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# The influence of tourists' expectations on purchase intention: Linking marketing strategy for low-cost airlines



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#### ABSTRACT

Drawing on an integrated framework of marketing strategy, this study develops and tests a novel perspective for low-cost airline tourists that explicates the critical attributes of service quality through which Corporate Reputation (CR) and Word of Mouth (WOM) are associated with purchase intention. The study also examines the buffering role of empathy in tourists' purchase decision making processes. In a sample of 535 international and domestic tourists, this study found service quality to be related to increased purchase intention by boosting tourists' positive evaluations for airlines' corporate reputations and word of mouth received from other tourists. Additionally, the results demonstrated a positive correlation quality of service and WOM, depending on tourists' levels of empathy. Specifically, they suggested that WOM was positively related to purchase intention when high levels of empathy from tourists were perceived for the low-cost airline.

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## 1. Introduction

In response to the rapidly increasing tourism demand and to attract backpacking tourists, many airline companies have built a new strategy using low-cost airlines to increase their market share (Francis et al., 2004) and improve the service quality to fit tourist's expectations (Nagar, 2013; Wittman, 2014). The critical attributes for low-cost airlines to create a market competitive advantage are not only dependent on operating effectively but also on market reputation and marketing strategy (Akamavi et al., 2015). By developing tourists' loyalty, low-cost airlines can significantly improve service reliability, service quality, and brand reputation to enhance trust and satisfaction (Akamavi et al., 2015; O'Connell and Williams, 2005). To manage these complexities and the competitive global environment, airlines have developed and perfected dynamic capacities to adjust their strategies in response to dynamic environments and changing demand in new generations (Bilotkach et al., 2015; Morandi et al., 2015). Thus, there is a growing need to examine the extent to which service dimensions (e.g., service quality) are actually associated with an understanding of tourists'

behaviors and feelings, and why these dimensions might also increase in that regard (Hutchinson et al., 2009).

Recently, some tourism and hospitality scholars have argued that service quality can positively or negatively impact a tourist's consequential consumption behavior (Ye et al., 2014). For example, Ye et al. (2014) found that individual perceptions of service or products provide a good opportunity for researchers to investigate the relationship between the value evaluation of a product or service, recommendations and satisfaction. It would seem that airlines' service value and corporate image being consistent with passengers' needs and expectations may influence their behavioral intentions, such as their willingness to recommend to others or repurchase (Park et al., 2004). To deliver better service to passengers, airlines need to understand the context of passengers' service demands and expectations (Aksoy et al., 2003). This is highly challenging for low-cost airlines because service quality is significantly connected with tourists' behavioral intentions, such as satisfaction and feedback (Saha and Theingi. 2009). However, few scholars have investigated whether and how service quality can influence tourists' expectations from a low-cost airline and the consequential behaviors, such as wordof-mouth recommendation, corporate reputation and purchase intention, of individual tourists.

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The majority of past research has been focused on creating a conceptual model for service quality (Parasuraman et al., 1985) or has focused on identifying critical attributes for SERVQUAL dimensions (Carman, 1990; Parasuraman et al., 1991). However, researchers have indicated that service quality may be the key influence of perception, feeling, and the formation of consumers' purchase intentions (e.g., Taylor and Baker, 1994). These perceptions and feelings, in turn, influence the evaluation of service providers' reputations and the customer's word-of-mouth recommendations about the service providers. As such, corporate reputation or WOM may constitute a key mediating mechanism between service quality and consumer behavior. This study develops and empirically examines an integrated model that uniquely depicts low-cost airline tourists' expectation as a central mechanism through which service quality is related to important marketing strategy. This model looks at word-of-mouth recommendations and corporate reputation as various outcomes of service quality which simultaneously promote tourists' purchase intentions. In addition, this study identifies a potentially important attribute that reflects customers' affective characteristic, empathy, and explores its role in the service process and experience. Defined as a customer's "specific expectations/requests regarding service needs with the performance after use of that service" (Dedeoglu and Demirer, 2015: 132), empathy is predicted to increase purchase intention by helping a customer to detect, experience, feel, understand, and regulate pleasant interactions stemming from service quality.

