



## **The Role of Situational Factor on Buyer Characteristics and Purchase Decision among Malaysian Low-Cost Airline Travellers**

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### **ABSTRACT**

Buyer characteristics are a set of psychological, social, personal, and cultural factors which influence purchase decisions. Buyer characteristics lead to the purchase of a product or service, which impacts organization profit maximization and sustainability. Therefore, organizations emphasize building strong relationship with buyers. This has become a marketing priority in the current marketing environment. In airline perspective, the Malaysian low-cost airline industry is a major contributor to the national and global economy. However, the low-cost airline industry is facing purchase decision issues on domestic traveller aspect. Thus, the objective of this research is to investigate the significant relationship between buyer characteristics and purchase decision and to examine whether situational factors act to strengthen purchase decisions. As such, this research focused on how buyer characteristics impact purchase decision. In addition, situational factors as a moderation effect on purchase decision were tested using survey questionnaire. The sample for this research was 200 low-cost Malaysian travellers. The findings of this research revealed that buyer characteristic had a significant relationship with purchase decision and the situational factor moderated to strength the model with 62.5% of prediction. Besides, it is found that the social factor had strong association with purchase decision.

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## INTRODUCTION

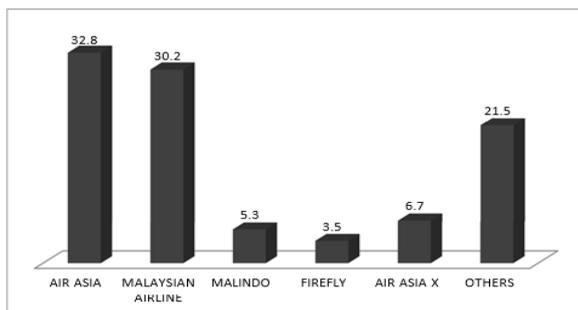
The current economic depression and growing competition from other modes of transport has reiterated the importance for airlines to remain competitive whilst meeting the needs and expectations of airline travellers in order to survive what is increasingly a precarious business environment (Anuwichanont, 2011). The implications and complexity involved in understanding the decision making of airline travellers and their motivation for air travel is thus becoming ever more apparent and inherent to the business and marketing strategies airlines pursue. This is why marketers must analyse customer characteristics and purchase decisions in order to sustain the market (Sarker, 2012). According to Kim and Justine (2005), during purchase, the consumer would determine whether acquiring a product is pleasant or stressful, and this might be a determinant for future purchases.

In the past, investigations on consumer decision-making issues were mainly focused on the decision-making process. However, Bettman (1979) argues that consumers may sometimes typically rely on simple strategies, rather than rationally going through a series of steps or processes when they make purchase decisions from an industry perspective. In addition, marketers need to know how situational factors, such as time pressure or task, affect the purchase decision. For these reasons, consumer behaviour is one of the main topics that low-cost airlines would have to consider when entering a competitive market like Malaysia. Apart from that, several studies (Kim and Justine, 2005; Abdullaha, K., Hazilah, N., Manaf, A. B., and Noorc, K., 2007; Jan, M., Abdullah, K., and Smail, M., 2013) stated that purchase decision is an important factor that the airline industry needs to explore.

## EMERGING ISSUES IN LOW-COST AIRLINES IN MALAYSIA

Airline companies, particularly low-cost airlines, are experiencing aggressive competition due to the number of low-cost carriers and their struggle to retain more customers (Munusamy, J., and Chelliah, S., 2011). According to Doganis (2006), airlines profitability has always been a great challenge. In addition, according to Hamidi (2013) the service industry provides excellent service but still makes mistakes in meeting the expectations of today's customers, who tend to be more demanding and less loyal than ever before. Amiruddin (2013) explained that Malaysia low-cost airline have several issues namely, flight delay, baggage damage, poor service, seat problems, air safety, counter queue place, a bad check in process, ticketing issues, and communication issues. In addition, Centre for Aviation (2015) (Malaysia 2015 aviation outlook: Malaysia airline industry performance) explains about the overall airline industry performance. The figure shows below.

