A Study of Online Market in Airline: A Case Study in Mongolia

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ABSTRACT

This study defines customer satisfaction (CS) of Mongolia with the experience of the online market (OM) by technology acceptance (AT). The factors of CS include ease of use, payment security, interactivity, and the quality of the information on the website. The goal of this study is to examine to what extent these 4 factors affect the satisfaction of passengers in Mongolian Airlines (MA). The survey was based on 2 airlines: the airline Hunnu, the airline MIAT and the data collected from 98 passengers of those airlines. The results show that there are three essential factors: interactivity, the security of payment and ease of use, which affects satisfaction with OM's experience in CS in Mongolia.

Keywords: customer satisfaction, online market, airlines, Mongolia

I. INTRODUCTION

The airline market (OM) is one of the fastest growing industries in the world. The airline industry's ticket distribution channel is changed to OM. This distribution channel allows customers to buy OM quickly and has cost savings for both the company and customers [1]. Even virtual distributors on the Internet can be unsafe and reliable, but even so, one of the most important channels for airlines to sell tickets [2]. This study used the AT model and can be explained by two prominent beliefs: perceived utility and perceived ease of use. This study examines OM's CS about ease of use, quality of information, payment security and interactivity that affect passenger satisfaction levels of Mongolian airlines.

The purpose of the research is to show what influence factors affect the level of CS in the airline industry and what are the main factors that affect the intention of the Mongolian passenger to buy OM through satisfaction. This study proposes hypothesis testing when trying to find answers to research questions and also identifies the demographic characteristics of the client and could influence consumer decisions to buy OM and CS. An OM is a paperless electronic document, especially in the airline industry [3]. Today, all major airlines use the electronic ticket sales method. When a customer buys or book a plane ticket over the phone or OM, the details of the reservation are saved on the computer. The benefit of OM is that it reduces the cost of buying a plane ticket by eliminating the need to print and send paper documents [1]. Another advantage is that consumers can easily compare ticket costs online without a transaction fee.

CS can be a basic standard of service performance and a possible fault-free standard for any business organization [4]. Satisfaction is a response to a perceived discrepancy between earlier expectations and perceived performance after consumption [5-7]. CS is defined by satisfaction with the product/service. Therefore, satisfaction is extremely important for OMs of products and services because a satisfied customer has a positive buying intention, such as repurchase, a positive word of mouth and long-term loyalty. For example: [8] found that between 35 and 40% of sales revenue from the OM comes from frequent visitors. Therefore, CS leads to customer loyalty and has a growth in market share and predicts greater penetration in the Airline Company market [9].

1. Research Framework

According to models and studies of OM satisfaction, several factors have been proposed to affect to OM satisfaction [2, 5-7, 10]. The 4 factors in this study have been explored including: the information quality, payment security, interactivity and ease of use shown in Fig-1.
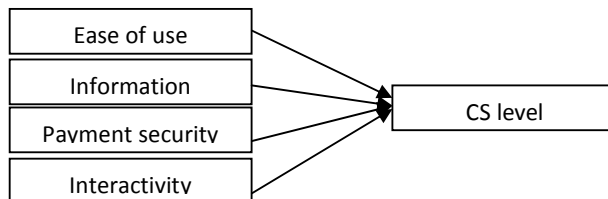

Fig-1: Research framework

H1: Ease of use has a positive effect on CS towards the purchase of OM.

H2: The quality of the website information has a positive effect on CS towards the purchase of OM.

H3: Payment security has a positive effect on CS towards the purchase of OM.

H4: Interactivity has a positive effect on CS towards the purchase of OM.

METHOD & RESULTS

1.1 Measurement

This study is measured by 4 variables that affect the satisfaction levels of airline passengers in Mongolia. The dependent variable in this study is CS and the independent variables are ease of use, quality of information, interactivity, and payment security.

The questionnaire has two parts; the first part is designed by the questions of the Likert scale, which consists in that the items are based on the research variables and the measurement of each element in the Likert range of 5 points.

1.2 Data collection

Before developing a formal questionnaire, a pilot test was conducted. The subjects for the pilot test were among airline employees and customers who were known to have used an airline's website, which included Hunnu and MIAT to reserve their ticket. The pilot questionnaire had 44 items that were reduced to 24 for the final survey. There were 22 invalid responses out of a total of 98 completed responses. One hundred thirty-eight valid questionnaires were used to prove they are adequate to test our hypotheses.

1.3 Data analysis

Demographic characteristics include age, gender, status, and income level. The statistics of the respondents show that most respondents are students (62.2%) and non-managerial employees (18.4%). Many of the respondents are between 21 and 35 years old (84.7%) because most of the respondents are students and buy OM to study. Some demographic characteristics of the respondents are shown in Tab-1.

Measure	Item	Frequency	Percentage
Age	Less than 21	7	7.1%
	21-35	83	84.7%
	36-50	7	7.1%
	51 and over	1	1%
Gender	Male	42	42.9%
	Female	56	57.1%
Current status	Managerial level Non-managerial level	13 18	13.2% 18.4%
	Student	61	62.2%
	Unemployed	6	6.1%

Tab 1: Statistics of respondents' profiles

The hypotheses of the research model were tested using ANOVA and multiple regression equations provided by the SPSS computer program. Tab-2 shows that the correlation of the relationships between the study variables that are the 4 independent variables positively influence CS.

	IQ	PS	I	PEOU	SF
IQ	1				
PS	.658**	1			
I	.380**	.360**	1		
EOU	.775**	.593**	.280**	1	
SF	.622**	.718**	.746**	.616**	1

Tab-2: Correlation matrix of variables

CONCLUSION

This study tried to examine the determinants of OM CS in Mongolia. The result of the investigation was supported by three factors and rejected two factors, the hypotheses are shown in Tab-4. In Mongolia's customers, the ease of use, interactivity and payment security of OM services are important determinants of OM CS.

Hypotheses	Result
H1	Supported
H2	Not Supported
H3	Supported
H4	Supported

Tab-4: Result of Research Hypotheses

Customers of the Mongolian airline focus more on the interactivity and security of OM buys due to the lack of experience in the use of OM of the airline and feel more comfortable with the face-to-face interaction with the personnel of the airline. the airline and the more traditional payment system. It is also one of the reasons for the use of the Internet and OM is not common in Mongolia.

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