Behaviour of Chinese Travellers when Selecting Airline Services
International airline companies constantly increase the number of operations to China. In order to improve the quality of services for Chinese customers, airline managers try to understand the behaviour and needs of customers from Asian cultures. The influence of culture on consumer behaviour and purchase preferences is great. It is crucial for marketers to know about the purchase decisions of Chinese travellers, what influences their choices, and why they prefer some services to others. The aim of this thesis is to research the behaviour of Chinese airline customers and the influence of different factors on their decision-making process. The final goal is to provide international airline companies with a better understanding: the development and improvement of which services should be considered when making operations for Chinese travellers.

The thesis is conducted deductively and the quantitative approach is applied to conduct the research and analyse the behaviour of Chinese travellers. The primary data was collected with an online survey from Chinese customers. To support the primary data, secondary data was gathered from books, published articles, previous research, and internet sources.

In the theoretical part of this thesis, theories about product adaptation and consumer decision-making process are explained. Consumer behaviour and factors influencing it are presented. Chinese culture is explained with the use of Hofstede’s theory of national culture and Richard D. Lewis’ model. The basics of the global airline industry support the theoretical part.

The research results indicated that there are several factors that have the most influence on the decision-making process of Chinese travellers. One of them is price, but Chinese customers of airline companies are still ready to pay for additional services. Another crucial result of the research is that Chinese, used to digital innovations in the world, mostly choose online and digital services before and during the flight. These and other results of the research may help international airline companies when developing operations to China and improving services for Chinese passengers.

Key words: product adaptation, consumer behaviour, decision-making process, Chinese culture
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1 INTRODUCTION

This chapter familiarizes the reader with the background information of the thesis and explains the importance of the research. The objectives of the research and research questions are illustrated and explained in this chapter, introducing the reader to the limitations of the thesis. The main theoretical discussions and topics are presented in the theoretical framework of the thesis, and research methodology and the data collection methods are discussed. The structure of the thesis is presented at the end of the chapter.

1.1 Research Background

Today, the aviation industry is the most competitive delivery system for both cargo and passenger transportation (Schmidt 2017). Thanks to the mobility of the air transport, this industry became very popular in a few years, as well as very demanded in every region (IATA 2016). Only in the European Union passenger transportation by air has shown a progressive growth with a 5.9% increase in 2016 comparing to the previous year (Eurostat 2017).

The leading airline companies manage the international passenger operations with a high control. Services are developed in accordance with all customers’ needs and preferences. Great attention is paid to the clients’ cultures, countries of origin and areas where the operations are organized, which increases demand for air passenger transportation all over the world. For instance, during one year, the global demand for flights increased by 7.1% in January 2016. (IATA 2016.)

High demand for airline passenger transportation leads to tough competition between airline companies and development of the best services for all passengers. The maximum comfort, the greatest service, and full flexibility are some of the main components of the international operations. They are developed in order to provide on and off-board services and comfortable facilities for clients from different cultures, who
travel for pleasure or on business. Food, stewards, equipment – everything is planned with orientation on the uniqueness of passengers and their desire to get the most unforgettable experience from the flight. (Abdelghany 2012, 1-3.)

Nowadays, operations of airline companies increase more and more in Asia. They open new destinations and frequencies for clients, take care of different groups of customers, and always develop new services for them. Asian travellers determine the expected standard of quality for services and products. Therefore, international airline carriers focus on the Asian market more. (Finnair 2016.) According to IATA (2016), international passenger traffic in the Asia Pacific reached the highest results comparing to other regions and climbed to 10.3% of the share of all international passenger traffic in January 2016 during twelve months. Therefore, the main destination of the airline journeys and the market of the research is China, which was chosen among Asian countries. In order to understand which services of airline companies Chinese customers prefer, Chinese culture, Chinese travellers, and their behaviour are analyzed in this thesis.

Furthermore, airline companies’ development strategies and services provided are always oriented on their customers. No matter what is the domestic market of an airline company, it tries to adjust its international operations to their clients’ needs to make only their airline most preferable for customers (Abdelghany 2012, 5). Therefore, the next questions arise: do customers’ cultures play a crucial role in passenger transportation by air; are there any specific adaptations of services provided for clients of the airline companies according to their cultures. In order to understand this, the behaviour of Chinese customers and their cultural features are analyzed in the thesis.

1.2 Thesis Objectives, Research Questions and Limitations

The aim of the thesis is to analyse the behaviour of Chinese travellers when choosing services provided by international airline companies. It helps to understand better what international airline companies should
take into consideration when adapting their products and services to the Chinese market. This research considers the implementation of different services for the Chinese market. It means that the thesis targets at analyzing service features for Chinese culture depending on Chinese customers’ preferences. It provides an understanding of the influence of Chinese culture and behaviour on the adaptation of operations of the airline services to China.

It is crucial to determine the research questions on the first steps of thesis writing. Research questions are observed through a multidisciplinary perspective of existing theories, previous findings and plural contexts of interpretation. The goal of the research question is to answer to a research problem. (Myers 2013, 20-21.)

- Which specific features of Chinese customers’ behaviour should be taken into consideration by international airline companies when developing operations towards Chinese travellers?

Research question usually covers wide aspects of the study. To help in answering the main research question and make the clear understanding of what the thesis is oriented on, several sub-questions are determined for the research (Can 2010). The following sub-questions are listed to provide the deeper explanation of all aspects of the thesis.

- What does adaptation mean when developing products and services for the international market?
- What are the factors influencing the decision-making process of Chinese customers when selecting international flights and travelling abroad?
- What are the selection criteria of Chinese travellers when making a decision about the international flight purchase?

Making a research, limitations should be always taken into consideration. The limitations are characteristics of methodology that impacted or influenced the interpretation of the findings from the research. Limitations
limit the generalisability or even possibly may affect the general idea of the research (Saunders, Lewis & Thornhill 2009, 59).

There are several limitations in this thesis. The geographical limitation is that there is only one culture to consider: Chinese. Airline industry covers many areas of activity and transportation methods. In this thesis, among all customer segments, passenger transportation was chosen, and services of other segments are not included in the research. Furthermore, thesis introduces the reader to the importance of cultural consideration in the process of development of services for Chinese customers. It does not cover cultures other than Chinese.

1.3 Theoretical Framework

The concept of product adaptation for international operations in the airline industry, expansion of firms in Asian markets and cultural differences are studied in the thesis. It is based on the following theories and frameworks: the consumer decision-making process, Hofstede's cultural dimension theory, Maslow's Hierarchy of needs; Kotler and Kellers' consumer behaving model and IATA statistic.

To support the information in the thesis, most of the data and figures were provided by statistics at IATA. It is an International Air Transportation Association that coordinates many areas of aviation activity and also, it helps to set up an industrial policy on critical aviation issues. It comprises 275 different airline companies that account for 83% of total air traffic. (IATA 2016.)

The crucial part of this research is to understand how international airline carriers can adapt their operations and services to Chinese market taking into consideration behaviour of Chinese travellers.
1.4 Research Methodology and Data Collection

There are two different approaches of the research: deductive and inductive. The main difference between them is that inductive approach is aimed at the creation of a new theory emerging from the data collection, and deductive approach strives to test the theory. The inductive approach also has research questions which help to reduce the scope of studies, while hypotheses are the starting points of deductive approach. (Saunders et al. 2009, 124.) FIGURE 1 shows the research methodology and data collection methods of the thesis.

FIGURE 1. Research Methodology and Data Collection

The suitability of the chosen methodology depends on the purpose of the study, the available resources, existing constraints and researcher’s competence (Kumar 2014).

To provide a better understanding of the aims of the Quantitative and Qualitative research methods, the comparison of two methods is presented in TABLE 1. Making the choice between them, it is crucial to understand their differences and how they are conducted in the research.
TABLE 1. Research Methods (University of Southern California 2017)

<table>
<thead>
<tr>
<th>Basis of Comparison</th>
<th>Qualitative</th>
<th>Quantitative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objectives</td>
<td>Seek to develop an understanding of people's motivation within a particular content</td>
<td>Seek to confirm hypotheses, study cause, and effects, relationships</td>
</tr>
<tr>
<td>Nature</td>
<td>Holistic</td>
<td>Particularistic</td>
</tr>
<tr>
<td>Approach</td>
<td>Rational, Interpreted</td>
<td>Critical, Logical, Objective</td>
</tr>
<tr>
<td>Research type</td>
<td>Exploratory</td>
<td>Conclusive</td>
</tr>
<tr>
<td>Sampling</td>
<td>Purposive</td>
<td>Random</td>
</tr>
<tr>
<td>Data</td>
<td>Verbal, Textual (Audio, Video)</td>
<td>Non-textual (tables, figures, statistics, charts)</td>
</tr>
<tr>
<td>Orientation</td>
<td>Process-oriented</td>
<td>Result-oriented</td>
</tr>
<tr>
<td>Method</td>
<td>Non-structured (interviews, observations, focus groups)</td>
<td>Structured (questionnaire, surveys)</td>
</tr>
</tbody>
</table>

The research methodology for this thesis was chosen based on the topic and the nature of the research objectives. Analyzing the nature of the research, the companies' needs should be considered and more accurate data should be gained. Therefore, the quantitative approach of data collection has been applied during the research. The quantitative method
of gathering information is used in the thesis, and an online survey was chosen as the most appropriate way of collecting data. Quantitative data is gathered from this survey conducted among the Chinese travellers. The aim of the survey was to find out which factors are important for Chinese customers when they select airlines’ services.

Primary and secondary sources of data collection are presented in this thesis. Talking about their definitions, primary data is generated by the writer during the research, while secondary data is collected from the different sources, which might be electronic, oral or written. (Saunders et al. 2009, 258.) As a primary source, information from an online survey directly from the Chinese customers of airline companies was conducted. The secondary sources of data collection include journals, books, electronic articles and scientific magazines.

As it was already mentioned above, quantitative research method is presented in the thesis. The research is based on the deductive reasoning. The data was collected from both primary and secondary sources.