By integrating findings from the literature regarding corporate reputation, word of mouth, empathy, service quality, and purchase intention into an overarching framework of marketing strategy, this study extends previous research on service quality in several ways. First, by identifying tourists' expectations as a central mechanism through which perceived service quality is linked to individual behavior intention, this paper offers an effective explanation of a customer's purchase decision making processes as an alternative, yet corresponding, approach to the major expectation and experience explanation. Second, based on tourists' emotional understanding of service quality processes, this study offers a more balanced perspective on the developmental customer consumption experience. To achieve this, the study explains not only how to identify the service quality dimension and how it is related to its behavior intention of developing advancement potential but also why it may be comprehensively used in explaining the different industry's phenomena and may even produce an intended outcome of purchase intention. Third, the study advances the literature of developmental service and experience by identifying empathy as an important individual affective characteristic in the consumption process that may attenuate the relationship between service quality and its WOM via purchase intention. Fourth and finally, this study extends the marketing perspective by considering the moderating-mediating role simultaneously, a method that has not yet been examined in the service industry. Previous service-related research has only considered a moderating or mediating role of affective attributes when consumers measure their consumption experience. As far as we know, the literature to date that identifies customers' service quality perception and explains how it influences behavior intention through WOM and corporate reputation evaluation has been pursued using a rather narrow conceptual lens that has not been empirically, broadly, or intensively examined. Fig. 1 depicts the conceptual model of this study, which explains how service is related to both WOM and corporate reputation in low-cost airline tourists, which are associated with their purchase intention. In addition, we hypothesize how empathy moderates the mediated relationships between service quality and behavior intention.

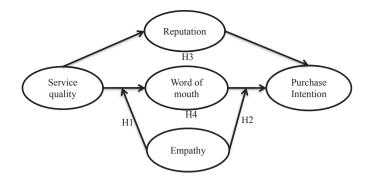


Fig. 1. Hypothesized model.

### 2. Theory and hypotheses

#### 2.1. Service quality and purchase intention

Service quality is defined as customers' expectations about the service provided and their perception of the service process that they have experienced (Carman, 1990; Caruana, 2002; Grönroos, 2007; Parasuraman et al., 1985, 1988). Recent tourism and marketing research indicates that different dimensions of service quality are related to customer purchase intention (e.g., Bai et al., 2008; Shao et al., 2004; Wu et al., 2011). For instance, in the field of tourism studies, Fick and Ritchie (1991) found that service quality is a critical factor to the success of firms in the travel and tourism industry, a finding supported by recent research (e.g., Tsang et al., 2015). Studies have also provided evidence for measuring service quality and the validity of constructs to be applied to different tourism destinations in the wine tourism industry (O'Neill and Charters, 2000), cross-cultural impacts of tourists' expectations and perceptions (Weiermair, 2000), national parks (Rodger et al., 2015) and festivalscape (Bruwer, 2014). Considering broader service quality approaches, some studies have shown support for a positive impact of satisfaction and loyalty (Han and Hyun, 2015; Rodger et al., 2015), but others have raised concerns that other attributes should be evaluated to achieve desirable results (Li et al., 2014).

A surprising lack of attention exists concerning system and integrated approaches with a considerable expectation on influencing purchase intention and perceived service quality. In light of evidence that service organizations provide service categories and processes that can affect customer image and behavior intention, several marketing scholars have argued for a closer look at the service quality that organizations provide that may fundamentally influence the emotions of consumption (Lo et al., 2014). Such emotions tend to reflect the overall service impression, and influence tourist's thoughts, feeling and future judgment (Lee et al., 2014). As a result, service organizations cannot rely on predefined structures that spell out means or even precise ends. Instead, they must improve service to attract tourists' attention, positive image and loyalty to gain a competitive advantage. Therefore, this study proposes that a fundamental and critical attribute is service quality, especially in the high competition density of the low-cost airline industry.

