposed by existing literature (Blackwell et al., 2006; Brucks, 1985; Hawkins et al., 2010; Khosrowpour, 2001; Kotler, 1994; Lamb, 2009; Pride & Ferrell, 2015; Solomon et al., 2011; Spielberger, 2004), this thesis found that information search and evaluation of alternatives occur in a simultaneous and interrelated fashion. Participants were observed to search for information in phases, whilst applying ongoing evaluation, which would eliminate certain consideration sets based on increasingly narrowing evaluation criteria. This is consistent with past criticisms of the traditional consumer decision-making process outlined in Section 2.1.3 (also see Figure 2.1) (Martin & Kiecker, 1990). Representing the "eliminate-by-aspects process" approach proposed by Payne (1976), participants evaluated alternatives as they searched for information, avoiding a large and inefficient evaluation of all information at the end of the information search as the traditional consumer decision-making process suggests.

This thesis would advocate that the dual-phased qualitative methodology used to assess consumer behaviour was a highly robust and effective means of analysing complex online human behaviours (see Figure 5.1). Reliance on either one of the two methods used in this thesis would likely have yielded a less in-depth understanding of the factors that explained certain participant behaviours. The ability to cross-reference results against the other methodology to either support or discredit claims was highly beneficial. Observing participants' behaviour using online screen-recording and then qualitatively analysing that behaviour allowed the researcher to determine whether claims made were supported by actions observed and whether actions observed could be further explained. This removed a large amount of subjectivity in the design of the qualitative analysis, as asking participants about their observed behaviour removed most assumptions or prompting in the questions asked. Furthermore, it was found that this methodology uncovered subconscious behavioural traits that were not initially thought of by participants. However, once prompted on an action they had made in the online observation, many went on to explain concepts that they themselves may not have been aware of until asked.

Figure 5.1. Proposed online behavioural analysis method



5.4 Limitations and Avenues for Future Research

This study has not provided any basis for quantifying the actual size or value of this market segment or feasibility of targeting it, as these were beyond the scope of this research. This thesis was intended to be an exploratory analysis of international students as airline consumers, to determine whether they represent a distinct customer segment with unique preferences and purchase decision-making processes. This study was in no way intended to quantify the size of any possible customer segment, explain how best to target that segment or provide results that would be generalisable to international students beyond the context from which the research was conducted. However, there is nothing to suggest that the results of this case study are not representative of international students in the wider New Zealand context. Future research could support the findings of this thesis by replicating this study in different geographic or cultural environments. As mentioned, the nature of descriptive modelling is that generalisability comes through longitudinal consensus of multiple similar studies, rather than quantitatively generalisable modelling.

Another key limitation of the study is the time participants were given to undertake their online simulation. Each participant was informed at the beginning of the online simulation that they would be given a maximum of 30 minutes to complete their simulation. For some, this may be less time than they would require to search for and book airline tickets in real life. However, only three participants had their online simulation stopped because of the time limit. Whilst this may suggest that most were not limited by the time restriction, this must be acknowledged as a limitation as it represents an experimental constraint that would not be present in the real life scenario. This constraint was necessary given the significant time taken to analyse each online simulation recording (time taken to construct each navigation map).

The requirement for participants to speak and browse the Internet in English also generated a number of limitations. Firstly, non-English speakers were underrepresented in the sample. Conversely, snowball-sampling methods saw certain nationalities overrepresented, introducing the possibility that the results may have been more significantly influenced by some cultures than others (Blackwell et al., 2006). Furthermore, those who may have browsed Internet websites in their native language at times indicated difficulty of using such sites in English, as translated functions were not always easy to understand. As a result some participants may have deviated somewhat from how they would act in a real life scenario. Finally, language barriers may have led to minor misunderstandings throughout the interview process. However, it was imperative that there was no misunderstanding in the participants' informed consent process. Future research in this area would benefit from multi-lingual research instruments and/or translation services. Such utilities were deemed beyond the resource capabilities of this thesis.

