

Abstract

Conceptualizing eWOM, Brand Image, and Brand Attitude on Consumer's Willingness to Pay in the Low-Cost Airline Industry in Thailand [†]

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Abstract: The expansion usage of the Internet, especially social media, has extended customers options for gathering products and services information by including other customers' comments and opinions posted on the Internet. Customers are able to share their experience, perception, and advice by involving in electronic word-of-mouth (eWOM) on their social media and websites that facilitate reviewing of consumer's experiences, which can be reached by their friends and other potential customers. This study reviews literature related to eWOM, brand attitude, brand image, brand loyalty, and their implication on the willingness to pay premium ticket price in the context of the low-cost airline industry in Thailand. Existing literature presented that eWOM, as well as, brand image have positive influences on customer's repurchase intention. In addition, brand attitude and brand loyalty also influence customers' intention to buy for a particular product. This leads to the motivation to formulate a conceptual framework to explore the relationships between the mentioned independent variables on the willingness to pay more on airline ticket price. This conceptual framework also suggests methodology and sample groups for further research investigation.

Keywords: brand attitude; brand loyalty; brand image; customer experience; eWOM; low-cost airline industry; willingness to pay

1. Introduction

Most of the research related to the effects of brand attributes or purchasing behavior has been focusing on products. However, service is playing a vital role in the developing economy. The stream of research on service has been undertaken in only a few areas comparing to product [1]. In addition, the research that focuses on the service industry in developing economies is still limited. Airline is considered to be in service industry where the more favorable brand can influence revenue of business. Therefore, it is appropriate to observe the literature and formulate model in the context of developing economy.

The objective of this research is to explore the literature on eWOM, brand image, brand loyalty, and brand attitude, as well as formulate the conceptual model in regards to the influence on customer's willingness to pay premium ticket prices in the context of a low-cost airline industry.

2. Literature Review

The increase in Internet usage makes an average of 70% of consumers read other consumers' opinions, and consumer-generated content on a brand of products or services that they interested [2]. Electronic word of mouth (eWOM) defines any statements about products either positive or negative provided by future, present, or experienced customers, and can access such statements by anyone online (Henning et al., 2004). Henning (2004) concluded that the behavior and attitude towards brand can be influence by both traditional word of mouth (WOM) and eWOM. Frequent flyer who has experienced a negative eWOM will influence the brand attitude of frequent flyers.

Three concepts of branding that are related to the influence of eWOM are brand image, brand attitude, and brand loyalty. The structure of brand image pertains to the emotional perceptions towards particular brand and is subjective to customers' interpretation [4,5]. It helps customers differentiate the brand and identified what kind of brand they need or want [6]. For the research related to low-cost carrier airline, Arif (2019) concluded that eWOM and brand image have a positive influence on customer's repurchase intentions of Indonesian airlines [7].

Brand attitude (BATT) can be considered as the long term assessment of brand that is most likely to motivate behavior of consumer [8]. Kempf and Smith (1998) and Krystallis and Chrysochou (2014) found that advertising can partially influence brand satisfaction and brand attitude [8,9]. Therefore the positive or negative stimuli such as eWOM may influence brand attitude. Wang, Kao, and Ngamsiriudom (2017) showed that brand attitude has a positive influence on customers' purchasing intention [11].

Brand Loyalty refers to the consumers' tendency to be loyal to a particular brand. Consumers who have loyalty toward particular brand will intend to buy a favorable brand as a first choice [12,13]. Aaker (1991, p. 39) defines brand loyalty as "the attachment that a customer has to a brand". For an airline business, the ticket price is not the only determinant for loyalty to a particular airline company [14]. Jiang and Zhang (2016) concluded that ticket price is not the priority to business passengers. In addition, it had no influence on customer satisfaction and loyalty [15]. Therefore, it is interesting to investigate in the case of a low-cost airline business. In addition, Caruana (2002); Krystallis and Chrysochou (2014) stated that repeated purchasing can be influence by brand loyalty which can lead to the future profitability of firms [16,17].