## 2.2. The moderating role of empathy

The concept of Word-of-mouth (WOM) has been widely used as the most effective form of communication and explanation of consumers' behavior (Buttle, 1998; Charlett et al., 1995; Yang et al., 2012). Confente (2014) asserted that tourism is a good example for word of mouth recommendation discussion and defined WOM as "an oral, person-to-person communication between a receiver and a communicator whom the receiver perceives as non-commercial, regarding a brand, product, or service" (2014: 2). Hudson et al. (2015) extended this approach and asserted that quality expectation leads to an emotional response in the customer's mind, which plays a dominant role in explaining customer's satisfaction and the behavior of word of mouth recommendations. It is expected that, when such service perceptions are heightened as a result of a tourist's evaluation of service quality, the same effects on tourist's loyalty are evident. Hu et al. (2009) suggested that high-quality service can elevate customer satisfaction, while satisfaction results in future purchase behavior and recommendations to others. Therefore, it is reasonable to argue that service quality influences a tourist's perceptions and WOM recommendations.

In general, this study expects empathy to positively influence the relationships between service quality and WOM. Previous studies have suggested that empathy is a more critical predictor of service quality than self-evaluation (Carman, 1990) regarding appropriate actions associated with a tourist's behavior. In the case of public transit, Lai and Chen (2011: 318) componential conceptualization of tourists' behavior suggested that travelers who perceive empathy from public transit service are more likely to have a higher level of service quality and will continue to use this service and recommend it to others. Such correlation has been shown to be associated with higher empathy and higher service quality (Fick and Ritchie, 1991; Tsaur et al., 2002), supporting the notion that some tourists consider empathy and service quality as predictors for recommendation. Accordingly, the hypotheses are stated as follows:

**Hypothesis 1.** Empathy with tourists' needs strengthens the relationship between service quality and WOM.

Although the perspective of WOM has been widely used in explanations of tourism behavior and has gained increased attention in the major tourism and hospitality journals for many years, there have not yet been a thorough synthesis and integrated concepts of these studies, nor has there been an analysis comparing this approach and direction with other industries (Confente, 2014). WOM provides vital information that connects the relationships between firms and consumers, which helps consumers decide whether to patronize a firm (Maxham, 2001). In this sense, WOM may prove beneficial in spurring a brand switch, and thereby increase the purchase intention for customers (Babin et al., 2005). Some researchers have similarly suggested that a positive relationship exists between WOM and behavior intention (Prebensen et al., 2010; Sparks, 2007). That is, positive WOM recommendations will increase as levels of purchase intention for customers increases. Next, this study expects the critical moderating role of empathy to positively influence the relationships between WOM and purchase intention. It seems likely that a significant influence of WOM recommendation will exist in customer perceptions of empathy for a firm, depending upon how the customer receives the recommendation (Maxham, 2001). More specifically, empathy perceptions may increase as the willingness of WOM recommendations increases. Therefore, it appears reasonable that high purchase intention results in the highest increases in consumer WOM, followed by moderate increases due to empathy. Hence, the following hypothesis is offered.

**Hypothesis 2.** Empathy with tourists' needs strengthens the relationship between WOM and purchase intention.

## 2.3. The mediating role of corporate reputation and WOM

A situation involving high levels of corporate reputation,

conceptualized as tourists' perception of the salient characteristics of companies (Fombrun and Rindova, 2000), results in a different pattern of relationships. Although companies' and brands' reputations are likely to influence customers' evaluations, theory and empirical evidence suggests that corporate reputation is a marketing signal to predict future consumption (Loureiro and Kastenholz, 2011). Service quality is one of the primary contributors to create marketing signals because it is consistent with customer expectations that guide satisfaction and intention (Milewicz and Herbig, 1994). In terms of Loureiro and Kastenholz (2011) expecting theory, when service quality fits customers' expectations, which may provide the mental representation of the firm's image, such images (of both destination and services) will influence tourists' behaviors directly and indirectly. Previous studies also suggest that corporate reputation is positively related to service firms because reputation serves as a market signal for customers and helps them to evaluate service risk before the visit (Greenwood et al., 2005; Zhu et al., 2014), thus facilitating the intention to purchase and visit (Gatti et al., 2012; Loureiro and Kastenholz, 2011).

**Hypothesis 3.** Corporate reputation mediates the positive relationship between service quality and purchase intention.