1.5 Thesis Structure

There are two main parts in this thesis: theoretical and empirical. Firstly, the theory about product adaptation, customers’ behaviour, decision-making process, and cultural differences and similarities are introduced. Then, the empirical part about findings and data analyses are implemented. Finally, the suggested solutions and plans for the international airline companies operating in China are presented, with conclusions and summaries of the thesis in the last chapter. FIGURE 2 below explains how the thesis is structured.
FIGURE 2. Thesis Structure

The first chapter introduces general information concerning the purpose of conducting the research, theoretical frameworks, research methodology as well as its importance and goals of the thesis.

The theoretical part of the thesis is provided in Chapter 2 and Chapter 3. The second one introduces the reader to the concept of product adaptation. Chapter 3 provides information about the consumer behaviour, Chinese cultural features and presents theories necessary for the research.

Chapter 4 shows a general idea of the aviation industry and provides information about the airline operations from and to China. The empirical part of the thesis is given in Chapter 5. It explains how the data is collected, and how the analysis of the results which were received during the research is done.

The 6th Chapter is the last one and it is a conclusion of the thesis. There are answers to the research questions and suggestions for the future operations dealing with Chinese passengers and Asian market. The summary of the thesis is provided in this last Chapter.
2 PRODUCT ADAPTATION AND CONSUMER DECISION-MAKING PROCESS

In this chapter, it becomes clear why it is crucial to adapt and standardize services according to the needs of different customers. Moreover, to understand the importance of product adaptation, it is necessary to look closer to the strategies and standardization. The success of an international trading depends on deciding whether to adapt the product or standardize it (Fojt 2005, 14).

Marketers need to understand and decide if a business will benefit from global standards or if it is better to adapt it to local markets. There are supporters of standardization who argue that local differences are ironed out through faster communications and increased travel. Economies of scale are brought with standardization. It protects products from problems caused by mature home markets. (Fojt 2005, 14.)

There are also supporters of adaptation. They argue that companies ignore local differences at their peril. A product has more success to stay longer if it is tailored to local needs. However, both approaches exist in the reality. (Fojt 2005, 14.)

2.1 Dimension of the International Product Offer

First of all, it is important to define what a product is. According to Kotler and Armstrong (2014, 248), anything that might satisfy a want or need and can be offered to a market for attention, acquisition, use, or consumption is called a product. In the world of economy, services also have importance. Service is a form of product, activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything, as in airline travel.

For the creation of an acceptable product offer that will satisfy the international consumer, it is necessary, firstly, to see what contributes to the product offer. There are three levels of the product offer that marketers should consider in order to create an attractive and proper good for the
international customer. (Hollensen 2011, 460.) Each level adds more customer value. The most basic level is core customer value which defines core benefits and services that consumers seek. At the second level, it turns into an actual product to develop features, design, and brand. At the last level augmented product is built by offering additional consumer services and benefits. In managing product components, customers should be in mind. Thus, regarding product range, packaging, branding, quality, labelling, and other product’s features the decisions are made. Questioning whether to standardize or adapt, a product should be manufactured for market according to the needs and expectations of consumers. (Kotler et al. 2014, 249.)

FIGURE 3 shows that the core physical properties and additional elements such as packaging, branding and after-sales service are included in the product dimensions. They make up the total package for the purchaser. (Hollensen 2011, 460.)

FIGURE 3. Three Levels of a Product (Hollensen 2011, 460)
It is illustrated that it is much easier to standardize the core product benefits such as performances, functional features, image, etc. than to standardize the support services such as delivery or guarantees. The support services often have to be tailored to the business culture and sometimes to individual customers. (Hollensen 2011, 460.)

2.1.1 Characteristics of Services

A global business aims to benefit from guarantees of quality. It should stem from worldwide advertising and standardized products and services. (Fojt 2005, 14.) Therefore, it is crucial to understand the special nature of the service before considering possible international service strategies. There are some features that help to characterize services. (Hollensen 2011, 461.)

The first one is intangibility. Some services cannot be tasted by customers such as air transportations or education, so that is why consumers cannot claim ownership or anything tangible. Food or drink offered during the flight are considered as palpable elements and included in the service for the confirmation of benefit provided by a company. They are also used as a part of the service in order to enhance its perceived value. (Hollensen 2011, 461.)

The second feature is heterogeneity. It would be hard to find the same service because the interaction between people is an essential part of any of them. Moreover, a customer is fully involved in the production operations of any service. That is why it may be quite hard to maintain the quality, especially in the international markets, and also because of different points of views towards customer services. (Hollensen 2011, 462.)

The third feature that helps to characterize services is perishability. It means that some services cannot be used in the future. For instance, unfilled airline seats that lost once the airplane takes off. That is why some problems related to planning and promotion may occur in order to match
demand and supply. It would be very expensive to satisfy peak of demand at an outstanding level. (Hollensen 2011, 462.)

The last, but not the least feature is inseparability meaning that production time is so close to the time of the consumption. Therefore, it may be expensive to supply the service to scattered markets, especially in the setting-up phase. (Hollensen 2011, 462.)

2.1.2 Categories of Services

Core element that is surrounded by many different optional supplementary elements is an essential part of both goods and services. Looking firstly at the core service products, they can be assigned to one of three broad categories according to their tangibility and the extent of customers’ physical participation in the service production. (Hollensen 2011, 463.)

The first category is people processing. It means that a customer becomes a part of production process. For instance, education, passenger transport such as airlines or car rental, health care and some food services may be related to this category. (Hollensen 2011, 463.)

The second one is called possession processing. It involves tangible actions to physical objects in order to improve their value for consumers. The main thing of this category is that the object should be included in the production process, but the owner of the object (customer) should not. For example, car repair garages, equipment installation or laundry service. Comparing to the previous one, this category has better possibilities because it includes lower degree of contact between customer and service producers. (Hollensen 2011, 463.)

The last category is information-based services. It is necessary to collect, manipulate, interpret and transmit data for value creation. Telecommunication services, banking, news and market analysis may be good examples of this category. Moreover, it has the best possibilities among those three categories of worldwide standardization. (Hollensen 2011, 463.)
Aviation services are related to the first categories. They imply customers' involvement in the service creation that makes standardization and adaptation quite difficult.

2.2 Product Adaptation and Product Standardization

Product standardization or globalization involves the creation of the one global product that may be sold all over the world without significant modifications. Standardization is a practice of setting identical characteristics for a particular good or services. Some books explain standardization in two ways that differ from each other. The first one is about the same marketing strategies used for all markets, while the second one is about the domestic marketing strategies applied for foreign markets. One of the main government constraints is the specification that manufactured products must consist of a specified proportion of the local components. Moreover, preferences of the customer and governmental laws that make producers repack products. (Samiee & Roth 1992; Cavusgil 1993; Zou 1997.)

The global corporation has the tendency to outsource components in order to gain economies of scale. Standardization includes the design of a product that would be the same in each geographical market where it may be sold. This process should increase commonality of the good in the supply chain management. Economies of scale are achieved by having standardized components, while products are adapted to offer a wide range of different types and models based on the needs of consumers from different countries. Customers' preferences and the governmental or trade restrictions are the main constraints on the product standardization. Talking about the possibility of product standardization across cultures, it is suggested that economies of scale are and by far the main advantage. Global brands standardize their marketing strategy which generates important cost savings in many areas of their marketing as R&D, promotion. It allows the brand to have more investments in its marketing
actions and more competitive prices than its local competitors. (Ghantous 2008.)

Product adaptation, which is also called localization or customization, comes in different forms. Marketing strategies in each country are based on peculiarities of the local market. It is considered as an essential part of each market strategy in order to satisfy needs of customers from different countries. Each product should be adapted to the function in the physical environmental conditions. Product adaptation tends to become a reactive response to the market. It offers an alternative possible future of the produced product for each individual geographical market where this product may be sold. Furthermore, adaptation is an approach to finding out and pointing out differences that exist between products and services. It shows the sense of value for customers, but usually, such products cost more. (Valdez 2011.)

Adaptation strategies are more effective because consumer needs vary across cultures. Companies in most areas of the world are considering different ways of making their operations international. External environment as political, social, cultural and economic affects firm’s standardization and adaptation strategies and different markets. In order to suit the preferences of customers, the products’ modification is needed. To gain profits and large market shares, it is important to act globally but think locally. (Calantone, Kim & Schmidt 2002, 340.)

2.3 Consumer Decision-Making Process

The consumer decision-making process can be defined as stages that a consumer experiences before making the final purchase decision. According to Kotler (2016, 194-195), marketers have developed a model used to define the buyer decision process. Using this model, marketers can develop activities aimed at consumers at different decision stages. Usually, there are five stages consumers go through when making a purchasing decision. They are problem recognition, information search, evaluation of alternatives, purchase decision, and post-purchase
behaviour. However, consumers do not always go through all five stages. Some purchase decisions are more important than others. There is also a difference in time used to solve each buying decision. Decisions about purchases can be made automatically without obtaining much information or resemble an around the clock job. (Solomon 2004, 292.)

Problem Recognition

A problem is recognised when consumers realise there is a noteworthy difference between their current state of affairs and their preferred state. It can arise in two ways. The problem can be a need or an opportunity. The need recognition is when the quality of a person’s actual state deteriorates if purchases nothing. (Solomon 2004, 292.) A need becomes a motive when it is aroused and causes the consumer to act to fulfil and satisfy the recognized need (Kotler et al. 2016, 187). Internal (hunger or thirst) or external (friends) stimuli trigger needs. Once the level of the need reaches a high enough level, it drives the consumer to make a consumer purchase. (Armstrong et al. 2013, 170.)

The opportunity recognition is when the consumer's ideal state moves up exposing to different or higher-quality products. The process of problem recognition occurs naturally but at the same time, is stimulated by marketing efforts, as advertisements. (Solomon 2004, 296.)