It is possible that offering a monetary incentive for participation yielded a sample that was overly price sensitive. This is a limitation that was acknowledged as necessary to obtain a sample of sufficient size in the relatively short time available for data collection. The window for data collection was further minimised by semester dates, which saw large numbers of international students return to their home countries (thus were unavailable) for a significant portion of this study.

Finally, to examine how international students searched for airline tickets online, this study focused solely on the distribution channels used. The online information search process is much broader than simply sales distribution channels alone. However, given time constraints, it was deemed unfeasible to analyse more in-depth aspects of online user-interface that took place within those specific channels. Additionally, the more complex online marketing concepts that influence the effectiveness of online media/marketing are beyond the scope of this thesis. What was shown in this study is that airlines' DDCs (airlines' own websites) failed to attract over half of the participants during the online simulation. As this thesis can only discuss possible reasons for a lack of DDC use, future research could provide insights into the drivers of international students or general consumers towards specific sales distribution channels.

6.0 Concluding Remarks

The rapid and substantial growth in the numbers of international students across the globe presents not only opportunities for those engaged or wishing to engage in study, but also for associated industries and the economies in which they exist. One such associated industry is the airline industry and in order to fully capitalise on this growing market, a greater understanding is required of what international students actually value in airline services and how these values impact their purchase decisions. To achieve this understanding, this thesis sought insight into the pre-purchase decision process; examining how international students searched for information and used that information to evaluate key aspects of service offerings. From this process, this thesis then investigated the influence of such factors on the international students' final purchase decision. The results showed that international students predominantly searched using third-party distribution (TPD) websites for convenience, but also for comprehensiveness and access of scope. Direct distribution channels (DDCs) were also utilised by more loyal or price insensitive students, whereby airline websites were visited directly, usually as part of a far narrower overall search scope.

It was found that the participants generally evaluated alternative service offerings using three groups of criteria; core factors that directly influenced their purchase decision, secondary factors that were adopted if core factors were the same or not distinguishable on their own and benchmark factors, which held some importance, but were largely assumed or expected as intrinsic to service offering. Overall, price was found to be the most influential factor followed by the number and length of stopovers, schedule of flights and baggage allowance. Generally, international students were highly price sensitive, disloyal and impatient consumers. They did not appear to be attracted by targeted marketing efforts such as loyalty schemes and were far less concerned about intangible service elements than the tangible characteristics of flight offerings (e.g. price, schedule and baggage allowance). Importantly, this study has provided a thorough understanding that international students in New Zealand represent a distinct market for airlines, confirming that this specific market segment does in fact exist. Airlines can utilise this knowledge in the event that this market continues to grow, as there is nothing to suggest that the findings of this study will be any less applicable as the market size changes. A platform has now been established from which researchers and airlines can further their knowledge of international students as consumers. It is the hoped that this knowledge will contribute to the continued growth of international study globally, whilst better facilitating international students in the airline industry.

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Appendix A – Meta-analysis of airline service attributes as passenger service evaluation criteria