In the context of purchase intention, service quality is particularly relevant because it is associated with eagerness and WOM (Choudhury, 2014; Jo et al., 2014), and is thus enhances purchase intention (Dehghani and Tumer, 2015). Alexandris et al. (2002) demonstrate support for the importance of the idea that service quality influences customers' purchase decisions and their reference groups, Beerli and Martin (2004) have provided evidence that reference groups such as friends or family form the critical components of image perceptions for destination. These images are likely to be a key influence on the intentions to buy or visit, whereas a negative perception of the service image will not lead to a visit or intention to purchase (Phillips et al., 2013). Furthermore, there is some evidence that service quality and reference groups influence low-cost airline travelers' evaluations (see Fourie and Lubbe, 2006). Thus, it can be expected that, if a tourist's perceived service quality is favorable, he or she is more likely to revisit and recommend the service to others.

The earlier discussion suggests that service quality affects purchase intention through WOM among tourists. That is, service quality perceived by the tourists acts as a critical attribute to promote WOM recommendations, which, in turn, increase the amount of purchasing. Thus, this study proposes that WOM plays a mediating role in the relationships between the independent variable of service quality and the dependent variable of purchase intention. Following this line of reasoning, the following hypothesis is proposed.

**Hypothesis 4**. Word of mouth mediates the positive relationship between service quality and purchase intention.

## 3. Method

### 3.1. Research setting and participants

This study was conducted using several steps to collect data. First, after a comprehensive literature review from tourism, service, marketing and management studies, an initial model was developed. Second, the questionnaire was translated directly from English to Chinese, and the contents were revised to follow the research purpose of this study. To ensure the original meanings were maintained, the method of back-translation was used to

ensure equivalency of meaning (Zhang and Bartol, 2010). The two colleagues from Australia and international courses were asked to revise the questionnaire and ensure the meanings were maintained. Third, after initial questionnaires were built, the approval for the distribution of the questionnaire in the Airport in Taiwan was sent to the Tao-Yuan International official department. When the official approval letter was received, six research assistants were hired to collect data at checking counters for sixteen low-cost airlines.

The tourists, both domestic and international, were asked to participate in the study when they finished the check-in procedure. The research assistants were waiting behind them to increase response rates and answer the unclear items. The 546 survey responses received constituted a 68.25% response rate. After deleting questionnaires with multiple missing values or otherwise unusable questionnaires, the final sample included 535 usable responses from tourists. Of the participants, 56.25% were men, comprised of 49.16% between the ages of 21–30, and 28.79% were aged 21–30, which suggested that the primary customer group was located between the ages of 21 and 40. The primary education level of the group was university, with 69.53% holding a minimum of a four-year college degree.

#### 3.2. Measures

All measuring items utilized a seven-point Likert scale (1 = strongly disagree; 7 = strongly agree). The data were collected from low-cost airlines that operated in Taiwan: AirAsia, Jetstar, Tiger Airways, FlyScoot, Cebu Pacific Air, Air Busan, t'way Air, Eastar Jet, Peach Aviation, Vanilla Air, Hong Kong Express, Spring Airlines, and V Air. The multiple items were rated to measure tourists' actual experiences and feelings about low-cost airlines.

This study performed several procedures to reduce common method bias. This study focused on a hypothesized relationship between purchase intention, WOM, corporate reputation, service quality and empathy from the perspectives of low-cost airline tourists. As Podsakoff et al. (2003) suggested, the systematic effect of measuring variables may exert a high correlation, and a test for a competing explanation for the correlation observed between the measures is needed. Thus, independent and dependent variables were separated in the questionnaire (Podsakoff et al., 2003), and variation inflation factor (VIF) was tested in Table 2 to explain the high correlation (Kim et al., 2012). Second, we explicitly emphasized that there were no right or wrong answers in the measuring items (Mäkelä and Brewster, 2009), and asked tourists to represent their true feelings about low-cost airlines. Third, the confirmatory factor analysis was used to examine the factor structure and validate the core domains (Barrick et al., 2015). Fourth and finally, anonymity was guaranteed, and the main research purpose stated that it would not disclose personal information in the study (Podsakoff et al., 2003; Rogelberg et al., 2010). After the data collection procedure was finished, a single-factor test was performed to ensure that each item accurately mapped onto each relevant variable, and common method variance was not a serious problem in this analysis dataset (Table 3).

## 3.2.1. Dependent and independent variables

The specific measures and main literature sources for dependent and independent variables are described in Table 1. In the regression analysis, items were averaged into an overall scale score and separated individually for structural equation modeling (SEM) analysis. The results of Cronbach alpha coefficients above .7 are included, which suggest that primary measures were above the accepted level.