Information Search

The consumer can begin the information search when the problem or need is recognized, but usually, customers skip this phase in the decision-making process. At this stage, a consumer actively searches reading materials and internet, contacts friends, and visits stores. (Kotler et al. 2016, 196.) According to Armstrong (2015, 175), consumers can get acquainted with relative information regarding purchases using several sources: personal (family, friends, contacts), commercial (advertising, sales representatives, websites, packaging), public (media, consumer rating organisations, internet), and experimental (examination, use of the product).
There are two basic information search types: heightened attention and active information search. In addition, information research can be divided into two parts: internal and external search. Internal search let consumers compare the alternatives based on their experience. External search makes more expensive and bigger purchases. Consumers ask for advice from a friend and gather information from the internet or magazines before making the purchasing decision for an expensive product. (Solomon 2004, 297.)

Evaluation of Alternatives

The final choice about which brand to buy is made at this stage of the decision-making process. Consumers rank the brands and think about the benefits of a product they are going to select and about alternatives and compromises. (Kotler et al. 2016, 197.)

Purchase Decision

Consumers usually purchase the most favoured products. However, between the purchase intention and purchase decision, two factors appear for a consumer to overcome. One factor is the attitude of others. Opinions of people close to a consumer make him or her buy the brand that is not very attractive for a consumer. (Armstrong et al. 2013, 172.) Consumers sometimes are more motivated to purchase the product that captivates their friends or family members than themselves. However, this influence on the purchase decision depends on the relationship between a consumer and an adviser. Another factor is unexpected situational things that impact the change of the purchase intention, such as the purchase of something more important or a sales representative at a store who changes the consumer’s mind. (Kotler et al. 2016, 200.)

Post-purchase Behaviour

Satisfaction with or disappointment about the purchase comes at this stage. Consumers feel differently about purchases depending on their expectations and the product’s perceived performance. A consumer is
disappointed with the purchase if the product has not met the expectations. A buyer is satisfied if the purchased item met their expectations. A consumer is thrilled if the purchase overdid the expectations. Consumers feel some sort of purchase dissonance after every purchase. They feel happy with the benefits of a product and avoided disadvantages of the alternative not purchased brands if they bought the preferred brand. They feel disappointed with the lost benefits of the brand they wanted to purchase if a compromise was made. (Armstrong 2013, 172.)

The decision-making process may be called a consumer decision-making journey from the marketers’ point of view. To gain the attention of customers is considered to be the main goal of a marketer. There is a tiny moment that should be caught during the decision-making process when consumers are open to influence. It is called touch points. (Edellman 2011.) There are two models that explain consumer journey. The first one that was created called funnel model and it has been changed to a circle model. Both of them are described below

2.3.1 Funnel Model

The first model that explained all touch points that marketers may use is called funnel model. Consumers, firstly, have a certain number of potential brands in their minds when they want to buy something from a certain product range. That is why the main task of marketers is to do proper marketing actions in order to differ the brands from each other and choose just one in the final phase. (Court et al. 2009.) The Funnel model is shown in FIGURE 4.
As it has been already mentioned, the main task of marketers was to push people through the funnels. Another task is to make the brand the most loyal in the consumers’ minds. (Edelman 2011.)

As it has been already mentioned, the main task of marketers was to push people through the funnels. Another task is to make the brand the most loyal in the consumers’ minds. (Edelman 2011.)

2.3.2 Circle Model

There is the rapid increase in diversity and variety of products that are available and customers are aware of their options and choices. The funnel model does not research all the touch points that customers go through during the decision-making process anymore (Edelman 2011). In our century of high technologies, consumers can easily share their experiences via different social networks as well as give feedback. Furthermore, customers get used to the interaction with the companies before and after their purchases. (Court et al. 2009.) There is a circle model illustrated below.
Nowadays marketers consider circular customer journey approach as more suitable than funnel one. This model includes four crucial phases where marketers have to exceed competitors: active evaluation, consideration, closure and post-purchase. (Court et al. 2009.)

Besides different models and factors that affect the decision-making process of customers, there are several factors affecting consumer behaviour. Some factors have more influence on this process, while others have less. These factors are presented and explained in the next chapter about consumer behaviour.
3 CONSUMER BEHAVIOUR

This chapter introduces the reader to the consumer behaviour and importance for marketers to satisfy demands and wants of the consumers. The chapter helps to understand why consideration of culture is crucial in product adaptation. Consideration of the likes and dislikes of the consumers is one of the main goals of marketers, as they can provide buyers with the goods and services accordingly (Solomon 2009, 33).

Before launching a service, it is important for an airline company as for any organisation to understand consumer behaviour. If the organization failed to analyse how a customer will respond to a particular product, the company will face losses. Consumer behaviour is very complex because each consumer has different mind and attitude towards purchase, consumption, and disposal of a product. (Solomon 2009, 37.)

To market the product or services successfully, an understanding of the theories and concepts of consumer behaviour is needed. Moreover, studying consumer behaviour helps in many aspects. As there is constant change in the living standards, trend, fashion and change in technology; consumer's attitude towards the purchase of product varies (Kumar 2004, 30).

It is important to help the reader understand how the behaviour of Chinese travellers differs from the behaviour of customers from other cultures. Therefore, as supportive examples, the behaviour of consumers from some other cultures besides Chinese are studied and considered in this chapter.

3.1 Consumer Behaviour Model

The field of consumer behaviour is very large and studies processes when products, services, ideas or experiences are selected, purchased or used by individuals or groups to satisfy their needs. There are several crucial demographic variables that make consumers differ or be similar to each other. The most important demographic dimensions are age, gender,
family structure, social class and income, race and ethnicity, geography, and lifestyle. (Solomon 2009, 38.) Among four main factors: cultural, social, personal, and psychological, which consumer behaviour is influenced by, the deepest and broadest influence is exerted by cultural factors (Kotler & Keller 2009, 190).

Before examining cultural and other factors that affect consumer behaviour, it is crucial to understand how consumers make buying decisions about certain purchases, what and why they buy. In order to answer these and other extremely difficult questions about consumer behaviour, marketers apply the stimulus-response model of buyer behaviour. (Armstrong & Kotler 2011, 165.) This model is shown in FIGURE 6.


This figure illustrates that marketing and other stimuli enter the consumer’s black box and get responses from customers. Marketing stimuli include Four P’s: product, price, place, and promotion. Other stimuli consist of economic, technological, social and cultural forces and events. Observable buyer responses arise from all environmental stimuli that enter the buyer’s black box. The stimuli change into responses inside it. They consist of the
influence of buyers’ characteristics on their reaction and effects of buyer’s decision process on buyer’s behaviour. (Armstrong & Kotler 2011, 165.)

First of all, we need to consider buyer characteristics and factors influencing his or her behaviour.

Cultural Factors

The fundamental determinant of customer’s wants and behaviour is culture. Its meaning is defined by Solomon (2009) as shared meanings, rituals, norms, and traditions accumulated among the members of an organization or society. Cultural influence on consumer buying behaviour begins from childhood. In different cultures, key institutions, such as family, form the view of self, relationship to others and rituals in a different way. Cultural values in every country are patiently considered by marketers to understand how to sell a product or service in the best way and find opportunities for new products. (Kotler & Keller 2009, 190.)

Consumer behaviour and culture have a strong relationship. Consumers prefer products and services associated with their culture more, embracing other which resonate with their culture’s priorities. Some services developed with the consideration of the dominant cultural ideals may even successfully reflect dominant values. There are much higher chances for a product or service to attain market place acceptance if they provide benefits of the same culture at any point. (Solomon 2009, 604.)

Solomon (2009, 604) states that culture is not static and always changes. The cultural system includes three functional areas. The first one is ecology, where system adapts to its habitat. Because of the cramped conditions in urban centres in Japan, for instance, the Japanese value efficient use of space in product development. The second area is social structure. It is the way people, including the domestic and political groups dominant within the culture, maintain a social life. The last area is ideology, the relation of people to their environmental and social groups, and their mental characteristics. (Solomon 2009, 606.)
Besides culture, particular crucial influences on consumer buying behaviour are subculture and social class. To provide specific identification and socialisation for members of cultural groups, there are subcultures which include nationalities, religions, racial groups, and geographic regions (Kotler & Keller 2009, 190). Marketers are also interested in social classes which members tend to have similar buying behaviour. Society’s ordered divisions are not determined only by income, but also by occupation, education, wealth and other variables, shared by people with similar values, interests, and behaviour. (Armstrong & Kotler 2011, 168.)

Social Factors

Social factors also influence consumer behaviour. They consist of small or reference groups, family, and social roles and status. (Armstrong & Kotler 2011, 169.)

Reference groups are groups with a direct (membership groups) or indirect influence on their behaviour. Primary groups include family, friends, neighbours, and co-workers, while secondary groups include religious, professional, and trade union groups. Groups that a person wants to join are called aspirational. (Kotler & Keller 2009, 194.) Finding out the reference groups of target markets, marketers try to identify demographic and psychographic characteristics of opinion leaders to reach them. They are highly confident and socially active people, who exert social influence on others. (Armstrong & Kotler 2011, 170.)

According to Armstrong and Kotler (2011, 170), buyer’s behaviour can be strongly influenced by family members, as it is the most crucial buying organisation in the society consisting of parents and siblings. Participating in many groups, person’s position in each of them can be defined in terms of role and status. Roles are activities which a person is expected to perform, so he or she chooses products to reflect the desired status in society. (Kotler & Keller 2009, 196.)

In Chinese culture, family relationships have high importance, being Confucianism’s strongest legacy. For over two thousand years, the
teachings of Confucius are the base for Chinese people’s guiding philosophy and moral code; it sets a social structure of obligations leading down from the ruler to the lowliest peasant. In China, setting up a business, people do not choose partners or employees by finding people with necessary skills and experience, as in the US, for instance. Chinese go into business with a family member or family friends with a long history. The same story happens with the first employee. (Lacey 2011, 34.)

Personal Factors

Personal characteristics, such as age and stage in the life cycle; occupation and economic circumstances; personality and self-concept; lifestyle and values, have a very direct impact on consumer behaviour. (Kotler & Keller 2009, 196.)

Age identifies tastes in food, clothes, furniture, and recreation. Demographics and life-changing events result life-stage changes, so appropriate products are often developed for each stage. A person’s occupation affects goods and services bought, and economic situation affects product choices. (Armstrong & Kotler 2011, 174.)

