

The low-cost carrier model and the use of air transport in Tanzania

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Although Low Cost Carriers (LCCs) have been revolutionizing air transport by attracting a large swath of population to use air transport in Tanzania and other parts of the world, there's no studies on MCCs in particular and air transport in general which have been done locally. Therefore, this research aimed at studying LCC characteristics that make it so attractive to Tanzanian potential passengers that they are ready to switch from other modes of transport such as buses, and use air transport. The low price of LCCs have consistently being cited as the main reason for this attractiveness. But studies have also shown that African air transport market is price inelastic, implying that low price could not significantly persuade users to switch from other modes to air transport and vice versa. Therefore, in order to find out the really reasons of the LCC influence, the study, after going through literature, came out with seven hypotheses which stood for seven objectives of the study. A sample of passengers were surveyed in order get their opinion and ascertain attitude regarding the prominent LCCs' characteristics that influence their use of air transport, namely low fare, online booking and check- in, and high flight frequency. The resultant data from five point Likert scale was subjected to parametric one sample t-test in order to test the developed hypotheses. The findings indicated that the four characteristics had statistically significant influence on the use of air transport, rather than other modes of transport. It was also revealed that Tanzanian air transport market is elastic, contrary to existing literature on African air transport market. Apart from that, a direct connection between use of technology, involving online booking and check-in, and customer retention or reuse of service was established. And the findings valued some of the theories which informed this study, including Price Elasticity of Demand, Time Elasticity of Demand and Disconfirmation of Expectation Paradigm. The study has big implications for the body of knowledge, managers and policy makers as the findings and validations are going to be a valuable source of original literary material, learned decision and policy making.