#### 3.2.2 Control variables

The control variables used in this study included gender, age, and level of education. The reason these variables were chosen was to control potential influences that the main effects of dependent and independent variable would have on the variation in tourist behavior (McGehee, 2002). Controlling for gender exposed any differences between the effect of age in the experience of a low-cost airline on men's and women's consumption behavior. Respondents' ages were separated into five categories: below 20, 21–30, 31–40, 41–50, and 51 or above. Different age-level participants may have dissimilar experiences and greater changes according to their life experience, income, and requirement for low-cost airline service. The final control variable was level of education, and each respondent was asked to select one of four categories of education ranging from below senior school to graduate school.

#### 4. Results

To create the factor structure of fitted measures in a validity study, we alternatively evaluated the factor structure of the measures in this model through a confirmatory factor analysis of the latent variables, including service quality, corporate reputation, word of mouth, and purchase intention. The hypothesized fourfactor model represented the best model fit for each multi-item scale loaded on a separate first-order latent factor  $(\chi^2(61) = 210.261; \text{ CFI} = .966; \text{ AGFI} = .915; \text{ GFI} = .943;$ RMSEA = .067). To prevent the common method bias, alternative models of the three-factor model were tested (e.g., service quality. word of mouth, and purchase intention). However, the model represented a poor model fit compared with the original model  $(\chi^2(25) = 120.178; \text{ CFI} = .964; \text{ AGFI} = .914; \text{ GFI} = .952;$ RMSEA = .084), indicating that the three-factor model was not a significant improvement in the model fit over the hypothesized

Table 2 presents the means, standard deviations, correlations and values of variation inflation factor (VIF) among the measurement variables. As expected, independent variables were significantly correlated with independent variables (*r* ranged from .480 to .797). To avoid multicollinearity, this study also tested the values of VIF. O'Brien (2007, 674) suggested that values below 10 or even as low as 4 (equivalent to a tolerance level of .10 or .25) indicate a lack of serious multicollinearity among variables. As the final column of Table 2 shows, the values of VIF that were below 4 suggested that the variable used in this study did not exhibit multicollinearity on the variance of regression coefficients.

Hypothesis 1 predicted that, for a low-cost airline's customer, direct effects of the service quality to word of mouth would be moderated by empathy, such that the relationships would be enhanced when the level of empathy is high. Model 1 revealed that service quality was significantly related to higher word of mouth ( $\beta=.537$ , p < .001), and Model 2 shows that empathy moderated these effects ( $\beta=.064$ , p < .01). In addition, Hypothesis 2 expected that empathy moderated the relationships between word of mouth and purchase intention. Model 3 showed that word of mouth was significantly and positively related to purchase intention ( $\beta=.819$ , p < .001), such that the relationships would be enhanced when empathy is high ( $\beta=.042$ , p < .05; Model 4).

The plots of the interactions reported in Figs. 2 and 3 provide consistent support for Hypothesis 1 and Hypothesis 2 by revealing the positive relationships between the SQ-WOM and WOM-PI, and the moderating role of empathy. Fig. 2 shows that a tourist who has a high empathy also has a positive relationship with service quality and word of mouth. As such, Hypothesis 1 was fully supported. In addition, Fig. 4 suggests that tourists who score high on empathy are more positively related to purchase intention; thus, Hypothesis

Table 1 Key survey questions and detailed items of measurements.