Being in the same subculture, social class, and occupation does not mean having the same lifestyle. Lifestyle is a pattern of living with person’s own psychographic expression. The concept of the lifestyle can help marketers to understand how consumer values affect buying behaviour. Personality, the unique psychological characteristics of a person or a group, influences buying behaviour, as well. (Armstrong & Kotler 2011, 176.)

Psychological Factors

There are four main psychological factors that influence buying choices. They are motivation, perception, learning, and beliefs and attitudes. (Armstrong & Kotler 2011, 176.)

Motivation
Motivation arises from biogenetic and psychotic needs. To survive, humans need to fulfil special needs which they are born with. Physiological states of tension as hunger, thirst, or discomfort are biogenetic needs. Psychogenetic needs arise from recognition, esteem, or belonging.

Motivation has a direction: selection of one goal over another, and intensity: pursuance of the goal with more or less vigor. Three best-known theories of human motivation by Sigmund Freud, Abraham Maslow, and Frederick Herzberg have different implications for marketing strategy and consumer analyses. To understand why people are driven by particular needs at a particular time, it is important to consider Maslow’s theory. (Kotler & Keller 2016, 187.)

Abraham Maslow assumed that human needs are arranged in the hierarchy from physiological needs to safety needs, social needs, esteem needs, and self-actualization needs, in other words from most to least pressing. People always satisfy the most important needs first of all before moving to next. (Kotler & Keller 2016, 188.) It means that person starving from hunger will not be interested in the latest achievements in physics or offers from travel agencies.

The most important need is not a motivation anymore when it is already satisfied. Therefore, a person will try to satisfy next most important need. (Armstrong & Kotler 2013, 168.) FIGURE 7 in the form of pyramid illustrates the concept of the personal grow because human beings are aspired to become self-actualizing. Each level of the pyramid shows different priorities and product benefits which consumer is looking for. (Solomon 2009, 162.)
FIGURE 7. Maslow’s Hierarchy of Needs (adapted from Kotler & Keller 2016, 188)

However, there is a problem that Maslow’s hierarchy may not apply to cultures other than Western. For instance, a religious person may not state that self-fulfilment must be satisfied before physiological needs. Many Asian cultures value the welfare of the group and put esteem needs of the individual before belongingness (social) needs. Despite this, marketers apply the hierarchy widely. The reason is that it works as a reminder that consumers may have different need priorities in different stages of life and consumption situations. (Solomon 2009, 162.)
3.2 Perception

A motivated person is ready to act and influenced by the perception of the situation. Perception affects consumers’ actual behaviour. According to Kotler & Keller (2016, 190), perception is the process by which selection, organization, and interpretation of information inputs create a meaningful picture of the world. Different kinds of information are perceived by consumers through senses. All five senses: touch (haptics), smell, sound (audition), taste, and vision may be used in sensory marketing which engages the consumers’ senses and affects their perception, judgment, and behaviour. (Kotler & Keller 2016, 190.)

Sensation is an immediate response of sensory receptors (eyes, ears, nose, mouth, fingers) to light, colour, sound, odour, and texture, which are basic stimuli. The process by which people select, organise, and interpret these sensations is called perception. As it is shown in FIGURE 8, the process of perception consists of three stages of exposure, attention, and interpretation. (Solomon 2009, 78.)

PERCEPTUAL PROCESS

Perception also includes stimuli’s relationship to the environment and conditions, which leads to different behaviour towards each other. The reason why people have a different perception of the same object lies in
the consequence of three perceptual processes: selective attention, selective distortion, and selective retention. (Kotler & Keller 2016, 190.)

3.2.1 Learning

The experience causes a permanent change in behaviour and that is called learning (Solomon 2009, 116). In other words, learning stimulates changes in our behaviour arising from experience. Drivers (strong internal stimulus implanting action), stimuli, cues (minor stimuli of response), responses, and reinforcement produce learning. Marketers may build a demand for a product by associating it with strong drivers and providing positive reinforcement. (Kotler & Keller 2016, 192.)

Learning is an ongoing process, it continues always even when consumers do not try to learn. It is called incidental learning, unintentional acquisition of knowledge. Recognition of brand names which consumers do not have or use is an example of incidental learning. Marketers need to know several theories about the learning process, such as behavioural and cognitive theories, in order to understand consumer purchase decisions. (Solomon 2009, 116.)

3.2.2 Beliefs and Attitudes

Through learning, people acquire descriptive thoughts about something, called beliefs, and consistent evaluations and feelings about things, called attitudes, which influence their buying behaviour. Beliefs make up product and brand images that affect buying behaviour, while attitudes force people to like or dislike things, and they are difficult to change. So it is easier to fit product or service into existing attitudes rather attempt to change them. (Armstrong & Kotler 2013, 169.)

In order to understand how attitudes facilitate social behaviour, Psychologist Daniel Katz identified the next functional theory of attitudes: utilitarian, value-expressive, ego-defensive, and knowledge. Marketers can
emphasise product’s benefits in communications by identifying the dominant function that a product serves consumers. (Solomon 2009, 283.)

Attitudes are lasting because they tend to endure over time. Anything toward which a consumer has an attitude is called an attitude object. Attitudes are determined by a person’s motives and explained as a general evaluation of people, objects, advertisements, or issues. (Solomon 2009, 282.)

3.3 Dimension of Cultures

As it was already mentioned above, one of the many layers that influence behaviour, but not determined by is culture. Culture is complex, difficult to isolate, and abstract concept that developed many definitions during the time. It is useful to society and to the individual. According to Usunier & Lee (2009, 3), one of the definitions which emphasizes the link between culture and an individual is that “a culture is a configuration of learned behaviour and results of behaviour whose component elements are shared and transmitted by the members of a particular society”. (Usunier & Lee 2009, 4.)

The sum of interrelated elements that work as a coherent set identify a culture. They include different kinds of skills and habits acquired by members of society such as knowledge, beliefs and values, arts, laws, manners, and morals. These skills and habits are also reinforced by biology, language, social institutions and material and symbolic productions. (Usunier & Lee 2009, 4.)

3.3.1 Definitions of Culture

According to Mooij (2011, 33), culture binds groups together. It can be defined as a society with common beliefs, attitudes, norms, and values found among people who speak a specific language, live at the same time in a certain geographic region. What is more, culture cannot be separated
from the historical context, and cultural identity cannot be changed or taken away. (Mooij 2011, 33.)

Language, institutions, material productions, and symbolic productions are the major elements of culture. Culture is a collective fingerprint of our identity. There are cultural differences, but no culture is globally superior or inferior to another, no culture has good or bad elements in its group. (Usunier & Lee 2009, 6.)

3.3.2 Hofstede’s Dimensions of National Culture

Professor Geert Hofstede defines culture as “the collective programming of the mind distinguishing the members of one group or category of people from others”. He conducted one of the most difficult studies of the influence of values in the workplace by culture. (Hofstede Insights 2018.)

All cultures are different, but the most part of their variability is accounted by five dimensions model. Geert Hofstede developed four dimensions of national culture in 1973. He sought dimensions to cover all cultures. The need for a convincing categorization is obvious. It enables to predict a culture’s behaviour, clarify why people did what they did, avoid giving offense, search for unity, standardize policies, and perceive neatness. (Lewis 2006, 29.)

The dimension model is based on basic value orientations of studied countries and on large quantitative surveys. The dimensions are power distance, uncertainty avoidance, masculinity/femininity, individualism/collectivism, and later Hofstede added long-term versus short-term orientation. The following five dimensions which will be explained are the most relevant to consumer behaviour. (Mooij 2011, 42.)

Power Distance

Power distance can be defined as the way members see differences in power when forming interpersonal relationships. An example of another Asian country is Japan. It is among cultures which emphasize strict,
vertical relationships, while some other cultures stress a greater degree of equality and informality (e.g., United States). (Solomon 2009, 606.)

What is more, connections to “right people”, when looking for work or dealing with bureaucratic issues, is important. “Knowing someone who can help” is called Guanxi and literally means “connections” to relatives, friends or who owe something. Guanxi can often be the essential requirement for success. (Lacey 2011, 35.)

Uncertainty Avoidance

Uncertainty avoidance is a degree to which people have beliefs and institutions that help to avoid uncertainty, such as organised religion, and a degree to which they feel threatened by ambiguous situations. (Solomon 2009, 606.)

As a general rule, Chinese are polite, friendly and not aggressive, but courtesy is often reserved for people they know. Chinese people do not have much sense of privacy in public places, but they do when it comes to their own home. (Lacey 2011, 37.)

Masculinity Versus Femininity

Masculinity versus femininity is the dimension where a culture clearly defines sex roles. Very explicit rules about the acceptable behaviours of men and women are more likely to be possessed by traditional societies, for instance, responsibility for certain tasks within the family unit. (Solomon 2009, 606.)

In Chinese culture, males and females are equal. Attitudes to women have been changing during years, and since 1949, women have officially been treated as equals to men; it includes salaries and job positions. Chinese men do see women as their equals. (Lacey 2011, 41.)

Individualism Versus Collectivism
Individualism versus collectivism is the extent to which the culture values welfare of the individual or group. In collectivist cultures, there is a subordination of personal goals of stable people in a group, while consumers in individualist cultures attach more importance to personal goals, and people are more likely to change the membership the demands of the groups become too costly. (Solomon 2009, 606.)

As it was already mentioned above, Chinese place the high importance on family members. Unlike in the West, where the cult of the individual appeared, in China, the family unit has always been largely mutually dependent. Joy or shame from all loses and wins of one person are shamed by his or her whole family. Caring elderly relatives also differs in China. Compared with the West, with its belief that age is virtually a sin, in China, old age is respected. Grandparents develop a particularly strong connection with their grandchildren, teaching and supervising them in earliest years. (Lacey 2011, 35.)

3.3.3 Richard D. Lewis Model

Richard D. Lewis has developed a model which explains the behaviour of people from different cultures. This model divides them into three groups members of which are similar in their cultural characteristics: linear-active, multi-active and reactive cultures.

Multi-actives cultures are very flexible, not very interested in schedules and punctuality. They consider reality to be more important than man-made appointments. (Lewis 2006, 29.)

