



The Influence of Service Marketing on Foreign Senior Passengers' Perceived Value at An Airport in Thailand

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ABSTRACT:

Introduction: The consequences of the demographic transition of people worldwide have resulted in a large number of senior citizens, about 1 out of 6 of the world population or approximately 703 million worldwide. Significant changes are taking place in the structure of tourism participants.

Objectives: To explore the relationship between the Service Marketing Dimensions (SMDs), including servicescape, service encounters, retail experience, self-service technology, and the Perceived Value (PV) of the senior passengers at Suvarnabhumi Airport

Methods: The quantitative method was employed with the questionnaires with the 380 foreign senior passengers aged 55 and above who used the service in the departure terminal at Suvarnabhumi Airport were chosen as the study sample. The data was analyzed through descriptive statistics, Amos Version, Confirmatory Factor Analysis (CFA), and Structural Equation Modelling (SEM).

Results: The findings revealed a significant positive relationship between servicescape, service encounter, and self-service technology toward perceived value. Whilst the retail experience had no significant impact on foreign senior passengers. As these factors have a significant impact on senior passengers' value, the results and conclusions are discussed and assisted the airport businesses and service industry to improve the better service quality and gain competitiveness in the aviation industry

Conclusions: From this study, the airport business would be able to identify the vital factors that could affect the perceived value toward the senior population who will become the major targeted group of passengers in the aging society

INTRODUCTION

The consequences of the demographic transition of people worldwide have resulted in a large number of senior citizens, about 1 out of 6 of the world population or approximately 703 million worldwide (UNWTO, 2019). Significant changes are taking place in the structure of tourism participants. Due to the ageing of societies (Przybysz & Stanimir, 2022). Consequently, airline and airport businesses need to escalate the infrastructures, facilities, and services in the airport to properly service and create memorable experiences for the elderly passengers (Graham et al., 2020) who require special support while traveling. Corresponding to the International Air Transport Association (IATA) forecast, there will be 22,000 route networks established to serve

8.2 billion passengers by the year 2037. This is approximately 1,300 routes more than the routes from 2017 which could serve the service to senior passengers who are also notably considered a significant group traveling by air in the next following years (Graham et al., 2020; Zhang et al., 2021). Similarly, Kim et al. (2019) indicated that senior passengers still have encountered several problems at the airport, including walking, waiting, and wayfinding which could significantly lower their levels of satisfaction (Shiwakoti et al., 2019) and revisit intention (Gholipour Soleimani & Einolahzadeh, 2018). Several studies often indicate the issues regarding passenger expectations (Dike et al., 2023) and service quality (Cholkongka, 2019) while visiting the airport in general. However, few research have focused on perceived value for foreign senior passengers, which



could crucially affect the airport businesses' revenue and reputation (Bosch & Gharaveis, 2017). Thus, this research aims to explore the relationship between the Service Marketing Dimensions (SMDs), including servicescape, service encounters, retail experience, self-service technology, and the Perceived Value (PV) of the senior passengers at Suvarnabhumi Airport with were consisted of 4 hypothesis: Hypothesis 1: Servicescape has a positive influence on the perceived value of foreign senior passengers. Hypothesis 2: Service encounter has a positive influence on the perceived value of foreign senior passengers. Hypothesis 3: Retail experience has a positive influence on the perceived value of foreign senior passengers. Hypothesis 4: Self-service technology has a positive influence on the perceived value of foreign senior passengers.

OBJECTIVES

To explore the relationship between the Service Marketing Dimensions (SMDs), including servicescape, service encounters, retail experience, self-service technology, and the Perceived Value (PV) of the senior passengers at Suvarnabhumi Airport

METHODOLOGY

This study utilized a quantitative phase by the questionnaire

Participants

Three hundred and eighty foreign senior passengers who had used the service in the departure terminal of Suvarnabhumi Airport completed the quantitative survey. All were selected through non-probability sampling.

Instrument

The researcher developed a questionnaire based on the previous literature (Senior passenger perception, Senior passenger perception, Concept of perceived value, and Service marketing and passengers' perception value). The survey consisted of four dimensions including

servicescape (The place for servicing the customers), service encounter (The interaction between the consumers and the services), retail experience (Creating the experience to the customers), and self-service technology toward the perceived value of foreign senior passengers which could increase the level of satisfaction in airport service. The content validity of this survey was determined through Item-Objective Congruence (IOC). Questionnaires including 5 points of strongly important to strongly unimportant.