## Illustrations



Source : CAPA Outlook (2015)

Figure 1 Airline Industry Performances in Malaysia

Figure 1 shows overall airline industry performance in Malaysian airline industry market. Air Asia has the highest performance at 32.8%. However, 21.5% is held by other airlines. Malindo and Firefly had 5.3% and 3.5% individually. This shows high competition among Malaysia-based low-cost and other carriers. Moreover, analysis shows the purchase level of people is scattered. In addition, based on these statistics, lower cost carriers are the bulk of the airline industry in Malaysia. Hence, they are a greater contributor to national Gross Domestic Product (GDP) (11%) than Full Service Carriers (FSC). Thus, the low-cost airline industry must be aware of purchasing and customer issues.

Note that, domestic travel spending generated 42.3% of direct travel tourism compared with 57.7% for foreign visitor (Travel and Tourism Report Malaysia, 2015). In addition, currency instability affects consumers by weakening confidence in spending. In addition, the implementation of a 6% Goods and Services Tax (GST) in April 2015 increased cost pressures and raised service charges. This also has a negative effect on Malaysian airline traveller traffic in the near term (MAHB Report, 2015). Besides that, Figure 1 shows that low-cost airline industry is the main airline contributor in Malaysian airline industry. As such there is a need to explore the insights of purchase decisions among Malaysian traveller. Therefore, the aim of this research is to explore on purchase decision among Malaysian low-cost airline travellers.

## THEORETICAL DEVELOPMENT AND HYPOTHESES

### Buyer Characteristics and Purchase Decision

Kotler and Armstrong (2010) define buyer characteristics as the factors to influence consumer behaviour. Hence, they define cultural, social, personal and psychological factors as strongly influencing the buyer characteristics. Therefore buyer characteristics are defined as the combination of psychological, personal and social

factors. There are few recent literature reviews (Furaiji, F., Latuszynska, M., and Wawrzyniak, A. (2012); Susanto, 2016) stating that buyer purchasing decisions are strongly influenced by buyer characteristics. Kotler (2010) stated that a buyer characteristic is an important factor for marketers and they need to be understood before developing marketing strategies because different buyer has different characteristic.

In addition, previous studies (Jan, M., Abdullah, K., and Smail, M., 2013; Munusamy, J., and Chelliah, S., 2011) indicated buyer characteristics are an important element in low-cost airline industry. In addition Jan et al. (2013) also recommended psychological factor to be explored from the airline industry purchase decision perspective. Besides that, personal factor also plays a significant role in purchasing product or services (Kotler, 2010). Connell, O., and Williams, J. (2005) and Kim and Lee (2011) also recommended that social factors can be explored further in the airline industry.

In recent studies (Purnama, H., and Rachmawati, I., 2014; Susanto, A., Lapian, J., and Tumbuan, A., 2016; Furaiji, F., Latuszynska, M., and Wawrzyniak, A., 2012; Aghdaie, 2014 and Vijayalakshmi, 2013) concluded that different people can react differently to the same object/action. Based on their findings, there are significant influences and strong correlation between the buyer characteristic and determination on consumer purchase decision. They have also stated that consumer purchase decision is not only influenced by consumer's behaviour but also buyer characteristics, which are personal, social, and psychological play an important role on consumer purchase decisions.

Furthermore, Sata (2013) recommended that the airline industry should explore about purchase decisions and also how it will help airline travellers to choose their preferred airlines. This will also create new ways to identify their target audience and maintain low-cost carrier airlines market sustainability in a short and long term. Therefore, this study focuses on how airline travellers make their purchase decisions. As such, this research offers the following hypotheses:

- H1: There is a significant relationship between buyer characteristics and purchase decision.
- H1a: There is a significant relationship between psychological factor and purchase decision.
- H1b: There is a significant relationship between social factor and purchase decision.
- H1c: There is significant relationship between personal factor and purchase decision.

## **Situational Factor and Purchase Decision**

Belk (1974) defines situational factors are external factors usually outside of the control of marketers, influencing customers in particular to a time and place of observation which do not follow from a knowledge of personal (intra-individual) or stimulus (choice alternative). Consumer behaviour is largely driven by these situational variables stated Gehrt and Shim (2002). In several studies (Nicholson, M., Clarke, I. and Blakemore, M., 2002; Gehrt and Yan, 2004; Hand, C., Dall'Olmo, F., Harris, P., Singh, J., and Rettie, R., 2009; Chintagunta, P. K., Chu, J., and Cebollada, J., 2012; Oppewal, H., Tojib, D. R., and Louvieris, P., 2012) stated that situational variables can have a direct influence channel choice decisions. According to Belk (1975) and Nicholson (2002), situational factor is an important element on purchase decision in buyer's current situation when they want to buy. It is also a deciding factor for buyer to buy immediately or not and in addition, impacts on what type of product or service needed.

