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Analysis of Factors Affecting Decision to Use Thai Airline Service using Nested Logit Model

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Abstract— **This research studies as analysis of factors influencing the decision to use the service by Thai Airways by use Nested Logit Model. By the objective was to study the composition and other factors that affect the decision of passenger for use to study the characteristic in services provided by the Thai Airline. This research has study to format of the options studied by the passenger's choice of decision making level variables as the result is a variable in the Nested Logit Model. We're determining relationship of each variable to consider when deciding of passenger. The data used in this study are primary data obtained from questionnaires collected from passengers using the airline's 400 number. The study indicated to factors' influence the decision to use Thai Airways factors include revenue objective factors journey. The factor in travel time is direct cost of passenger. Therefore, Thai Airways Should to low costs and lower fares to suit the needs of passengers.**

Keywords— *Factors affecting decision, Thai Airline service, Nested Logit Model*

1. Introduction

Aviation Business is a component of the aviation industry by the business aviation sector is divided two major categories. The first business is business of the airline industry means that operators act – passengers and the second business is Freight Airfreight Means the business of transportation is cargo service, Transport services by plane to meet the needs of consumers. The aviation business is a business that has been recognized and appreciated by consumers is very much due to the journey. The Globalization makes the airline industry to develop more rapidly in the worldwide competition.

The competition of the International Business Aviation has a global scope as Business aviation's national competitiveness is able to provide services cover the major regions of the world. Its ready adapt to globalization and competition in many countries around the world.

Aviation Business is regarded as one of the Utility sector is vital and essential to the livelihood of the people which is a form of air transport in the early stages of business aviation will have to serve only specific lines and the airport offers a full-Service airline only. Focus are manufacturing in class of Service. The class of service in the passenger airline to allow passengers to choose the service level they want to be in each of the service level and availability. Comfort of the seats on the plane, which usually stratified to different services into three layers: 1) first class 2) Business class and 3) economy class.

Although gradation of the services airline is divided into three classes but it isn't necessarily all the airlines will need to have all three in the top flight as 1) local 2) region and 3) across the continent. That is the airline is only available in countries and regions have only two classes of service is a Business Class and economy class. But if a transcontinental flight with a layer of additional service is first class which airlines provide full service to structure the business to provide a unified focus on comfort. Routes range of both short and long term. It has Ticket prices vary according to the quality of services such as ticket in economy class business class. The ticket is distribution system through a main dealer. The ticket prices have varied according to the quality of services such as ticket in economy class and business class to the distribution system through a main dealer. By the tickets are distributed primarily through distributors. Ticket pricing must be made in advance and still maintain the same fare for a long time or have conditions to change travel dates without charge and so on.

2. Literature Review

The Aviation industry is one of the key elements to creating revenue for Thai Airways. Since the tourists are both domestic and foreign tourists to travel through air travel which the country is increasing all the time. Another factor in the selection of air travel demand is an important component in the choice of airline services. From the above data shows the service of airlines serving full (Full Service Airline) Thai Airways and the Thai Smile. It is agreed that the services of a full line of Premium Airline Thai Airways have both an advantage and a disadvantage compared with other airlines offering a full line of Light Premium Airline Thai Smile. Such as if you compare the cost of using the service. Thai Airways Company It costs more but it would have more service and convenience as well. The factors that are important in the selection of these trips are some factors that are important factors in supporting the decision, it is an interesting study

2.1 The Aim of Research

1. The study's elements and factors that Influence a decision to choose the appearance of the passenger services of the airline.

3. Method of Research

This research is Survey Method for study to passenger in use service of airline. Such as for this research have objectives so that it has objective to keep information is a following:
1. Primary Data is from the questionnaires from the general public as a passenger airline that provides full service by classifying of airline into four sub-groups together. By classifying each airline into four sub-groups together the sample size used in this study were selected based on questionnaires completed by passengers at a number of samples used in the study included a total of 400.
Examples follow:
1.1 Passengers of airline 316 samples.
1.2 Passengers of Thai Smile Airline 84 samples.
2. Secondary Data use this study is most of the information theory, the information provided by the airlines, these data are derived from a research study from research papers, journals, books and other research associated with the collected data. Including information obtained through research on internet. Information about the purpose and principles of operation each airline as well as statistical data is according to government and private sector to support the implementation of the survey to the more perfect.