Analysis

The quantitative data was analyzed through descriptive statistics including frequency, mean and standard deviation. Examining the four dimensions of service marketing on the perceived value of foreign senior passengers at the airport by using the IBM SPSS Amos Version 21.0. The Confirmatory Factor Analysis (CFA) was employed to examine the measurement fit model, testing the validity and internal consistency values (Larry, 2023). Then, the correlation among observed variables was tested. The Structural Equation Modelling (SEM) with path analysis and the best fitting model is obtained (Constanze, 2021).

RESULTS AND DISCUSSION

Examining the measurement model by employing Confirmatory Factor Analysis (CFA). All the Degrees of Freedom (DF) in this study was greater than 0. The value of GFI showed a value of less than 3. All factor loadings, namely servicescape, service encounter, retail experience, self-service technology, and perceived value, were retained, ranging from 0.437% to 0.964%, which exceeds their threshold (Hair Jr. et al., 2014). All AGFI, CFI, RMSEA, and RMR value are justifies its acceptable level. The result of the first order of measurement model is that the dimensions of servicescape, service encounter, retail experience, self-service technology, and perceived value are valid measures of their respective constructs based on their parameter estimates and are statistically significant.

Table 1: Confirmatory Factor Analysis

| Constructs | Items | Loadings | χ^2 | DF | GFI | AGFI | CFI | RMSEA | RMR |
|--------------------|-------------|----------|----------|----|-------|-------|-------|-------|------|
| Servicescape (SSC) | Air Quality | 0.84 | 21.594 | 20 | 0.987 | 0.972 | 0.999 | .015 | .007 |
| | Lighting | 0.85 | | | | | | | |



| | | | | | | | | | |
|--------------------------------------|--------------------------|------|-------|---|-------|-------|-------|-------|------|
| | Air Circulation | 0.79 | | | | | | | |
| | Noise | 0.84 | | | | | | | |
| | Music | 0.88 | | | | | | | |
| | Cleanliness | 0.84 | | | | | | | |
| | Scent | 0.76 | | | | | | | |
| | Spatial/Layout | 0.83 | | | | | | | |
| | Sign and symbol | 0.82 | | | | | | | |
| Service encounter (SEC) | Perceive Warmth | 0.78 | .066 | 1 | 1.000 | 0.999 | 1.000 | .000 | .007 |
| | Interpersonal Competence | 0.85 | | | | | | | |
| | Technical Competence | 0.91 | | | | | | | |
| | | | | | | | | | |
| Retail Experience (RTE) | Joy | 0.83 | .034 | 1 | 1.000 | 1.000 | 1.000 | .000 | .000 |
| | Layout | 0.83 | | | | | | | |
| | Price | 0.83 | | | | | | | |
| | Sale Personnel | 0.87 | | | | | | | |
| Self-service technology (SST) | Enjoyment | 0.87 | 3.191 | 4 | .997 | 0.988 | 1.000 | .000 | .004 |
| | Functionality | 0.87 | | | | | | | |
| | Customization | 0.90 | | | | | | | |
| | Convenience | 0.73 | | | | | | | |
| | Design | 0.73 | | | | | | | |
| Perceived Value (PV) | Functional | 0.98 | 0.670 | 1 | 0.998 | 0.995 | 1.000 | 0.000 | .007 |
| | Emotional | 0.76 | | | | | | | |

Note: DF>0, GFI<3.00, AGFI>0.90, CFI>0.90, RMSEA<0.05, RMR<0.08

The results shown in Table 1 were the number of items per construct. To comply with the criteria, a number of indications were eliminated; the numbers outside the parentheses represent the number of indicators that were retained. Although a few items were deleted to measure some particular constructs, this was not considered a major concern because such removals did not

significantly change the content of the construct as it is conceptualized. Less than 20% of the total number of items in the model were deleted. In addition, the structural model was also tested with Direct (DE), Indirect (IE), and Total (TE) Effects of Causal Variables as the result was illustrated below.

**Table 2: The structural model**

| Effect Variables | Causal Variables | | |
|-------------------------------|------------------|-------|----|
| | Perceived value | | |
| | TE | DE | IE |
| Self-Service Technology (SST) | 0.550 | 0.550 | - |
| Retail Experience (RTE) | 0.022 | 0.022 | - |
| Service Encounter (SEC) | 0.290 | 0.290 | - |
| Servicescape (SSC) | 0.291 | 0.291 | - |

Note: A correlation coefficient < 0.3 = weak; 0.3– 0.5 = moderate; > 0.5 = strong (Heale & Twycross, 2015)

Assessing Structural Model

After clarification of the measurement model, the next step of the present study is to assess the structural model. In doing so, the present study utilizes the Structural Equation Model with 380 samples to explore the significance of the path coefficients. This was accomplished by referring to the standards suggested by notable scholars in their existing studies (Hair Jr. et al.,

2014). This involves analyzing the model's predictive capabilities, including the relationships between the constructs or dimensions. Ultimately, it will examine how well empirical data support the theory or concept and if the theory or concept has been experimentally confirmed.