Construct	Items	Mean	S.D.	Alpha	Reference
Service quality	♦ Services and facilities of the low-cost airline company can meet my needs.	4.325	1.276	.842	Geraldine (2013)
	♦ The low-cost airline's baggage service is very reliable.	4.310	1.274	ŀ	
	♦ Overall, I am very satisfied with the service quality of the low-cost airline.	4.648	1.189	)	
	♦ If I feel satisfied with the service quality of the low-cost airline, and I would be willing to use it again.	5.173	1.209	)	
Corporate	♦ I always have great confidence in the low-cost airline's service.	4.672	1.180	.875	Fombrun (1996)
reputation	♦ I always have a positive impression of the low-cost airline.	4.650	1.150	)	
	♦ I always fly using the low-cost airline, and its safety record is assured.	4.524	1.215	,	
	♦ The public praise of this airline has been good.	4.378	1.189	)	
	My impression of the airline is from the related coverage.	4.488	1.391		
	♦ The image of the low-cost airline influences my decision to use the airline.	5.212	1.311		
Word of mouth	♦ The establishment of the low-cost airline's positive image helps to promote its good reputation.	5.020	1.237	.817	Buttle (1998), Charlett
	♦ The unique value of low-cost airlines contributes to its promotion via word of mouth.	5.060	1.199	)	et al. (1995)
	$\diamond$ Both positive and negative word of mouth affect my attitude towards low-cost flights or my willingness	5.117	1.285	,	
	to use the airline.				
	Negative word of mouth will destroy the image of low-cost airlines.	5.447	1.298	;	
Purchase intention	The low-cost airline's integrity and the future development of low-cost airlines will affect my confidence and willingness to use the airline.	5.453	1.146	.862	Yang et al. (2010)
	♦ The low-cost airline's commitment and promotion will affect my intended travel behavior.	5.349	1.213		
	♦ The establishment of a low-cost airline's good relationship with customers will help promote my willingness to use the airline.	5.453	1.194	ļ	
Empathy	♦ The employees of low-cost airline companies understand the specific needs of their customers.	4.179	1.410	.844	Parasuraman et al. (1991)
	♦ The low-cost airline company understands what I need and strives to accommodate me.	4.318	1.174	ļ	
	♦ Low-cost airline companies have operating hours that are convenient to all their customers.	4.285	1.400	)	
	♦ Low-cost airline companies have employees who give customers personal service.	4.124	1.254	ļ	
	♦ The low-cost airline boarding operations are very efficient.	4.422	1.303		

Table 2 Descriptive statistics and correlations of study variables.

Variable	Mean	S.D.	1	2	3	4	5	VIF	1/VIF
1. Purchase intention	5.436	1.032	(.862)						
2. Word of mouth (WOM)	5.184	.996	.797**	(.817)				3.000	.332
3. Corporate reputation	4.686	.951	.505**	.576**	(.875)			2.780	.359
4. Service quality	4.647	.991	.480**	.540**	.793**	(.844)		1.550	.644
5. Empathy	3.415	1.357	.029	.039	.184**	.140*	(.842)	1.040	.959

*Note.* N = 535. Internal consistency reliabilities are shown on the diagonal in bold.  $^*p < .05, ^{**}p < .01$ .

Table 3 Moderating effects of empathy on the relationship of service quality, word of mouth, and purchase intention.

Variable	Word of mouth (WOM)				Purchase intention (PI)			
	Model 1		Model 2		Model 3		Model 4	
	β	SE	β	SE	β	SE	β	SE
Independent variable								
Service quality (SQ)	.537***	.036	.351***	.084				
Word of mouth (WOM)					.819***	.027	.675***	.067
Interaction								
$SQ \times empathy$			.064**	.022				
$WOM \times empathy$							.042*	.018
Control variable								
Empathy	007	.027	$266^{*}$	.109	.007	.020	213 <sup>*</sup>	.096
Gender	.046	.071	.047	.071	.025	.053	.026	.053
Age								
21–30	221	.134	187	.134	.056	.101	.076	.101
31-40	022	.143	.009	.143	.118	.108	.145	.108
41-50	167	.169	127	.169	.045	.127	.083	.128
Above 51	.399	.235	.436	.234	.208	.177	.228	.176
Education								
Senior high school	114	.302	055	.302	.324	.227	.376	.227
University	.210	.127	.196	.127	008	.096	009	.095
MBA or above	.402**	.150	.371*	.150	.118	.113	.114	.113
Model fit								
$\mathbb{R}^2$	.321		.328		.641		.644	
$\Delta R^2$	.308		.314		.634		.637	
F	24.77***		23.27***		93.63		86.35	

<sup>\*</sup>P < .05; \*\*P < .01; \*\*\*P < .001.

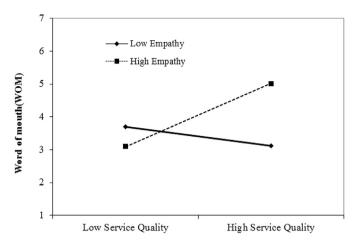


Fig. 2. Moderating effects of empathy on the WOM-service quality.