4. Analysis and Discussion

The result of research is findings in the study an analysis of factors influencing the decision to use the service by Thai Airways International Ltd. legit model. The results can be analysed as two main sections:
1. Decision to use the services of passengers.
1.1 Behaviour of passengers use to service showed that most passengers have to travel for tourism purposes, 125 people, representing 31.3 per cent. By has a period of 1-7 days, ticket number 111 people, accounting for 27.8 percent, and travel during the night, 238 people, representing 59.5 per cent.
1.2 The factors affecting choice of airline services were the factors that influence the choice of airline services and travel. Such as prices for food and beverages that occurred during the trip, with an average of 6.63, the time and timeliness in providing the airline with an average of 6.50 for security, including the outside/ inside of a passenger airline. Flying with an average of 6.45 promotion include the image of the airline, with an average of 6.38 and facilities, including the cost of traveling an average of 6.54.
2. The factors are influence decision to use the service by Thai Airways International Limited model logit. Factors that influence the decision to use the service by Thai Airways International Limited model logit found as the present study analysed with logit model of Nested Logit Model. Among the factors that reflect the possibility of choosing variable factors that affect the decision to use Thai Airways to choose one way or the order. The estimated notice that the first step is to decide on the use of passenger airline service. And the second indicates the passenger has made a decision in the first and then chooses the type of each airline in the next step. The analysis of the model name St. Croix logit Calculated could conclude that.
2.1 First order is appearance the airline has set a goal to earn the trip is duration of the flight ticket. The frequency of travel and fares A key factor in the airline's passengers a variable in deciding the nature airlines in order to influence decisions at this stage.
2.2 The second step in the selection of class of service. At this stage shows the passenger's decision. At this stage it is shown that if passengers decide to choose the class of service in each airline will be some factors that influence the decision to choose for the service. There are 4 types of class of service which are Thai Airways Business Class, Thai Airways Economy Class, Thai Smile economy class, and Thai Smile Plus class. The time of travel are direct costs of passenger and other costs related to the passengers. The number of

flights per day and safety a key factor in the airline's passengers using a variable that affects the decisions of individual airlines, which will see up to estimation of the utility of choice for passengers.

5.   Conclusion

From studies and analyses the factors that influence the decision to use the service by Thai Airways International Ltd. logit model. We're Keeping in mind that the passenger has a hierarchy by as well as keeping in mind that there are certain factors that affect the decision to opt for the services of airlines in each level. Thus, the private sector and government agencies involved to cooperate in the policy response to the factors that influence the decision. This can be summarized as follows.

1. First Factor.

1.1 The factor income in during economic boom has most travel in airline but during the great depression Businesses face many problems travel by air is reduced too. While the people have more revenue is money stored by the airlines. If the money runs low is it may go by different channels at a cheaper cost entrepreneurial airline. It should control the cost of traveling by air to an appropriate level. Passengers can get the prices and services of passenger satisfaction

1.2 The purpose of the trip on each trip is the passengers have to reach their destinations quickly. Whether traveling for business. Or leisure travel if the passengers are traveling for business with a focus on the most time. You need a certain time if you are traveling for leisure travel. Passengers will pay more attention to the service-based. Such as the airline operators should to make the measures by keeping time to time to maintain strict and focus on service quality.

2. Last Factor.

2.1 Factor is travel time. The aircraft is vehicles that facilitates fast and keep you on the go if passenger wants to travel. A number of style options to travel a lot are there are many airlines that service. The price of a ticket depends on the time of travel, so the main operators Airways. Passengers are advised to inquire at the time that passengers want to travel. And improvements to the travel schedules of the airlines keep fit and meet the needs of passengers.

2.2 The factor is direct cost of passenger are the competitiveness of the airline industry are likely to rise as giving passengers a wide choice of services to airlines. The price of the ticket is the one thing that airlines adopt incentives. While direct costs of each airline based on employee wages and fuel costs, as a result, operators Airways. Direct costs should be allocated accordingly to reduce costs. And lead to lower fares to match the cost of passengers.

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