Table 3: Descriptive Statistics of the Hypothesis Test

| Hypothesis | Path Diagram | Regression | | S.E | C.R. | P-value | Test Results |
|------------|--------------|-----------------|----------------|----------------|----------|--------------------------------------|--------------|
| | | Weight Estimate | Standard Error | Critical Ratio | | | |
| H1 | SSC ---> PCV | 0.291 | 0.112 | 2.234 | ** | PASS | |
| H2 | SEC ---> PCV | 0.290 | 0.129 | 2.228 | ** | PASS | |
| H3 | RTE ---> PCV | 0.022 | 0.118 | 0.176 | Not Sig. | Have influenced, but not significant | |
| H4 | SST ---> PCV | 0.550 | 0.115 | 4.298 | *** | PASS | |

Notes: * P-value < 0.1

** P-value < 0.05 ; C.R. > 1.96

*** P-value < 0.001

The results indicated a significant positive relationship between servicescape (SSC), Service Encounter (SEC), Self-service Technology (SST), and perceived value

(PV). Correspondingly, Al-ghifari and Fachira (2021) also mentioned that Servicescape and Service Quality play essential roles in the sustainability. In addition, the



role of servicescape also leads the passengers to perceive the sense of well-being which is in line of An et al., (2023) servicescape improvements and interaction quality and also relevant with Taheri et al. The results highlighted the conditions leading to low traveler dissatisfaction and misbehavior scores, confirming the applicability of complexity theory in explaining international traveler behavior in airports, providing implications and directions for future research in the process (Taheri et al., 2020). As such, businesses have been tended to design and add value to the products and services (Nam, 2018). Furthermore, the servicescape in this research also included air quality, lighting, air circulation, noise, music, cleanliness, scent, spatial and layout, and Sign and symbol attributes which have a significant impact on perceived value toward foreign senior passengers (Kumar et al., 2023). Nevertheless, previous studies such as Batouei et al. (2020) and Bezerra & Gomes (2020) reported the results against with this research which indicated that self-service technology has no significant impact on perceived value. In addition to the service encounter. If their needs and wants cannot be achieved, it could possibly lead to a negative experience at the airport which could link with their emotions and feelings (Colomer, 2020). As service encounters were considered social encounters, passengers are more satisfied with staff who are highly helpful, respectful, and responsive (Antwi et al., 2022). Self-service technology also has a significant impact on the passengers' perceived value. Similar to Kim and park (2020) emphasised that systems and technology were useful for passengers in various service levels and reducing the operational inefficiencies (Antwi et al., 2021). Moreover, a recent study also confirmed that self-service technology is an essential part for long-term sustainability and customer loyalty as it could reduce the negative experience of waiting time at the airport service (Ayodeji et al., 2023). However, the findings were found an insignificant relationship between Retail Experience (H3) and Perceived Value, which made hypothesis H3 not supported. However, the previous study of Han et al. (2018), the authors mentioned that experiencing retail shopping at the airport could determine the service quality and indicate the passengers' perception. As our finding showed, the varied attributes of service marketing, including servicescape, service encounter, and self-service technology required efficient management and

operations in order to increase the favorable value and perception toward senior foreign passengers at the airports and also gain competitiveness to the airport businesses and aviation industry.

CONCLUSION

This research generated profound meanings in service marketing at the airport. To begin with, this research found a significant relationship between service marketing dimensions, particularly servicescape, service encounter, and self-service technology toward the perceived value of foreign senior passengers who use the service in Suvarnabhumi Airport, Thailand. Secondly, the finding also illustrated the attributes under the servicescape dimension including air quality, lighting, air circulation, noise, music, cleanliness, scent, spatial and layout, and sign and symbol, which played an important role in arousing passengers' positive perception and value. As well as, the elements of service encounters which includes the warmth of service, interpersonal skill, and technical competence of staff also play a major role in building up a positive image for the airport and creating customer loyalty in the long term. In addition to the self-service technology, it also reveals that functionality, customisation, convenience, and design of technology and system at the airport can create a positive perception toward the passengers.

Applicable Remarks

From this study, the airport business would be able to identify the vital factors that could affect the perceived value toward the senior population who will become the major targeted group of passengers in the aging society, and it is useful implications for airport businesses and service providers in the aviation industry to improve both tangible and intangible products and services to enhance the positive perceived value and create a memorable experience for foreign senior passengers and increase competitive advantages.

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