Linear-active people, like Finns, do one thing at a time, concentrate hard on that thing and do it within the scheduled time period. They attach great importance to analysing project, compartmentalizing it, tackling each problem one at a time, concentrating on each segment, and thereby achieving a near-perfect result. Finns are introvert, patient, quit, punctual, prefer privacy, plan ahead methodically, and work fixed hours. (Lewis 2006, 230.)
Reactive cultures can be described as people-oriented, thoughtful, ultra-honest, and good listeners. China belongs to the group of reactive, or listening cultures, the members of which rarely initiate action or discussion, preferring to listen to and establish the other’s position first, then react to it and formulate their own. Reactive people are introvert, patient, silent, and respectful. Chinese and Finns are both strongly reactive cultures. Among European cultures, only Finns are strongly reactive, but they are more linear-active than Chinese, and have linear-active tendencies when reacting. To describe themselves, Finns invariably select the following qualities: honest, slow, reliable, true, shy, direct, reserved, and punctual. (Lewis 2006, 35.)

Members belonging to the same cultural category have naturally underlying similarities. FIGURE 9 illustrates that the differences far outnumber the commonalities when members of different cultural categories begin to interact. This figure is a diagrammatic disposition of linear-active, multi-active and reactive variations among major cultures. It is based on decades-long observation and thousands of assessments of cultural profiles with respondents of 68 nationalities. (Lewis 2006, 38.)
The classification of cultural groups is straightforward when compared. It has consequently proven to students, government and managers. This assessment points the respondent toward a sympathetic relationship with the particular cultural group. Thus, a good listener, calm and nonconfrontational, will be appreciated and probably liked by the Chinese. The decision-making stance of Finns is strongly offset by their soft, diffident, Asian “silent” communication style and ability to listen at great length without interrupting. (Lewis 2006, 43.)
4 AIRLINE INDUSTRY

This chapter helps the reader to become familiar with the main principals of the airline industry and passenger transportation. It becomes clear why aviation industry grows and becomes the most competitive way of transportation. The data about the global airline industry and airline business in China is presented. Previous studies about the decision-making process of Chinese travellers are also implemented in this chapter.

4.1 Global Airline Industry

The global airline industry provides service to almost every country in the world. It has played an integral role in the creation of a global economy. In terms of both its own operations and its impacts on related industries such as aircraft manufacturing and tourism, the airline industry is a major economic force. (Belobaba, Odoni & Barnhart 2015, 31.) In order for companies to compete successfully in the global market, efficient and reliable transportation, as air transportation, is essential (Bitzan et al. 2016, 1). Few other industries generate the amount and intensity of attention given to airlines, by people and organizations engaged directly in its operations, government policy makers, the news media, and its billions of users. (Belobaba, Odoni & Barnhart 2015, 31.)

Measurement of airlines’ productivity and efficiency is complex. It arises from the fact that airlines employ multiple inputs to produce multiple outputs, all measured in different units. What is more, airlines operate under different regulatory, economic and geographical environments. Therefore, to measure airline productivity and efficiency in the presence of multiple inputs and outputs, different methodologies have been developed. (Bitzan et al. 2016, 45.)

Today, the global airline industry consists of over 1400 commercial airlines operating more than 25 000 commercial aircraft and providing service to over 3800 airports (ATAG, 2014). According to Belobaba (2015, 31) in 2015, for the first time since the late 1990s, the global airline industry is
approaching six consecutive years of aggregate profitability. However, large differences in financial performance among airlines in different regions of the world still remain there. The industry still faces major challenges, including historically high and volatile fuel prices, a weak economic recovery from the global financial crisis, and a variety of geopolitical and public health threats that could soon end this streak of moderate profitability.

The principal driver of passenger air travel demand is economic growth: the 5–6% average annual growth in air travel has been fed by an average 2–3% annual GDP growth worldwide (Belobaba et al. 2015, 32). For countries attaining and sustaining healthy economies, it is critical to have an efficient air transport system. When selling goods and services, companies are looking beyond their domestic markets. Components are sourced from all over the globe in order to produce goods and services at the lowest costs and in the highest quality. For instance, international trade accounts for more than 60 percent of global GDP. (Bitzan, John, Peoples & Wilson 2016, 1.)

FIGURE 10 illustrates the growth of passenger air traffic by region of the world carried by all airlines (irrespective of their nationality). North America continues to represent the largest region in terms of air traffic, followed by Europe and the Asia Pacific. During the 1980s and 1990s, growth rates in the Asia-Pacific region were substantially higher than those of North America and Europe. As a result, the total passenger air traffic in the Asia-Pacific region has been at the same level as in Europe since 2005. High growth rates are expected to continue existence and the Asia-Pacific region could soon become the second-largest world region for air traffic. (Belobaba et al. 2015, 32.)
As airline companies’ operations in Asian region gradually increase, different international airline carriers develop new routes and services for operations to Asia. For instance, one of the leading European Airline carriers which develop its operations in Asia, Finnair, constantly opens new destinations and frequencies for clients. As the main connections between these destinations fly over Finland, and the company is located in Helsinki, its geographical location gives Finnair a competitive advantage for flights between Europe and Asia. Finnair’s managers state that Asian customers determine the expected standard of quality for services and products, but as many other companies in the airline industry, Finnair takes care about different groups of customers, and always develops new services for them. (Finnair 2016.)

Continuing with the example of Finnair, it is focusing on Asian market more and more because there is the gradual shift in economic and political focus from the United States and Europe to Asia. It is the strongest of the megatrends affecting the aviation industry. The significance of globalised Asian corporations in the world market is growing. Migration flows from rural areas to cities continue to accelerate, particularly in China. The
number of cities with more than five million inhabitants will grow, the number of connections between such cities increase. The middle class in China is also growing rapidly. The whole Asian travel will increase, and competition will intensify. Therefore, non-Asian airlines must increase their understanding of Asian culture and customers. (Finnair 2016.)

4.2 Chinese Passengers

The economic expansion of recent years in China has created a rising number of people who have suddenly acquired vast wealth and are struggling to handle it. It is important to take into consideration different groups of Chinese travellers as the range of services for customers in airline industry vary from low-cost economy class to business and advanced priorities. Talented or corrupted businessmen and government employees flaunt their newfound wealth not only driving luxury cars as BMWs, smoking luxury cigarettes and eating in exclusive restaurants, but also using the most comfortable services during the flights. (Lacey 2011, 40.) By 2020, the number of luxury consumers on the Chinese market is estimated to be 180 million people and many of them will be under 50 years of age. Most of this wealth may be found in the largest and most-developed cities. (Hoffmann & Coste-Maniere 2013, 92.)

Changing attitudes across the consumer landscape and constant expansion of economic and geographic market are resulting in a disintegration of geographical and socio-demographic boundaries. The luxury sector is no longer perceived as a fairly restricted, elitist dream based on design creativity; it has moved being a massive economic sector. The concept of pure luxury has given way to a more segmented and democratized approach. (Hoffmann & Coste-Maniere 2013, 89.)

The perception and attitudes of consumers towards luxury goods have been changed by a younger, international, dynamic, and more discerning without being a particularly loyal audience. Over 89 percent of Chinese luxury consumers today are under 45 years of age, many not more than 35 years. Becoming more democratized, luxury brands shift from product-
focused to customer-focused marketing strategies. They look for more original ways in which to connect and resonate with consumers. (Hoffmann & Coste-Maniere 2013, 91.)

Placing great importance on cultural heritage and traditions, China remains a country with the traditional flat structured society, where consumer behaviour is underpinned by symbolism and values. Therefore, Chinese consumer can differentiate himself, build self-concept and create individual self-expression. There is a striking resonance for him between himself and the symbolic values of luxury products and services. (Hoffmann & Coste-Maniere 2013, 92.)

The Asian region is the most successful region worldwide for the luxury sector, and China is part of it (Hoffmann & Coste-Maniere 2013, 128). What is more, Asia is also the world’s biggest market for business travel. Accounting for 38 percent of about $1 trillion in annual spending, the importance of Asian market will grow. (Dichter, Lim & Lin 2018.)

Asia’s business travellers gain greater autonomy in their travel decisions and value convenience above everything else. They are more likely to make a booking that includes a weekend (12 percent) compared with European travellers (7 percent). They have an unexpected degree of autonomy when making travel plans and booking flights, while the greatest importance is placed on convenience, which means convenient flight times and direct flights. (Dichter, Lim & Lin 2018.)

According to Dichter, Lim & Lin (2018), Asia’s travellers characterised by their preferences and behaviour patterns can be divided into four common traveller archetypes: service seekers (34 % of respondents), stereotypical suits (32 %), belt tighteners (17 %), and points maximizers (17 %). These archetypes are shown in FIGURE 11. Each has its own distinct set of needs and preferences.
There are also clear differences in needs from country to country. For example, respondents from Singapore put the greatest emphasis on comfort, while those in India were more interested in digital planning and booking tools (Dichter et al. 2018). Chinese travellers place a strong emphasis on service and prestige and are the most amenable to mobile options. There are sharp differences in attitudes and behaviours among Asian travellers. Therefore, it is critical to use customisation and personalisation to satisfy this market. (Singapore Tourism Board 2018.)

According to previous studies, Chinese travellers are heavily service-oriented and concerned about prestige. They are the only travellers from Asia who prefer to have award-winning service when selecting either a flight or hotel. Unlike their Singaporean counterparts, Chinese travellers appeared more willing to pay for premium services or products such as better meal options on an LCC flight. Across all the countries, travellers from China placed the lowest emphasis on price considerations as well. Chinese travellers are also ready for the next wave in mobile technology. (Dichter et al. 2018.)
5 EMPIRICAL RESEARCH AND DATA ANALYSES

When the theoretical background of the research has been reviewed, the reader can follow the research of the thesis described in this chapter. In order to support the information from the theoretical part, the research among Chinese customers was conducted. Its analysis is presented in this chapter. Therefore, the empirical research, data collection, and data analysis are illustrated. Firstly, the conduction of the thesis and the data gathering process are described in data collection. Then, data analysis of the information collected from the survey, and finally, the key outcomes of each question are discussed.