Service Evaluation criteria	Source
Flight schedule convenience	(Chang & Yeh, 2002; Chen & Chang, 2005; Chou et al., 2011; Gilbert & Wong, 2003; Leick, 2007; Liou & Tzeng, 2007; Ostrowski et al., 1993; Pakdil & Aydın, 2007; Park et al., 2006; Sultan & Simpson, 2000; Tsaur et al., 2002)
Availability of non-stop flight	(Aksoy et al., 2003; Chou et al., 2011; Gilbert & Wong, 2003; Leick, 2007; Lim, 2013; Pakdil & Aydın, 2007; Park et al., 2006)
Price of ticket	(Aksoy et al., 2003; Bowen & Headley, 2000; Chen & Wu, 2009; Fourie & Lubbe, 2006; Krystallis & Chrysochou, 2012; Leick, 2007; Lim, 2013; Mason, 2000; Ostrowski et al., 1993; Teikake, 2012; Wong & Musa, 2011)
Convenience of ticket reservation (online, phone or physical purchase process)	(Aksoy et al., 2003; Chen & Chang, 2005; Chou et al., 2011; Leick, 2007; Lim, 2013; Ostrowski et al., 1993; Pakdil & Aydın, 2007; Park et al., 2006; Teikake, 2012; Tsaur et al., 2002; Wong & Chung, 2007)
Ticket flexibility	(Leick, 2007; Lim, 2013)
Baggage allowance	(Archana & Subha, 2012; Lim, 2013; Park et al., 2006)
Frequent Flyer Program	(Aksoy et al., 2003; Gilbert & Wong, 2003; Leick, 2007; Lim, 2013; Liou & Tzeng, 2007; Ostrowski et al., 1993; Park et al., 2006; Proussaloglou & Koppelman, 1999)
Availability of alliance partners	(Gilbert & Wong, 2003; Pakdil & Aydın, 2007)
Appealing advertising	(Aksoy et al., 2003; Bowen & Headley, 2000; Krystallis & Chrysochou, 2012; O'Cass & Grace, 2003; Pakdil & Aydın, 2007; Sultan & Simpson, 2000; Wong & Musa, 2011)
Country-of-origin preferences	(Aksoy et al., 2003; O'Cass & Grace, 2003)
Airline brand image	(Jamal & Goode, 2001; Leick, 2007; O'Cass & Grace, 2003; Pakdil & Aydın, 2007; Wong & Chung, 2007; Wong & Musa, 2011)

Airline safety record	(Archana & Subha, 2012; Bowen & Headley, 2000; Chang & Yeh, 2002; Chen & Chang, 2005; Chou et al., 2011; Gilbert & Wong, 2003; Lim, 2013; Liou & Tzeng, 2007; Pakdil & Aydın, 2007; Park et al., 2006; Sultan & Simpson, 2000; Tsaur et al., 2002; Wong & Chung, 2007)
Check-in, ticketing and boarding efficiency/waiting time	(Aksoy et al., 2003; Bowen & Headley, 2000; Chang & Yeh, 2002; Chen & Chang, 2005; Chou et al., 2011; Gilbert & Wong, 2003; Lim, 2013; Ostrowski et al., 1993; Pakdil & Aydın, 2007; Teikake, 2012; Tsaur et al., 2002; Wong & Chung, 2007)
On-time service	(Aksoy et al., 2003; Bowen & Headley, 2000; Chang & Yeh, 2002; Chou et al., 2011; Gilbert & Wong, 2003; Lim, 2013; Liou & Tzeng, 2007; Ostrowski et al., 1993; Pakdil & Aydın, 2007; Park et al., 2006; Proussaloglou & Koppelman, 1999; Sultan & Simpson, 2000; Tsaur et al., 2002; Wong & Chung, 2007; Wong & Musa, 2011)
Handling of flight delays	(Chang & Yeh, 2002; Pakdil & Aydın, 2007)
Employee courtesy/enthusiasm	(Chang & Yeh, 2002; Chen & Chang, 2005; Chou et al., 2011; Gilbert & Wong, 2003; Lim, 2013; Ostrowski et al., 1993; Pakdil & Aydın, 2007; Park et al., 2006; Sultan & Simpson, 2000; Teikake, 2012; Tsaur et al., 2002; Wong & Chung, 2007; Wong & Musa, 2011)
Employee efficiency when delivering service and handling requests	(Aksoy et al., 2003; Chang & Yeh, 2002; Chen & Chang, 2005; Chou et al., 2011; Lim, 2013; Ostrowski et al., 1993; Teikake, 2012)
Employee complaint and problem solving	(Chen & Chang, 2005; Chou et al., 2011; Gilbert & Wong, 2003; Lim, 2013; Pakdil & Aydın, 2007; Park et al., 2006; Sultan & Simpson, 2000; Teikake, 2012; Tsaur et al., 2002; Wong & Chung, 2007)
Employee appearance	(Chang & Yeh, 2002; Chen & Chang, 2005; Chou et al., 2011; Gilbert & Wong, 2003; Lim, 2013; Pakdil & Aydın, 2007; Park et al., 2006; Sultan & Simpson, 2000; Teikake, 2012; Tsaur et al., 2002; Wong & Musa, 2011)
Language skilled crew (bi or multilingual crew)	(Aksoy et al., 2003; Lim, 2013; Liou & Tzeng, 2007; Pakdil & Aydın, 2007; Tsaur et al., 2002)
Condition of aircraft (Appealing	(Aksoy et al., 2003; Chang & Yeh, 2002; Chen & Chang, 2005; Gilbert &