This research focuses on measuring the outcome of the purchasing behavior of end consumers since it can affect a revenue side of the firm. The dependent variable of this study is the willingness to pay a premium price or willingness to pay more (WTPM). Netemeyar et al. (2004) proposed that willingness-to-pay premium price is condition in which customer is willing to pay a higher price for their favorable brand comparing to others. Customers tend to be able to pay a higher price if they perceived that the product or service can offers higher value to them [18]. For example, a research showed that customers are willing to pay higher price for the environmentally friendly brand [19,20]. Therefore, there is a connection between WTPM and other mentioned variables.

3. Conceptual Model and Hypotheses

This research proposed a conceptual model to investigate the relationships among eWOM, Brand Attitude, Brand Loyalty, Brand Image, and WTPM. The research hypotheses are shown in Figure 1.

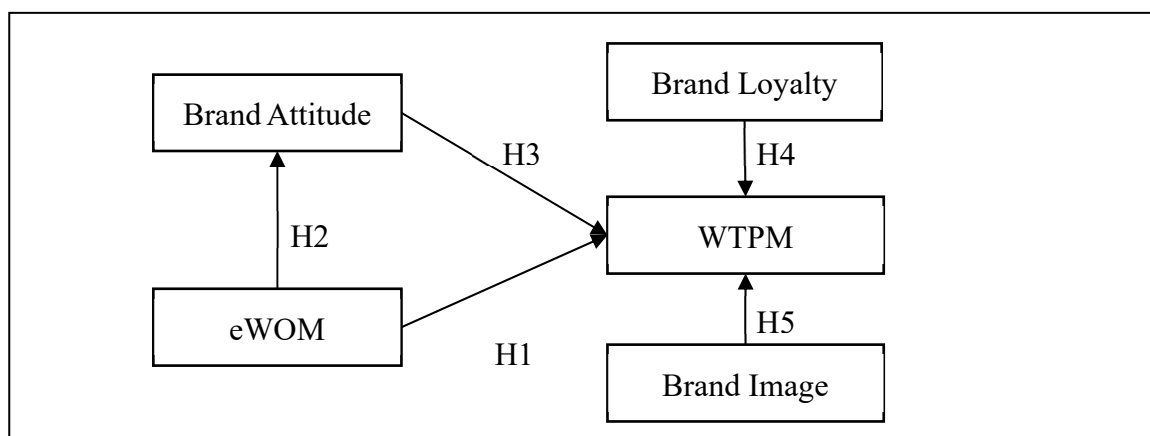


Figure 1. A conceptual framework and hypotheses.

Based on the conceptual model, there are five hypotheses as follows.

Hypothesis 1. *There will be a direct positive relationship between eWOM and WTPM.*

Hypothesis 2. *There will be a direct positive relationship between eWOM and Brand Attitude.*

Hypothesis 3. *There will be a direct positive relationship between Brand Attitude and WTPM.*

Hypothesis 4. *There will be a direct positive relationship between Brand Loyalty and WTPM.*

Hypothesis 5. *There will be a direct positive relationship between Brand Image and WTPM.*

4. Research Methodology

WTPM included three items are adapted from Ong, Lee, and Ramayah (2018) [21]. eWOM is taken from Kudeshia and Kumar (2017) [22], which includes four items. For the brand side, brand image was measured as three items, which are adapted from Davis, Golicic, and Marquardt (2009) [23]. Meanwhile, brand loyalty consisted of three items, are adapted from Yoo and Donthu (2001) [13]. Brand attitude was measured as five items that were taken from Colliander and Dahlén (2011) as cited in Augusto and Torres (2018) [8]. All of the measurements were rated on a 5-Point Likert scale from strongly disagree (1) to strongly agree (5). The study intends to collect at least 250 samples and later conduct the related statistical analysis.

5. Limitation and Contribution of This Research

The limitation of this research is the ability to generalize the findings beyond the scope of this study. The research focuses on only low-cost airline, within a single geographic region (Thailand), and only look at domestic passenger. However, the study aims at contributing to both theoretical and managerial prospects. Results will mainly contribute to brand management theories. Furthermore, depending on the results, if the results indicated that there is the positive influence of eWOM on dependent variables, then the manager should seek to identify the motives that encourage positive eWOM communications. Firms need to consider the importance of eWOM and their influence on brand attributes.

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