5.1 Design and Formulation of the Empirical Research

There are two different research methods, qualitative and quantitative. In this study, quantitative method of the research is used. It focuses on numeric data and measuring variables by using statistical techniques (Saunders et al. 2012, 161-164). In order to meet the thesis objectives and find out how Chinese customers behave when choosing airline services, the primary data for the empirical research was conducted with the use of an online survey. It is a research technique that allows data collection from a sizable population (Saunders 2009, 601). The data was collected by sending the survey to potential respondents, Chinese airline customers.

The aim of the survey was to find out which factors are affecting the Chinese travellers’ decisions when they select airline companies, methods of booking or on-board services. In order to develop better operations to China, managers of airline companies need to understand cultural features and preferences of Chinese customers. Therefore, another crucial purpose of the survey was to find out which factors have the biggest influence on their decisions, which services they prefer more, and which they are more willing to pay for.
Most of the respondents were Chinese students at Lahti University of Applied Sciences, as the online questionnaire was sent to them, their families and friends from China. The survey was also distributed through Chinese exchange students from Beijing. The reason why Chinese customers living or staying outside China were chosen to answer the questioner is that they definitely had experience travelling from China by plane and satisfy the requirements of the research as international airline customers. The survey was conducted in the English language, but the translation to Chinese was also provided to minimize misunderstanding of questions by Chinese respondents.

The survey included ten multiple-choice questions from which two questions allowed several answers. There were also four questions with matrix form for scale selection. First two questions aimed at identifying general information about a respondent, while others aimed at understanding the behaviour and decisions of a respondent. The survey form can be found from the appendices.

5.2 Data Collection

The data collection methods support the empirical research of the thesis. This sub-chapter introduces the information about the data collection methods and phases of the thesis. FIGURE 12 illustrates the different phases of the data collection and shows the schedule of the process of gathering secondary and primary data.

FIGURE 12. The Process of Data Collection
The first step of the research is a collection of secondary data, meaning that a desk research was conducted by gathering and measuring existing data from open sources (Saunders et al. 2009, 69). The first part of the research, secondary data collection, has started in November 2017. In the beginning, the research questions were formulated. When introduction part of the thesis was done, theoretical part was built.

After the literary review, the preparation of the questionnaire for Chinese customers has started in April 2018. With the help of students from National Research University Higher School of Economics (HSE) in Saint Petersburg, the online survey was tested and translated from English to Chinese. The survey was sent to the respondents at the beginning of May and was open and available for an answer during 12 days. Webropol service was used to create the survey and the link to the survey was sent to Chinese customers.

The survey was distributed to more than 150 Chinese people by the students at HSE among Chinese travellers and by the author of the thesis among. More than 100 potential respondents have received the link. Overall, 31 responses to the survey were received. The researcher came up with a decision that this number of responses is sufficient to start the analyses and is a suitable outcome for the study. Online survey results are presented and analysed in the next subchapter.

5.3 Data Analysis

The following subchapter chapter will present the results collected from the online survey conducted among Chinese travellers. The questionnaire contained 14 questions. The first two questions were basic information about the respondents, regarding gender and age. The question about the nationality of the respondents was not needed as the survey was sent only to Chinese travellers. The rest of the questions in the questionnaire were related to the frequency of airline journeys, preferences in services in
general, preferences in on and off-board services, and how different factors influence their purchasing behaviour.

All questions and possible answers to the questionnaire were translated from English to Chinese to make it easier to understand what is asked. The questionnaire received a total of 31 responses, which was a good outcome for this study. In total, 17 respondents were male and 14 respondents were female. The results are shown in FIGURE 13.

![Gender Distribution](image)

**FIGURE 13. Gender Distribution**

Another question concerning respondents' basic information asked for their age. Respondents could choose from five age groups. In the questioner, they were: under 18, 18—25, 26-35, 36-45, 46-55, and over 55. Despite the fact that there were options to choose from 36 to 45 or over 55 neither of those options were chosen. As it is shown in the table below, most respondents belonged to the age group of 18-25 with a high number of 24 responses. The second largest age group was 26-35 with 3 respondents. The smallest age groups with only 2 respondents were under 18 and from 46 to 55.
FIGURE 14. Respondent’s Age

The third question asked how often respondents travel by plane abroad. There were five options to choose from: at least once per month, a few times per year, about once per year, every second year, less than once in 2 years. It was expected that respondents pick the option that fit them best. The results are presented in FIGURE 15. Most of the respondents stated that they travel several times per year. There were 15 respondents who travel more than once a year and 7 who travel at least once a year. The second most popular answer which was chosen also by 7 respondents was “less than once in 2 years”. Only a few respondents travelled by air abroad every second year, and there were no respondents who travel at least once per month.
Question number four regarded the purposes of respondents’ last 5 international flights. There were three main purposes which respondents could choose from: leisure, business or education. Mostly, respondents travel by plane for education purposes: 18 responses. This fact is connected with the fact that most of the respondents are travellers in the age between 18 and 25. As presented in FIGURE 16 below, 14 respondents usually travel abroad for the purpose of leisure. The option “business” gathered at total 2 votes.
The fifth question asked respondents to point which airline carriers they usually choose when flying abroad: international airlines or airlines from China. There was also an option not to choose between these two answers and tick “does not matter” if the domestic market of an airline carrier is not important for a responder. Most of the respondents do not care about the home country of an airline company when choosing it. Airline carrier does not matter for 13 respondents, while 12 respondents prefer to fly with Chinese Airline carriers. Only 6 respondents usually choose international airline carriers when flying abroad.
The sixth question asked respondents to state how much influence different factors have on their purchasing decisions about airline career. Using the scale of one to five, where one is the strong influence, two is a lot of influence, three is some influence, four is little influence, and five is no influence at all. Five factors to estimate the influence were: family, friends, price, brand, and advertisements (special offers). For each factor, the respondents were asked to tick the most suitable number for them. This question received 31 responses from men and women, but they distributed between factors unequally as several answers for the same level at the scale were possible. It is illustrated in TABLE 2. To get a better idea of the results, the average score is shown. It tells that the most important factor is the price with the score of 2.1. The second most important factor for Chinese travellers is brand. Family is another crucial factor when choosing airline carrier with the score of 2.5. The average score of the least important factor, friends, is 3.

**TABLE 2. Factors Influencing a Decision**

<table>
<thead>
<tr>
<th>Influence Factor</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Total Answers</th>
<th>Average Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td>9</td>
<td>8</td>
<td>4</td>
<td>6</td>
<td>3</td>
<td>30</td>
<td>2.5</td>
</tr>
<tr>
<td>Friends</td>
<td>5</td>
<td>7</td>
<td>7</td>
<td>5</td>
<td>6</td>
<td>30</td>
<td>3</td>
</tr>
<tr>
<td>Price</td>
<td>9</td>
<td>13</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>29</td>
<td>2.1</td>
</tr>
<tr>
<td>Brand</td>
<td>9</td>
<td>7</td>
<td>6</td>
<td>1</td>
<td>1</td>
<td>29</td>
<td>2.4</td>
</tr>
<tr>
<td>Advertisements (special offers)</td>
<td>7</td>
<td>8</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>28</td>
<td>2.7</td>
</tr>
<tr>
<td>Total Answers</td>
<td>39</td>
<td>43</td>
<td>24</td>
<td>24</td>
<td>16</td>
<td>31</td>
<td></td>
</tr>
</tbody>
</table>
Family has the influence on what we choose to buy. As presented in FIGURE 18 below, about 30% of respondents felt their family has a strong influence on which airline career they choose. Whereas 10% think that their family has no influence in it. 27% of respondents stated their family mostly influences their purchases, while 20% of respondents stated their family has little influence on their purchases.

Another factor, friends, was added to find out how Chinese think their friends influence their choices and purchases. Most of the respondents stated that their friends have a lot of or small influence on what they choose to purchase: 23% for each answer, which is nearly half of the respondents. 20% of Chinese customers participated in the survey felt that their friends have no influence on their purchasing habits at all and 17% of respondent thought friends have a strong or little influence on their decisions when they choose an airline carrier.
One more important factor when choosing airline careers or making general purchase decisions is the price. Mainly the respondents felt that price strongly influence the choice of an airline career, as 31% of them feel strong influence and 45% - a lot of influence. Only 4% of respondents stated that price has no influence on their purchases. As can be seen from FIGURE 20 below, 10% of respondents have some or little influence of price on this decision.
Brand also has the influence on the decision-making process, as people prefer to fly with well-known and trusted airline careers. As FIGURE 21 presents, 31% of respondents felt that brand has the strong influence on their choice of an airline carrier and 24% - that it has a lot of influence. Only 3% of respondents stated that brands have no influence on their purchasing behaviour and 21% said that it has some or little influence.

![Figure 21: Brand Influence](image_url)

**FIGURE 21. Brand**

Getting to know new captivating services, best products or special offers, people are usually influenced by advertisements, being surrounded by them everywhere. To understand whether Chinese airline customers listen to marketers or not, the results of the survey should be analyzed. As FIGURE 22 shows, respondents felt that they are influenced by advertisements. More than half of the respondents stated that advertisements have strong or a lot of influence with 25% and 29% of answers for each category correspondently. However, 18 % of respondents felt that advertisements did not have any influence on their purchases. Only a few respondents, 14 % think that can be slightly influenced by interesting offers.
The seventh question of the survey, as the previous one, required prioritising eight different factors that influence the purchase decision, but in this question, respondents were asked to prioritise the importance of services provided by airline companies. Factors which have influence and had to be prioritized were: convenient arrival/departure times, direct flights, comfortable seats, price (lowest fare), feeling valued as a customer, award-winning service, loyalty and rewards programmes, and availability of services in the Chinese language. When answering the question about the priorities when choosing a flight, respondents again had to choose the number on a scale of 1 to 8, where 1 is the most important factor; 8 is the least important.

TABLE 3 illustrates that price is the most important factor, with the least score of 2.57 which confirms the result of analyses of the previous question, where the price has the strongest influence. However, the highest number of respondents was 16. They stated that convenient arrival/departure times are more important when flying abroad than any other factors. After convenience of flight time and price, directness of flights is the most important issue for respondent, which collected 10
responses for the greatest importance on the scale. Comfortable seat factor with a low average score of 3.4 has the same number of respondents for a top priority as the availability of services in Chinese language factor, which average score is 4.1. The least important factor is award-winning service of an airline company, with an average score of 4.9 and only one respondent who put this factor in the top priority.