exterior, up-to-date facilities and cleanliness)	Wong, 2003; Lim, 2013; Ostrowski et al., 1993; Pakdil & Aydın, 2007; Park et al., 2006; Sultan & Simpson, 2000; Teikake, 2012; Wong & Chung, 2007)
Seat comfort	(Aksoy et al., 2003; Archana & Subha, 2012; Chang & Yeh, 2002; Chen & Chang, 2005; Chou et al., 2011; Leick, 2007; Lim, 2013; Liou & Tzeng, 2007; Ostrowski et al., 1993; Pakdil & Aydın, 2007; Park et al., 2006; Teikake, 2012; Tsaur et al., 2002; Wong & Chung, 2007)
Leg room	(Leick, 2007; Lim, 2013; Ostrowski et al., 1993; Park et al., 2006)
In-flight food and drink service	(Aksoy et al., 2003; Archana & Subha, 2012; Chang & Yeh, 2002; Chen & Chang, 2005; Chou et al., 2011; Gilbert & Wong, 2003; Leick, 2007; Lim, 2013; Ostrowski et al., 1993; Pakdil & Aydın, 2007; Park et al., 2006; Tsaur et al., 2002; Wong & Chung, 2007)
In-flight entertainment	(Aksoy et al., 2003; Chen & Chang, 2005; Chou et al., 2011; Gilbert & Wong, 2003; Lim, 2013; Pakdil & Aydın, 2007; Tsaur et al., 2002)
Efficiency of baggage delivery at destination	(Aksoy et al., 2003; Bowen & Headley, 2000; Chang & Yeh, 2002; Chen & Chang, 2005; Chou et al., 2011; Gilbert & Wong, 2003; Gursoy et al., 2005; Lim, 2013; Ostrowski et al., 1993; Pakdil & Aydın, 2007; Park et al., 2006; Teikake, 2012; Wong & Chung, 2007)
Up-to-date airline facilities at airport (lounges, check-in facilities, departure gates)	(Chen & Chang, 2005; Gilbert & Wong, 2003; Lim, 2013; Park et al., 2006; Wong & Musa, 2011)
Use of airport lounges	(Gilbert & Wong, 2003; Lim, 2013; Pakdil & Aydın, 2007)

Appendix B – Participant Information Sheet

MASSEY UNIVERSITY
TE KUNENGA KI PŪREHUROA
UNIVERSITY OF NEW ZEALAND

SCHOOL OF AVIATION

Study title: Airline Pre-Purchase Evaluation During Online Purchasing: A Case Study of International Tertiary Students in New Zealand

Lead researcher's details
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I would like to invite you to participate in a study for my Master's thesis. The study aims to determine how international students evaluate airline service before purchasing their tickets.

Please read through the information sheet carefully before making a decision on whether or not to participate. The information sheet provides details on the purpose of the study, whether you meet the study inclusion criteria, what is involved in the study, the risks and ethics of the study and participant rights.