Additionally, situational factor play significant role in influencing a person's decision. This will be a challenge for marketers to understand how it works. However the five dimensions namely physical surroundings, social surrounding, task definition, temporal perspective and antecedents (Belk, 1975) of situational framework helps marketers to redesign strategies based on certain time frame. A few studies (Verhoef, P., Lemon, K, Parasuraman, A, Roggeveen, A, Tsiros, M, and Schlesinger, L., 2009; Berger, 2014) stated that situational factors can be a moderator for airline travellers to purchase airline tickets. It can be a strength factor which decides to increase or decrease the purchase. Therefore, this study focused on situational factor dimension namely temporal perspective and task definition (Jayasankaraprasad, 2010) as a moderator variable. Thus, the following hypotheses were developed for this research:

H2: Situational factors strengthen the relationship between buyer characteristics and purchase decision.

H2a: Situational factors strengthen the relationship between psychological factor and purchase decision.

H2b: Situational factors strengthen the relationship between social factor and purchase decision.

H2c: Situational factors strengthen the relationship between personal factor and purchase decision.

Figure 2 shows the theoretical framework derived for this research, which was drawn from literature review gaps, which links buyer characteristics, situational factor and purchase decision:

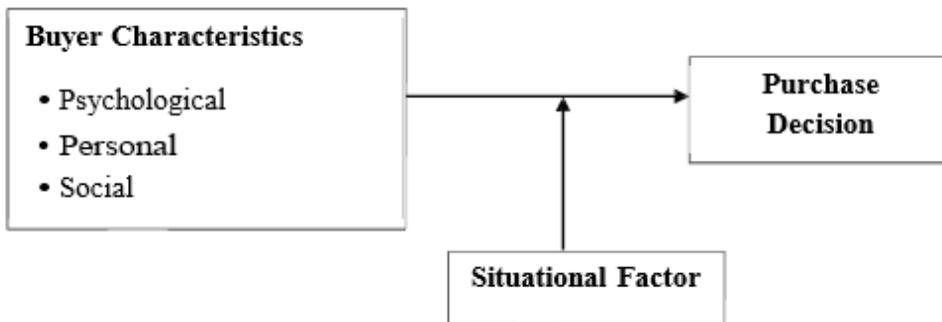


Figure 2 Theoretical Framework

Situational factor is an important element on purchase decision in terms of the buyer's current situation when they want to buy. It also as deciding factor for buyer whether buys immediately or not. It also impact on what type of product or service needed (Belk 1975, Nicholson 2002). In few studies (Verhoef et al., 2009; Bitner, 1992; Nagarkoti, 2000 and Berger, 2014) stated that situational factor can be a moderator for airline travellers to purchase airline tickets. This influences on airline travellers whether to purchase or not. Besides, it can be a strengthen factor which decides to increase or decrease the purchase.

## METHODS

### Sample and Procedures

The target population of this study includes Malaysian air travellers of low-cost airlines domestically as well as internationally. Recently, air transport journal reviews stated that the air traveller population is unknown and cannot predict accurate numbers (Jovana, 2015; Rahim, 2015) As such, this research used convenience sampling with the sample size of 200 Malaysian low-cost airline travellers. Data collection was conducted through personal administered method. 250 questionnaires were distributed to air travellers at Kuala Lumpur International Airport 2 (KLIA2) Malaysia, to account for any lost, damaged, or incomplete forms. However, 242 questionnaires were returned with 96.8% return rate.

### Measurements

In this research, a structured instrument was used for data collection purpose. The questionnaire were designed based on adaptation and modified from past literatures. A 5-point Likert scales (1 = strongly disagree to 5 = strongly agree) were used to measure the level of respondents' agreeableness on the statement posed to them. The questionnaire for this study has three sections. Section One questions filters for those who are eligible to answer this study. The second section of questionnaire would be a

Likert's scale questions relevant to this study. This section has Buyer Characteristics (BC), Situational Factor (SF) and Purchase Decision (PD). The final section is profile of respondents, which is respondents' background information. This is designed with a nominal scale.