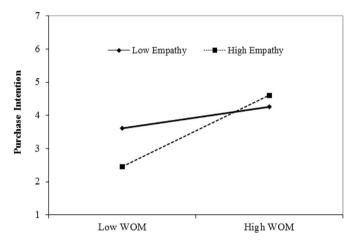
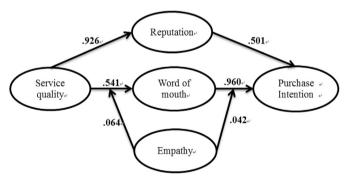


Fig. 3. Moderating effects of empathy on the WOM-purchase intention.



**Fig. 4.** All paths in structural model analysis are significant at p < .05. Control variables are not shown for ease of presentation.

### 2 is supported.

To examine the mediation effects attributable to purchase intention, which relate to Hypothesis 3 and Hypothesis 4, Fig. 4 provides the standardized path coefficients for average direct effects of service quality to corporate reputation and word of mouth. In addition, the coefficients of the two direct paths of corporate reputation and word of mouth to purchase intention were also shown. The results for the standardized path of direct and indirect estimates in the hypothesized model are summarized in Table 4.

Hypothises 3 and Hypothesis 4 proposed that corporate reputation and word of mouth mediate the relationships between service quality and purchase intention. Using structural equation modeling (SEM) analysis of AMOS 18, this study resampled 1000 times and constructed bias-corrected 95% confidence intervals for the indirect effects. The average indirect effects of corporate reputation that connect to service quality and purchase intention are statistically significant ( $\beta = .467$ , p < .001), thus supporting Hypothesis 3. The significant positive indirect effect of word of mouth was also found to mediate the relationships between service quality and purchase intention ( $\beta = .528$ , p < .001). Therefore, Hypothesis 4 was supported.

#### 5. Discussion

The findings of this research make several distinct contributions to the tourism and marketing literature. First, our overall contribution is that we have built and tested a conceptual model that uniquely integrates marketing strategy and applies to different fields of tourism management and low-cost airline operation. Although a number of management studies have investigated relationships between marketing strategy (e.g., perceived activities, value equity, relationship equity, brand equity and customer equity) and purchase intention (e.g., Kim and Ko, 2012), studies considering WOM, corporate reputation and empathy have been surprisingly absent from the literature. Yet, as this study addressed uniquely and modeled, there are strong theoretical reasons to expect that a different marketing strategy helps influence fundamental attributes underlying sequence behavior, a contention that this study has supported and tested empirically. Further, the results support suggestions by marketing scholars that strategy marketing may be effective in predicting tourist consumption behavior.

Second, this study also contributes to both the consumer behavior and psychology literature by examining and confirming WOM and corporate reputation as a mediating mechanism through which service quality ultimately influences purchase intention (Dabholkar and Sheng, 2012). The findings of this research are congruent with previous research pointing to a positive association between WOM (Yang et al., 2012) and the corporate reputation (Bartikowski and Walsh, 2011) aspect of consumption behavior. However, there has been a need to empirically test the specific connection between service quality, WOM, and corporate reputation. As Walsh and Beatty (2007) noted, service firms' successes and competitive advantages are not only dependent on service but also on a favorable reputation to attract more customers. Indeed, along these lines, the hypothesis model also introduced a promising moderating variable of empathy with tourist needs. Empirical results imply that empathy is likely to have a stronger impact on WOM to the extent that individuals view empathy as a critical part of influencing their feelings about the service quality that low-cost airlines have provided. Future research on consumer behavior might assess the means of influencing role of empathy in service organization, as it appears to be an important boundary condition with respect to the influence of service quality and WOM. One possible attribute is consumption experience and expectation, which Liu and Jang (2009) operationalized as a composite and termed "empathy as caring, individualized attention the service firm provides its customers" in their study of influencing customer satisfaction and behavioral intention. It may be possible to adapt their approach of predicting consumer's behaviors to other venues, particularly those involving similar expectations for service organization.