STUDY DESCRIPTION

Consumer decision-making is a part of every day life. We all undergo a thought process when deciding whether or not to buy a product or service, and then when deciding which particular purchase we wish to make given the range of options available. Part of this process is evaluating the different options available to determine which option best meets our specific needs. Consumers evaluate products and services by adopting a set of criterion, assigning importance to each criterion and then deciding which purchase option best meets that criteria. This study aims to find out the criteria used by international students when they choose between airlines when traveling between New Zealand and their home country. Additionally, this study aims to find which criteria used by international students most influence their final decision of airline. The key idea of the study is to analyse how international students evaluate airline service **BEFORE** they actually purchase and experience it, and how this evaluation influences their choice of airline and flights.

PARTICIPANT CRITERIA

To be able to participate in this study you must meet the following criteria:

- Be enrolled as an international student
- Are usually responsible for booking your own airline tickets (as opposed to parents, university or other persons or organisations)
- Usually book your airline tickets online
- Are able to search the internet in English

PARTICIPANT REQUIREMENTS

This study has two stages. The first will require you to be seated at a computer with an open Internet browser. You will then be asked to simulate the situation that you are booking your next airline tickets between New Zealand and your home country. This may be either coming to, or going home from New Zealand. You will be asked to undertake the same process you normally would in a real life situation and this means finding the flights that best meet your specific needs. You will be asked to stop at the point where you have chosen your flights and you are required to input your personal and payment details. This exercise should take approximately 20 – 40 minutes and all actions you make online will be recorded using screen-recording software. Following completion of this task, a 10-minute break will take place where the researcher will briefly analyse your recording and make a map of the steps (websites you visited, links you clicked, etc.) you took in choosing your flights.

Phase two involves a semi-structured interview. You will be asked to explain each step you went through in the process that lead to your choice of airline and flights. The interview will take approximately 10 – 20 minutes and will be voice recorded.

RISKS AND ETHICS

There are no perceived risks associated with participating in this study. This project has been evaluated by peer review and judged to be low risk. Consequently, it has not been reviewed by one of the University's Human Ethics Committees. The researcher named above is responsible for the ethical conduct of this research.

You do not have to accept the invitation to participate in this study. If you do decide to participate, you have the right to:

- Ask any question about the study
- Not answer any particular question
- Withdraw from the study at any time
- Provide information, knowing that your name will not be used in any way
- Ask for the video and voice recording to be turned off at any time

You will receive a $20 supermarket voucher for the commitment of your time to this study. If you agree to participate in the study you will need to complete a written consent form.

STUDY PROCEDURES

The information obtained will be used only for the purposes of this study. Only the researcher and supervisors will have access to this information. All participants details will be kept strictly confidential and any participant referred to in the study will be identified by an assigned participant number. Results of the study may be published or presented at conferences or seminars.

All raw data will be held until the submission of the final thesis in June 2016, after which time the data will be destroyed.

Thank you very much for your time and interest in this study

If you have any concerns about the conduct of this research that you wish to raise with someone other than the researcher, please contact Dr Brian Finch, Director (Research Ethics), telephone 06 356 9099, ext. 86015, e-mail humanethics@massey.ac.nz.

Appendix C – Participant Consent Form

MASSEY UNIVERSITY
TE KUNENGA KI PŪREHUROA
UNIVERSITY OF NEW ZEALAND

SCHOOL OF AVIATION

PARTICIPANT CONSENT FORM

Airline Pre-Purchase Evaluation During Online Purchasing: A Case Study of International Tertiary Students in New Zealand

- I have read and understood the Information Sheet and have had the details of the study explained to me. My questions have been answered to my satisfaction, and I understand that I may ask further questions at anytime.
- I agree to voluntarily participate in this study under the conditions set out in the Information sheet.
- I understand I have the right to withdraw from the study at any time and to decline to answer any particular questions.
- I agree to have my online actions screen-recorded, but understand that I have the right to ask for the recording to be stopped at any time during the study.
- I agree/do not agree to be audio recorded, but understand that I have the right to ask for the recording to be stopped at any time during the study.

Participant Identification Code: ....

Date: ....

Name: ....

Signature: ....