The buyer characteristics measurements; the psychological factors items were adapted and modified from Li (2016) with reliability ranges from 0.708 to 0.847; social factors were adapted from Beredan, Netemeyer and Teel (1990) with reliability of 0.82 and personal factors adopted from Aghdaie's (2014) with reliability of 0.83. The situational factor were adapted and modified from Jayashankarprasad (2010) with items reliability of 0.723 and 0.825. The author developed the items based on two past studies (Patrick, 1999; Nicholas, 1996). Lastly, purchase decision items were adapted and modified from Hansen (2011) with reliability of 0.81. Refer to appendices for the items designed for this research.

In this research, questionnaire validity was conducted by obtaining expert opinion of an academician and three from common people who travel in low-cost airlines. Pilot study was conducted with 30 low-cost airline travellers as respondents. Thereafter, modification of the items was done accordingly.

## **RESULTS ANALYSIS**

There are 53.5% of respondents were males and 46.5% were females. Most respondents were Malays at 37.5%; followed by Chinese and Indians at 33.5% and 28.5% respectively. In addition, 48% of total respondents were aged of 21-40 years with 96 respondents. Meanwhile those aged 41-60 were 24% of total respondents and those below 20 years were 8%. Besides that, the income group of RM2001 - RM3000 were 27.0% of total respondents. 54 respondents have income between RM2001-RM3000. Lower income category below RM1000 and higher income category above RM4001 were 25.5% and 9.5% of total respondents respectively. However the middle income category RM 1001 - RM2000 and upper middle RM3001 - RM4000 were 19.5% and 18.5%, with 39 respondents from RM1001 - RM2000 and 37 respondents from RM3001 - RM 4000.

The data was analysed using the Partial Least Square (PLS) Structural Equation Modelling through SmartPLS. The common method variance factor analysis (Harman single factor test) of common method bias in the research shows the 1st component explains less than 50% of total variance. Therefore, this research applied 42.84%. According to Hair and Ringle (2011) the cut-off value for common variance factor analysis is 50%. The first component should not exceed 50%. Therefore this research had no single factor.