TABLE 3. Flight Priorities

<table>
<thead>
<tr>
<th>Importance</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>Total Answers</th>
<th>Average Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Convenient arrival/departure times</td>
<td>16</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>29</td>
<td>2.6</td>
</tr>
<tr>
<td>Direct flights</td>
<td>10</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>0</td>
<td>3</td>
<td>31</td>
<td>3.2</td>
</tr>
<tr>
<td>Comfortable seats</td>
<td>6</td>
<td>7</td>
<td>6</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>30</td>
<td>3.4</td>
</tr>
<tr>
<td>Price (lowest fare)</td>
<td>12</td>
<td>5</td>
<td>6</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>30</td>
<td>2.6</td>
</tr>
<tr>
<td>Feeling valued as a customer</td>
<td>3</td>
<td>5</td>
<td>6</td>
<td>5</td>
<td>6</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>29</td>
<td>3.8</td>
</tr>
<tr>
<td>Award-winning service</td>
<td>1</td>
<td>2</td>
<td>7</td>
<td>3</td>
<td>5</td>
<td>3</td>
<td>3</td>
<td>5</td>
<td>29</td>
<td>4.9</td>
</tr>
<tr>
<td>Loyalty and rewards programmes</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>8</td>
<td>6</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>29</td>
<td>4.7</td>
</tr>
<tr>
<td>Availability of services in Chinese language</td>
<td>6</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>8</td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>29</td>
<td>4.1</td>
</tr>
<tr>
<td>Total answers</td>
<td>56</td>
<td>33</td>
<td>38</td>
<td>27</td>
<td>35</td>
<td>14</td>
<td>11</td>
<td>22</td>
<td>31</td>
<td></td>
</tr>
</tbody>
</table>

The next question concerned purchasing preferences when booking a flight. There were four options for respondents to state the importance: return/change ticket option, food on board options, baggage allowance option, and choosing preferred airline seats option. Using the scale of one to four, respondents were asked to choose availability of which options are important for them when booking a flight, where one is the most important,
two is important, three is quite important, four is the least important. 18 respondents presented desire to have a baggage allowance option for international flights, as it is the most important service for them. However, availability of meals during the flight is the most important option among other with on average score of 1.7. Opportunity to choose preferable seats in a plane is the least important option.

TABLE 4. Importance of Service Availability when Booking

<table>
<thead>
<tr>
<th>Option</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>Total Answers</th>
<th>Average Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return/change ticket option</td>
<td>10</td>
<td>12</td>
<td>5</td>
<td>3</td>
<td>30</td>
<td>2.1</td>
</tr>
<tr>
<td>Food on board options</td>
<td>17</td>
<td>6</td>
<td>3</td>
<td>3</td>
<td>29</td>
<td>1.7</td>
</tr>
<tr>
<td>Baggage allowance option</td>
<td>18</td>
<td>5</td>
<td>3</td>
<td>5</td>
<td>31</td>
<td>1.8</td>
</tr>
<tr>
<td>Choosing preferred airline seats option</td>
<td>8</td>
<td>12</td>
<td>5</td>
<td>5</td>
<td>30</td>
<td>2.2</td>
</tr>
</tbody>
</table>

If the previous question asked respondents to think about the importance of service availability when booking a flight, the next question concerned preferences in the availability of extra options during the flight. Again, using the scale of one to four (one is the most important, two is important, three is quite important, four is the least important) respondents prioritized availability of four options: digital services, in-flight comfort, luxury services, and courteous air stewards. Mostly, respondents prefer to have an opportunity to experience in-flight comfort, as 14 of them put additional space option to the first place on the scale and 8 respondents – on the second. With an average score of 2.1, availability of digital services on board is very important for 9 respondents and mostly preferable for 12 respondents. Having experience from travelling with courteous air stewards is not very important for Chinese customers.
TABLE 5. Importance of Service Availability during the Flight

<table>
<thead>
<tr>
<th>Option</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>Total Answers</th>
<th>Average Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital services (e.g. in-flight entertainment)</td>
<td>9</td>
<td>12</td>
<td>6</td>
<td>3</td>
<td>30</td>
<td>2.1</td>
</tr>
<tr>
<td>In-flight comfort (e.g. additional space)</td>
<td>14</td>
<td>8</td>
<td>3</td>
<td>6</td>
<td>31</td>
<td>2.03</td>
</tr>
<tr>
<td>Luxury services (e.g. large selection of meals)</td>
<td>11</td>
<td>7</td>
<td>7</td>
<td>4</td>
<td>29</td>
<td>2.14</td>
</tr>
<tr>
<td>Courteous air stewards</td>
<td>7</td>
<td>12</td>
<td>5</td>
<td>5</td>
<td>29</td>
<td>2.28</td>
</tr>
</tbody>
</table>

The next question asked which way of booking they prefer. All young respondents, a total of 29, prefer to book flights and buy tickets online and no one in ages from under 18 to 45 answered that prefer face to face process of booking. There were two respondents over 45, and they prefer face to face way of booking. These results are illustrated in TABLE 6 below.

TABLE 6. Way of Booking

<table>
<thead>
<tr>
<th>Age</th>
<th>&lt;18 - 45</th>
<th>&gt;45</th>
</tr>
</thead>
<tbody>
<tr>
<td>Way of booking</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Through online and mobile booking tools</td>
<td>29</td>
<td>0</td>
</tr>
<tr>
<td>Face to face/ call booking</td>
<td>0</td>
<td>2</td>
</tr>
</tbody>
</table>

Despite the fact that most of the respondents prefer to book online, not all of them prefer to receive boarding pass online. As China is the country with a booming smartphone market, after the analysis of two questions, it can be concluded that, 24 of respondents preferred to check in for a flight via their mobile device, while only 7 respondents prefer to collect the boarding pass online, 5 of them were in ages from under 18 to 45.
TABLE 7. Boarding Pass Collection

<table>
<thead>
<tr>
<th>Age</th>
<th>&lt;18-45</th>
<th>&gt;45</th>
</tr>
</thead>
<tbody>
<tr>
<td>Way</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Face to face</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Online</td>
<td>24</td>
<td>0</td>
</tr>
</tbody>
</table>

The 12th question asked respondents to choose whether appearance and physical shape of the crew and air stewards are important for them or not. Males presented tend to prefer to have air stewards in a good shape. For 9 males appearance of stewards was important, while it was important only for 8 females. Overall, 17 respondents stated that physical shape and appearance of air stewards is important for them, and for 14 respondents it was not important, from which can be assumed that mostly, Chinese travellers want to see good looking air stewards.

TABLE 8. Air Stewards

<table>
<thead>
<tr>
<th>Gender Appearance</th>
<th>Male</th>
<th>Female</th>
<th>All respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Important</td>
<td>9</td>
<td>8</td>
<td>17</td>
</tr>
<tr>
<td>Not important</td>
<td>8</td>
<td>6</td>
<td>14</td>
</tr>
</tbody>
</table>

Question 13 asked about the most important factor for respondents when choosing on-board meals. There were four answers to choose from: personal health issues, religious norms, availability of Asian food option, and I am okay with any kind of on-board meals option. As FIGURE 23 shows, the most popular answer with 42% of respondents is “I am okay with any kind of on-board meals” while 39% of respondents felt that they need to choose between meals to meet their own health problems, such as allergy. Availability of Asian food option on board is not a very important factor when people choose meals; it has received 19% of votes. None of the respondents have any restrictions on food choice because of the religious norms.
Finally, the last question in the questionnaire asked respondents which additional options are they ready to pay for to make their journey more comfortable. This question was created to summarise and combine the result of previous questions. When analyses of previous questions are done, it can be concluded that Chinese travellers want to have many services and options when booking or during the flight, but it is also important to figure out whether they are ready to pay for these services, and if yes, which ones.

In the last question, there were a total of five options to choose from: digital option to choose preferred airline seats, flexibility to change the ticket, in-flight comfort (e.g. additional space), better meal options, and an option “not ready to pay for any extras”. Several answers to this question were possible to make. Mostly, people choose to fly with comfort, there are 38% of respondents who are ready to pay for this option. As presented in FIGURE 24, 28% of respondents are ready to pay for better meal options.

FIGURE 23. On-board Meals
This FIGURE also shows that people will rather pay for the possibility to change the ticket than for an option to choose airline seats online before the flight. These answers have collected 16 and 9 responses correspondingly. Finally, only 2% of respondents are not ready to pay for any extra services and options when flying abroad. From this, it might be concluded that despite the fact that price is the most important factor for Chinese travellers when choosing an airline carrier or a flight, they are mostly willing to pay for additional options and ready to use these services, as they want to make their international journeys more comfortable.
6 CONCLUSION

This chapter concludes the collected data of the theoretical and the empirical parts of the thesis and presents the information collected during the research. Answers to the research questions are provided. Then, reliability and validity of the thesis are discussed in this chapter. Suggestions for further research are presented at the end of the chapter.

6.1 Answers to Research Questions

The thesis aimed at researching the behaviour of Chinese airline customers and the influence of different factors on their decision-making process in order to give suggestions for an international airline about the development of services for Chinese travellers. It was important to introduce some basic concepts and background information to the readers. The main research question which is answered later in this sub-chapter was: Which specific features of Chinese customers’ behaviour should be taken into consideration by international airline companies when developing operations towards Chinese travellers? Firstly, sub-questions should be answered. They are presented and answered below.

What does adaptation mean when developing products and services for the international market?

Adaptation of products and services is the process of modifying them in accordance with the conditions of a particular country and the preferences of local consumers to meet their needs. The creation of a product or service includes the development of a new product. This creation is the promotion of the outdated but perfectly adapted models of a product. Products or services are reinvented to meet the requirements of the foreign market. The design and creation of a new product or service should consider different features of a new market and buyers of the country.