Moreover, we demonstrate the important mediating role of WOM and corporate reputation with respect to service quality and purchase intention. Merkert and Pearson (2015) suggested that

**Table 4**Direct, Indirect Effects of Service Quality on Reputation, WOM and purchase intention.

Independent Variable	Dependent Variable			
	Corporate reputation (CR)	WOM Purchase intention (PI)		
Direct path	_			
Service quality (SQ)	.926	.541		
Corporate reputation		.501		
(CR)				
WOM		.960		
Indirect path				
$SQ \rightarrow CR \rightarrow PI$		.467		
$SQ \rightarrow WOM \rightarrow PI$		.528		

different cabins offer different levels of quality, which may influence passengers' perceptions, satisfaction and impact on airline profit margins. At this point, it is worth noting that passenger may put different weights on quality attributes across airlines. In lowcost airlines, service quality, such as flight schedules, flight attendants, tangible and intangible services, and ground staff are found to be very important in explaining behavioral intentions (Saha and Theingi, 2009). In line with previous studies, the results of this study indicate that part of the impact of service quality on purchase intentions is from its impact on WOM and corporate reputation directly and also indirectly through its mechanism influencing customers' behavior. This finding also support contentions (Charlett et al., 1995: Walsh and Beatty, 2007) that further research in the area of WOM recommendations and customer-based corporate reputation is warranted. The greater a customer's perceptions of the overall service quality of a firm, the more likely the customer is to generate positive word-of-mouth, recommend the service, etc., which further influences their positive behavioral outcomes, such as loyalty and repurchasing behavior (Harrison-Walker, 2001). A promising direction for future research would be to further examine the nature of different marketing strategies. For example, a finer-grained investigation of the other aspects of brand equity and the brand preference of airline organizations is a logical next step (Chen and Chang, 2008; Chen and Tseng, 2010).

The results of this study have important implications for resource allocation, service improvement and management in service organizations. First, it may be beneficial to put in place organizational practices and employee training that improve the quality of service that an organization provides, as well as to provide sufficient support for ideas that may be helpful in existing service or product innovation. It is particularly important to help tourists or customers experience more pleasant feelings of service quality. For example, service training programs for quality improvement that help employees to develop and understand actual customer needs may increase the chances of WOM recommendation to their friends and may boost positive evaluations of corporate reputation. Organizations can also create a climate that encourages service failure tolerance and empowerment of service improvement (McCollough et al., 2000). In this way, service organizations can reduce employees' perceptions of uncertainties and may be willing to take risks for service quality improvement and increase overall satisfaction for customers. Second, our results suggest that, if service organizations have more empathy with customer needs, they will be better able to control and increase the service quality of WOM that can result from positive WOM recommendations with high purchase intention. Therefore, service organizations may find it valuable to identify highly emotional individuals during the recruitment and selection processes. Additionally, employees' empathy or sensitivity with customer needs and feelings can be strategically developed by providing them with various training programs to increase their awareness and understanding of empathy, as well as the ability to manage their own emotions and increase WOM and good corporate reputation evaluation and, thus, increase wanted performance.

Despite the contributions this study made, there are several items that need to be considered for future study. First, this study did not consider a cross-sectional design for model testing. Although structural equation modeling may simultaneously examine the entire system of measuring variables and evaluate the overall fit in the hypothesized model, the explanation of results and extension for other fields should still be made with caution. Second, a survey on major constructs was conducted with self-reports from low-cost tourists, raising the possibility of same-source bias and common method bias. Because these measuring constructs (purchase intention, WOM, corporate reputation, service quality and empathy) address individuals' consumption experiences for service and whole environment atmosphere feelings, it is logical to collect the data from participants themselves. The constructs concern marketing strategy and the service provider, which raise the importance of the rating to address the consumer's needs and to be collected from the service organization. Third, all data were collected within a single airport in Taiwan, which limits its generalizability and decreases external validity for a model setting. Of course, conducting this study in a single airport did provide the advantage of controlling for potential selecting confounding bias. In addition, this international airport is the biggest airport in Taiwan and can thus represent the fundamental sample pools for tourist experience investigation. Future research may extend the study findings and collect data from multiple airports that may increase the generalizability of the findings to other types of tourists. Finally, the hypothesis model was derived from Western literature and applied to Taiwanese tourist investigations. Previous tourism studies or service studies have shown consistent results without difference for consumption experiences across cultures. As far as we know, there have been no prior empirical studies examining the relationships between purchase intention, WOM, corporate reputation, service quality, and empathy in a Chinese culture. Future research may extend the findings to other cultures and verify the generalizability of this study.

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