**SEM-PLS Measurement Model**

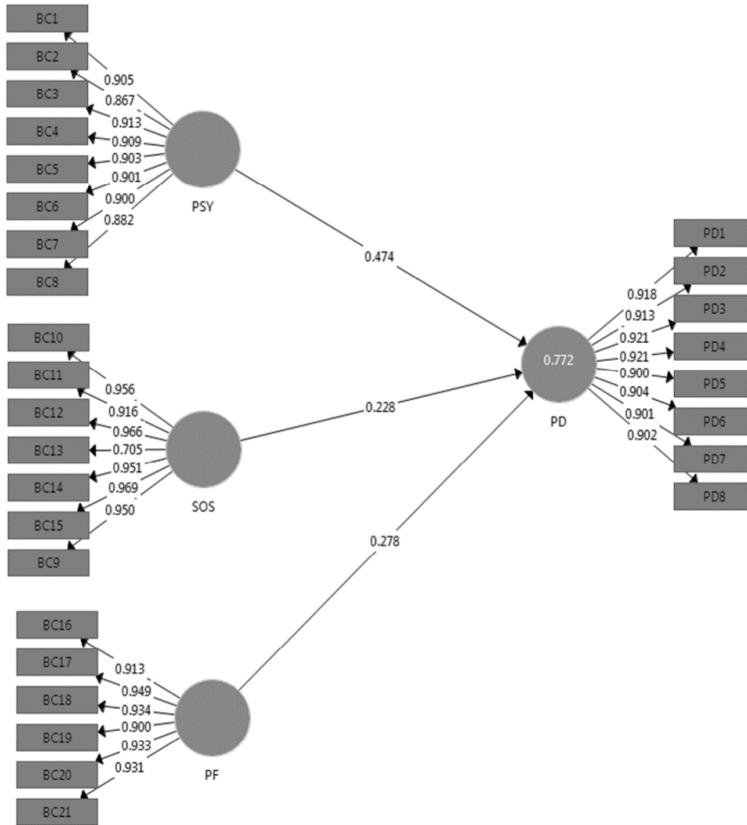


Figure 3 Main Variable Measurement Model

Figure 3 shows the research framework without the moderating variable. An independent variable name BC (Buyer Characteristic) with dimensions of PSY (Psychology), SOS (Social), PF (Personal) and the dependent variable name as PD (Purchase decision). PSY have 8 items (BC1-BC8), SOS has 7 items (BC9-BC15), PF have 6 items (BC16-BC21) while PD have 8 items (PD1-PD8). Based on the model, each items loading 0.9 except BC13. It was also more than the cut-off value 0.7 (Hair and Ringle, 2011). In addition the path coefficient for each variable was 0.474 (psychology), 0.228 (social factor) and 0.278 (personal factor). It means 47.4% of psychological factor influence purchase decision. While personal factor only 27.8%. Furthermore these dimensions had good relationship with purchase decision ( $R^2$ ) is 0.772.

Table 1 Composite Reliability

	<b>Cronbach's Alpha</b>	<b>Composite Reliability</b>	<b>Average Variance Extraced (AVE)</b>
<b>PD</b>	0.970	0.975	0.828
<b>PF</b>	0.967	0.973	0.859
<b>PSY</b>	0.966	0.971	0.805
<b>SOS</b>	0.968	0.975	0.847
<b>SF</b>	0.893	0.918	0.651

Note: Reliability Cut off Value Points  
Cronbach alpha >0.7 Composite reliability> 0.7 AVE >0.5

Based on Table 1, the variables are highly reliable. Cronbach's Alpha is between 0.89 to 0.97 which is more than the cut-off value 0.7 (Nunnally, 1978) while Average Variance Extracted (AVE) is 0.8 which also more than the cut-off value 0.5 (Hair and Ringle, 2011). Composite reliability is between 0.92 to 0.98 which more than 0.7.

Table 2 Discriminant Validity

	PD	PF	PSY	SF	SOS
PD	0.910				
PF	0.787	0.927			
PSY	0.831	0.766	0.897		
SF	0.461	0.375	0.526	0.807	
SOS	0.702	0.676	0.644	0.339	0.920

Note: Diagonals ((in bold) represent the square root of average variance extracted(AVE) while the off-diagonals represent the construct correlations.

Based on Table 2, the variables are highly validated. Each variable is high loading to others. PD is 0.91, PF is 0.927, PSY is 0.897, and SOS is 0.92. Both composite reliability and discriminant validity test shows these research variables highly supports the framework.

**Moderate Effect**

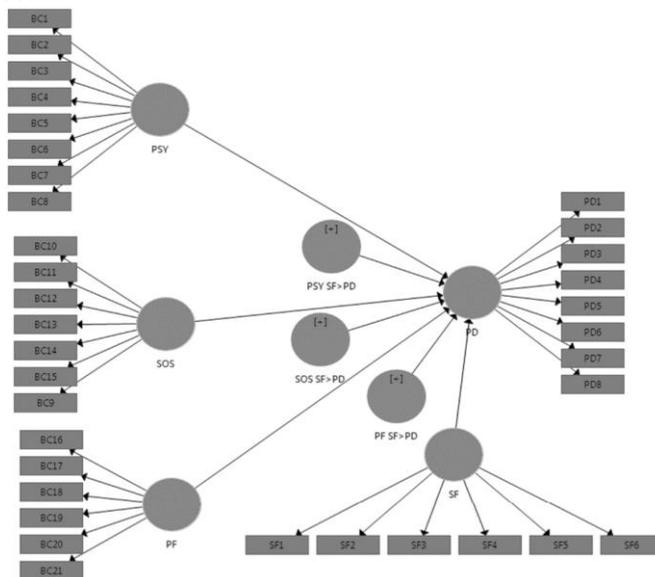


Figure 4 Situational Factor the Moderating Effect

Figure 4 shows the research model with moderate variable. BC (Buyer Character) as independent variable with the three dimensions namely as PSY (Psychology), SOS (Social), and PF (Personal). Dependent variable namely PD (Purchase decision). PSY have 8 items (BC1-BC8). SOS has 7 items (BC9-BC15). PF have 6 items (BC16-BC21) while PD have 8 items (PD1-PD8) and Situational factor (SF1-SF6). The three moderate interaction namely: (a) psychology, situational factor and purchase decision (PSY> SF>PD); (b) personal, situational factor and purchase decision (PF> SF>PD); and (c) social, situational factor and purchase decision (SOS>SF>PD).