Satisfying the requirements of the local market is an essential part of a market strategy because product adaptation is a reactive response to the
market. Adaptation requires finding differences that exist between products and services. When making operations international, different ways are considered, and the product starts the modification. Thus, products and services are always adapted not only for a new market but for cultural features of customers, which correlates with the analyses of the behaviour and decision-making process of consumers from a certain culture.

**What are the factors influencing the decision-making process of Chinese customers when selecting international flights and travelling abroad?**

The stages that the consumer experiences before making the final purchase decision are included in the consumer decision-making process. It is crucial for marketers to define the buyer decision process. For Chinese consumers the factors that influence this process are the same: there are personal sources such as family, friends or colleagues; commercial sources as advertising or websites; public sources: media or the internet; and experimental sources. Chinese travellers are quite strongly influenced by the price of an international flight. When choosing an airline carrier, family and friends also have a lot of influence on their decisions. Being dependant on commercial sources and social factors, Chinese travellers are influenced by the brands of the product.

**What are the selection criteria of Chinese travellers when making a decision about the international flight purchase?**

According to previous research presented in the theoretical part of the thesis, Chinese travellers differ in their attitudes and behaviour from other Asian travellers. They are also very oriented on services. When selecting an international flight, Chinese customers look at several criteria. However, the price is the most important factor with the strongest influence on the decision. Travellers from China also pay attention to convenient arrival/departure times when flying abroad than any other factors, and sometimes care about the directness of flights. A very rare service with
comfortable seats is an important factor for the Chinese. However, they are always ready to pay for additional comfortable services, and bigger space is among them. There are several ways to divide customers into groups. In this thesis, the survey received responses mainly from Chinese customers who travel for purposes of education or leisure. Previous studies show that an award-winning service of an airline company is very important for the Chinese business travellers, but those who travel for leisure or education do not care whether an airline company has the award-winning service or not.

**Which specific features of Chinese customers’ behaviour should be taken into consideration by international airline companies when developing operations towards Chinese travellers?**

When all sub-questions of this study are answered, it is important to answer the main question of the research. Airline companies constantly improve their services to meet customer needs and make their experience better. Marketers try to find out specific features of different groups of customers to adapt services to new markets and cultures. As the theoretical part of this research shows, Chinese travellers differ in their behaviour from customers from other cultures. Comparing them, Chinese travellers, are very concerned about prestige, as it was mentioned above. They are the only travellers from Asia who prefer to have award-winning services when selecting a flight, and they are more willing to pay for additional services or products such as in-flight comfort or better meal options. International airline companies need to take into consideration such preferences that the Chinese are concerned about, which services they want to use and are ready to pay for, and then, use customisation and personalisation to satisfy the Chinese market.

When developing operations for the Chinese market, airline companies should also consider cultural characteristics of Chinese customers. Chinese are polite, friendly and not aggressive, so some of them even prefer to have courteous air stewards rather than luxury or digital services during the flight. What is more, Chinese people place high importance on
family members, they have a strong connection with their grandparents, and the family unit has always been largely mutually dependent. This means that family has stronger influences on their decisions than people from other social groups. The last thing that might be considered is that China is a conservative country from the point of view of traditions, but travellers prefer to use online and digital services for arranging their flights abroad and sometimes they are willing to pay for digital entertainment as an additional on-board service. They also feel more and more comfortable if there is no adaptation of products and services to the Chinese language, but still, some travellers want to have services in the Chinese language available for them. All these aspects should be considered when developing, improving or adapting services for the Chinese airline market.

6.2 Validity and Reliability

According to Saunders (2009, 157), validity is a concept used to measure the extent to which research results meet the research objectives. The main aim of this thesis to find answers to all of the research questions was met using both primary and secondary data during the research. Secondary sources were gathered from literature as books, companies’ reports, and scientific journals. The online survey was the primary source. It has collected 31 responses from Chinese people. More responses might make the study more valid, but at the same time, the results of the research are analysed properly and the thesis was conducted with the help of previous studies, which makes the number of responses considered as sufficient for this research.

A concept used to measure the extent to which research is compatible with similar studies is called reliability (Saunders et al. 2009, 156). As the survey has collected most of the results from people in the young age group who travel mainly with the purposes of education or leisure, the results for other groups of customers may vary in the other studies. However, for the nearest period of time when great cultural changes in
customer behaviour have not taken place, the results of the study can be considered reliable.

6.3 Suggestions for Further Research

The research was conducted with the aim of analysing the behaviour of Chinese travellers who choose services provided by international airline companies. It opens a perspective to make the research of the behaviour of Chinese customers of certain airline company to improve the development of services for different groups of customers. Also, the subjects of further research can be connected with the adaptation of airline products and services to the Chinese market or behaviour of different groups of Chinese travellers. Analyses of services of existing airline companies and Chinese customers’ satisfaction can be done. This will provide an even deeper understanding of the influence of Chinese culture on product adaption of airline services to the Chinese market. Therefore, any company can conduct further research to find out and present more information similar to this study.
7 SUMMARY

The purpose of this thesis was to provide international airline companies with a better understanding of what should be taken into consideration to develop or improve services for Chinese travellers. The study aimed at researching the influence of different factors on Chinese airline customers’ decision-making process and their behaviour. The research was mainly based on the theory about consumer behaviour and different factors influencing it, with a deep focus on the cultural factors. The decision-making process was also included in the research.

Theories about the decision-making process and product adaptation were introduced at the beginning of the thesis. Then, theoretical knowledge about consumer behaviour and Chinese cultural features, which relates to the research objectives and supports them, was presented. Description of an airline industry and characteristics of Chinese travelers appeared at the end of the theoretical part.

The empirical research was conducted via the online survey sent to Chinese customers. It has helped to conclude that purchase decisions of Chinese travellers are influenced by different factors which are based on their cultural features. Further data analysis has shown that the behaviour of Chinese correlates with their preferences and special cultural characteristics. To provide better services, it is important to consider preferences in digitalisation of operations, the importance of air-stewards appearance and influence of price and family on the purchase decisions.

As Chinese are willing to pay for additional services, development of the most preferable ones tends to make the customer experience better. Mainly, Chinese travellers are willing to pay for in-flight comfort. Therefore, such services as online booking, seats with additional space, digital entertainment and modern devices increase customer’s satisfaction. Consideration of these factors influencing consumer behaviour of Chinese travellers will help airline companies with the development of their operation and implementation of new services.
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APPENDICES

APPENDIX 1. Survey

Selection of Airline Services

1. Gender

性别

○ Male 男
○ Female 女

2. Age

岁数

○ <18
○ 18 – 25
○ 26 – 35
○ 36 – 45
○ 46 – 55
○ >56

3. How often do you travel by plane abroad?

您多久一次乘坐飞机出国旅行?

○ At least once per month 至少每月一次
○ A few times per year 每年几次
○ About once per year 大约每年一次
4. What were the main purposes of your last 5 international flights?

Several answers possible

☐ Leisure 闲暇
☐ Business 商业
☐ Education 教育

5. Which airline carriers do you usually choose when flying abroad?

☐ Airlines from China 中国航空公司
☐ International Airlines 国际航空公司
☐ Does not matter 无关紧要

6. Which aspects have the biggest influence on your decision when choosing an airline career (on a scale of 1-5: 1 - strong influence; 5 - no influence)?

1 2 3 4 5

Family 家庭
Friends 朋友
Price 价格
7. What are your priorities when choosing a flight (on a scale of 1-8: 1 – the most important; 8 - the least important)?

<table>
<thead>
<tr>
<th>Priority</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convenient arrival/departure times</td>
<td></td>
</tr>
<tr>
<td>Direct flights</td>
<td></td>
</tr>
<tr>
<td>Comfortable seats</td>
<td></td>
</tr>
<tr>
<td>Price (lowest fare)</td>
<td></td>
</tr>
<tr>
<td>Feeling valued as a customer</td>
<td></td>
</tr>
<tr>
<td>Award-winning service</td>
<td></td>
</tr>
<tr>
<td>Loyalty and rewards programmes</td>
<td></td>
</tr>
<tr>
<td>Availability of services in Chinese language</td>
<td></td>
</tr>
</tbody>
</table>

8. Which options are important for you when booking a flight (on a scale of 1-4: 1 – the most important; 4 - the least important)?

<table>
<thead>
<tr>
<th>Option</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return/change ticket option</td>
<td></td>
</tr>
</tbody>
</table>
9. Which extras are more important for you during the flight (on a scale of 1-4: 1 – the most important; 4 - the least important)?

在飞行期间哪些附加条件对您更重要（以1-4: 1 – 最重要; 4 - 最不重要）?

1 2 3 4

digital services (e. g. in-flight entertainment)
数字服务（例如机上娱乐）

In-flight comfort (e. g. additional space)
机上的舒适性（例如额外的空间）

luxury services (e. g. large selection of meals) 豪华的服务
（例如大量的膳食选择）

courteous air stewards 有礼貌的空少

10. Which way of booking would you choose?

您选择哪种预订的方法？

○ Through online and mobile booking tools 用在线和手机的预订工具

○ Face to face/ call booking 面对面/电话预约

11. Which option would you choose for the boarding pass collection?

你选择哪一种登机牌费的选项？
12. Are appearance and physical shape of the crew and air stewards important for you?

船员和空少的外表和竞技状态对你是很重要吗？

- Yes 对
- No 不对

13. What is the most important factor when choosing on-board meals?

选择机上餐的时最重要的因素是什么?

- Personal health issues (e.g. allergy) 个人健康问题（例如过敏）
- Religious norms 宗教规范
- Availability of Asian food option 亚洲食品选择的可用性
  - I am okay with any kind of on-board meals 我觉得任何机上的膳食都可以

14. Which additional options are you ready to pay for to make your journey more comfortable?

您愿意付费哪些额外选项，让您的旅程更加舒适？Several answers possible

- Digital option to choose preferred airline seats 选择首选座位的数字选项
- Flexibility to change the ticket 灵活换票证
- In-flight comfort (e.g. additional space) 飞行中的舒适性（例如额外的空间）
- Better meal options 更好的膳食选择
Not ready to pay for any extras 不愿意付费任何额外费用