Table 3 Moderate Effect Size for Each Interaction

Path Interaction	Path	Effect size ( $f^2$ )	T Statistics	P Values
PF->PD	0.334	0.224	3.563*	0.000
PF SF>PD	-0.188	0.059	1.956*	0.022
PSY->PD	0.179	0.034	1.769*	0.021
PSY SF>PD	-0.082	0.034	1.691*	0.044
SOS->PD	0.322	0.265	4.22*	0.000
SOSSF>PD	0.122	0.04	1.885*	0.031

Note : Moderate Effect Value (Cohen,1988) 0.02 small effects, 0.15 Medium effects, 0.35 large effect

Based on Table 3, bootstrapping with 5000 sample the moderate effect ( $f^2$ ) values are psychology and situational (0.034), personal and situational (0.059) and social and situational (0.04). It is higher than the cut-off value 0.02 which means three dimension and purchase decision moderated by situational factor with small and medium effect. The t-value is higher than the cut-off value 1.645 while p value is also less than 0.05. The  $R^2$  of main framework value is 0.774. However, the moderate effect of situational factor provides  $R^2$  value of 0.839 which means the three dimension of buyer characteristics overall impacts on 84% of purchase decision. The t-value is higher than the cut-off value 1.645 while p value is also less than 0.05. Cross Validated Redundancy is 0.625 which is more than 0 (Fornell and Cha, 1994). It means this model is a predictive model and it can predict value for purchase decision.

## Summary of Research Hypotheses Testing

Table 4 Research Hypothesis Summary

Hypothesis	Relationship	t-value	p-effect	Effect size	Status	Decision
H1a	Psychology> purchase decision	4.417*	0.000	0.373	Supported	Accepted
H1b	Social>purchase decision	0.502*	0.013	0.123	Supported	Accepted
H1c	Personal> purchase decision	3.007*	0.003	0.126	Supported	Accepted

Table 4 Cont.

<b>H2a</b>	Psychology-situational> purchase decision	1.651*	0.044	0.034	Supported	Accepted
<b>H2b</b>	Social-situation> purchase decision	1.885*	0.009	0.04	Supported	Accepted
<b>H2c</b>	Personal-situation> purchase decision	1.956*	0.003	0.059	Supported	Accepted

Note : Cut-off Values \*Significance = p value <0.05, t value > 1.645, R2 > 0.5.

Table 4 indicates the hypotheses summary for this research. The H1 hypothesis refers buyer characteristics have relationship with purchase decision. It has three sub hypotheses H1a (Psychological factor has a relationship with purchase decision), H1b (Social factor has a relationship with purchase decision) and H1c (Personal factor has a relationship with purchase decision). These three sub hypotheses are accepted with the significance level of p value <0.05. Therefore hypothesis H1 accepted.

The H2 hypothesis refers Situational factors strengthen the relationship between buyer characteristic factor and purchase decision. It had three sub hypotheses H2a (Situational factors strengthen the relationship between psychological factor and purchase decision). H2b (Situational factors strengthen the relationship between social factor and purchase decision) and H2c (Situational factors strengthen the relationship between personal factor and purchase decision). These three sub hypotheses accepted with the moderate effect of small and medium. Hence hypothesis H2 accepted.

Apart from that, overall model R2 is 0.824 which is more than the cut of point 0.6 (Hair and Ringle, 2011). The overall model can predict (Q2) 0.625 which is 62.5% for the purchase decision. The cut off value for prediction is 0. This model is 0.625.Hence this research framework is good to predict the variables.

## DISCUSSION

### Buyer Characteristics and Purchase Decision

It is explains the relationship between buyer characteristics and purchase decision. The dimensions used for this research are psychological, social, and personal factors. Therefore, hypothesis one (H1) extended into three sub hypothesis for each dimensions, specifically H1a (psychology > purchase decision), H1b (social factor > purchase decision) and H1c (personal factor > purchase decision).

### **Psychological Factor and Purchase Decision (H1a)**

The hypothesis for H1a (psychological factor >purchase decision) result provide a positive impact on purchase decision. According to Hair and Ringle (2011) the PLS path coefficient should be greater than 0.1 and the t-value should be significant at the 0.05 or 0.01 level. The path coefficient beta value (r) indicated 0.474. Therefore psychological factor has a positive impact on purchase decision. These results supported by few researchers (Furaiji, F., Latuszynska, M., and Wawrzyniak, A., 2012; Yakup, D, and Jablonsk, S., 2012; Vijayalakshmi, S., 2013; Purnama, H., and Rachmawati, I., 2014). In addition, the effect size (f<sup>2</sup>) for psychology and purchase decision was 0.373. According to Cohan (1988), an effect size of more than 0.35 indicates a large effect. Hence, psychological factors have a large impact on purchase decision. Therefore, based on the statistical results, Hypothesis H1a accepted.

### **Social Factor and Purchase Decision (H1b)**

The hypothesis for H1b (social factor >purchase decision) had a positive impact on purchase decision. According to Hair and Ringle (2011) the PLS path coefficient should be greater than 0.1 and the t-value should be significant at 0.05 or 0.01 level. The path coefficient beta value (r) was 0.228. Therefore social factor has positive impact on purchase decision. These results were supported by some researchers (Yakup, D, and Jablonsk, S., 2012; Chaipornmetta, 2010; Sarpichaisakul, 2012). In addition the effect size (f<sup>2</sup>) for social factor and purchase decision revealed 0.123. According to Cohan (1988), if the effect size is more than 0.1, indicates medium effect. Hence in this research, social factor had medium impact on purchase decision. As such, H1b hypothesis was accepted.

### **Personal Factor and Purchase Decision (H1c)**

The hypothesis for H1c (personal factor >purchase decision) result provide a positive impact on purchase decision. According to Hair and Ringle (2011) explained for PLS path coefficient should be greater than 0.1 and the t-value should be significant at 0.05 or 0.01 level. The path coefficient beta value (r) indicated 0.278. Therefore, personal factor has a positive impact on purchase decision. These results are supported by several researchers (Vijayalakshmi, S., 2013; Purnama, H., and Rachmawati, I., 2014; Thanyamon, 2012). In addition the effect size (f<sup>2</sup>) for personal factor and purchase decision revealed 0.126. According to Cohan (1988), if the effect size is more than 0.1, indicates the medium effect. Hence personal factor had medium impact on purchase decision. Therefore H1c hypothesis was accepted.

In conclusion for hypothesis one (H1) buyer characteristic and purchase decision had a significant relationship. Based on the hypothesis testing result shown, psychological factor had a large effect. Meanwhile, social factor and personal factor had a medium effect on purchase decision.

Apart from that, this research found overall Coefficient determination  $R^2$  0.772 which showed 77.7% buyer characteristics impact on purchase decision. In addition the model predictive relevancy (Q2) identified 0.588. This indicated buyer characteristic can predict 58.8% of the purchase decision.

### **Situational Factor Moderated Effect On Purchase Decision**

The results of testing the hypotheses related to the relationship between the moderating effect on buyer characteristics and purchase decision. Hence this research aimed to examine the moderate strength of buyer characteristics and purchase decision. The hypothesis two (H2) had three sub-hypotheses. H2a, H2b and H2c which refers buyer characteristics dimensions and purchase decision (psychological factor>situational factor>purchase decision, social factor>situational factor>purchase decision, personal factor>situational factor>purchase decision). The result found situational factor strengthen purchase decisions at (0.772-0.824) 5.2% because coefficient determination ( $R^2$ ) of buyer characteristics is 0.772 while situational factor as moderator, the  $R^2$  changed into 0.824.

This result supported with past researchers (Jayasankaraprasad, 2010; Verhoef and Langerak, 2001). Hence situational factor played a moderator role between buyer characteristics and purchase decision. In addition the H2b direction (social factor >situational factor >purchase decision) had positive moderate effect on purchase decision. Meanwhile, H2a and H2c had negative moderate effect on purchase decision. Psychological factor beta is  $-0.188$  and personal factor beta  $-0.122$ . The reason for psychological factor and personal factor had negative moderated effect on purchase decision probably because when situations lead consumers to believe that important situations will make immediate purchase decision which is unfavourable to their own personal character (Bearden and Netemeyer, 1990).

## **CONCLUSIONS**

This research provides a deeper understanding of the relationship between low-cost airline providers and their airline travellers by examining the association between psychological factor, social factor, personal factor and purchase decision in one single framework. In this context, it has been found that Malaysian low-cost airline travellers have a high consideration on social factor when purchasing an airline package based on the situation they have for airline travel. When the situation plays an important role the buyer's psychology and personal factor will be not important for a

purchase. However social factors like family, friends and opinion leaders play an important role on purchase decision at any point of the time.

Hence, this research highlights the importance of managers or strategy developers of low-cost airline industry who are developing and maintaining marketing relationship activities that achieve high encouragement for airline travellers to purchase airline package, particularly at low-cost airline market. Specifically, managers should be aware on social factor that is necessary to enhance the quality of relationship that customers have with them. They also should keep in concentration the need to sustain in market by identifying appropriate strategies and provide marketing promotions which can influence buyer.

However, this research has a few limitations. The research excluded cultural contexts because the scope of studies was Malaysian low-cost airline travellers. However cultural factor may affect for other service sector and cross cultural research. Besides that, this research focused on situational factor on the temporal and task definition perspective and excludes physical surrounding and antecedent state. This is because it is not appropriate for this research. However excluded situational factors may give different results for other service areas.

On the other hand, this research provides insights of buyer characteristics impact on purchase decision with moderating effect of situational factor. As such, the theoretical framework used in this research may test in other service areas such as airline Full Service Carriers (FSC), railways, restaurants, and hotels. Furthermore, more situational factors such as physical surrounding and antecedent state (person's momentary moods such as depression, excitement and person's momentary conditions such as tired or ill) in the context of purchase decision can be explored.

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## APPENDICES

### Appendix 1 Measurement of Buyer Characteristics (Psychological Factors)

Item No	Items
BC1	Before purchase the airline package, I choose the airline which suit for me.
BC2	I like travel by airline.
BC3	I tend to buy the air package, because I want to be a member on their flyer membership programme.
BC4	I have knowledge about airline package purchase.
BC5	I learned about the airline from many information sources.
BC6	I am proud while travel by airline
BC7	Airline travel brings me comfortable.
BC8	It helps me to avoid long hours journey.

### Appendix 2 Measurement of Buyer Characteristics (Social Factors)

Items No	Items
BC9	If I have little experience with an airline, I often ask my friends about the airline.
BC10	I often consult other people to help choose the best alternative available from the airline packages
BC11	I frequently gather information from family about airline packages before I buy.
BC12	To make sure I buy the best airline packages, I observed what other family member buying.
BC13	I like to know what airline brands and packages popular among others.
BC14	When I buy the airline packages, I think the brand should accept by all.
BC15	I achieve a sense of belonging by purchasing the same airline packages that others purchase.

### Appendix 3 Measurement of Buyer Characteristics (Personal Factors)

Items No.	Items
BC16	My income has an effective role in my purchase decisions.
BC17	My educational level leads to appropriate purchases.
BC18	My occupation level is important on my purchases.
BC19	I consider my personality characteristic in my purchase.
BC20	When I want to buy an airline package for my friend, I consider age and gender.

### Appendix 4 Measurement of Situational Factor

Items No	Items
SF1	I choose to purchase airline package to travel for urgent matters
SF2	I want to know what new packages are offered by low-cost airline.
SF3	Airline travel is my regular travel activity.
SF4	Day or night travel will influence on my airline package purchase.
SF5	Travel time to my destination influence on airline package purchase.
SF6	My travel frequency will influence on airline package purchase.

## Appendix 5 Measurement of Purchase Decision

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Items No	Item
PD1	Policies regarding refund and complaint handling will influence on my airline package purchase.
PD2	The airline which offers a high service level will make me to purchase airline package.
PD3	Airline providers' willingness to co-operate with consumer influence on my airline package purchase.
PD4	Flexibility of airline influence on my airline package purchase.
PD5	Terms of payment offer by airline influence on my airline package purchase.
PD6	Marketing promotion influence me to buy airline packages.
PD7	Airline provides service based on my needs and demands make me to purchase.
PD8	The reliability of airline makes me to purchase.

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