

COULD SATISFACTION ON THE AIRLINE'S SERVICE QUALITY (AIRQUAL) MAKE LION AIR'S CUSTOMERS TRUST AND BECOME LOYAL TO THE AIRLINE COMPANY?

Devi Angrahini Anni Lembana
angrahini@gmail.com

Southern Taiwan University of Science and Technology

Reina Valucy
Economics and Business Faculty of Atma Jaya Catholic University

ABSTRACT

The Indonesian public interest in using the service flights as their means of transportation is remarkably growing according to Indonesia Investment data in 2017. People tend to use service flights because of Indonesia's unique geographical nature and airline tickets becomes increasingly affordable as the growth low-cost carrier. The purpose of this research is to investigate the role of customer satisfaction toward the airline's service quality (AIRQUAL) in effecting trust and loyalty. The study was directly conducted by collecting primary data by randomly distribute 252 questioners to respondents that were boarding gate terminal 1A and 1B at the Soekarno Hatta International Airport. Hypotheses were then statistically tested using structural equation model. The results of this research show that satisfaction can make customer whose satisfied with the quality of the airline service become loyal to Lion Air. On the contrary, satisfaction cannot make the customer trust Lion Air as an airline company, even though they already satisfied with the quality of airline service.

Keywords: *Airline Quality, customer satisfaction, customer loyalty, customer trust, Lion Air*

1. INTRODUCTION

Transportation is the process of transferring people or goods from one place to another by using a vehicle driven by a man or machine. Basically, the means of transportation is divided into three categories, namely, land, sea, and air. Since Indonesia is an archipelago nation, Air transportation as the means of transportation by the locals is one of the most in demand. This is because it offers convenience and time efficiency in reaching the local and overseas destinations.

Asian low-cost carriers accordingly are in the initial growth phase of their development, while many of their American and European counterparts are approaching or have reached maturity. Due to this, little data is available about low-cost operations in Asia. The surveys overall indicate that the ideal for passengers, however would be to have a combination of low fares (at no-frills airline levels) and some of the full-service products offered by the full-service airlines. (O'Connell & G., 2005).

Indonesia public interest in using the transportation service flights is very high, which is shown from the increasing numbers of users for this means of transport services from year to year. According to the Indonesia National Air Carriers Association (INACA) the expecting number of air passengers in Indonesia to grow 15%. Table 1 shows the number of airline users in Indonesia over the last 5 years.

Table 1. The Number of Airline Passengers In Indonesia 2011 – 2017

	2011	2012	2013	2014	2015	2016	2017
Air Passengers (in million)	62.4	66.4	68.6	72.6	82.4	99.76	109

Source: News Indonesia Investment (2016) and Praditya (2018)

Ever since the Indonesian government deregulated the aviation industry in 2000, Indonesia's aviation sector has been growing at a brisk pace in terms of passengers, airlines, fleets, flights, and airports. For example, the number of airline passengers has increased from 9 million in 1990 to around 109 million in 2017. The same goes for the country's airline fleets which have soared in numbers by more than ten-fold from 102 airplanes in 1990 to 1,030 in 2017. The remarkable growth of Indonesia's aviation industry is underpinned by the country's continued economic growth, the emergence of low-cost carriers, and the growing number of affluent and middle-class families. Indonesia's unique geographical nature whereby most of its major cities are separated by mountain ranges and seas means that transportation by land or sea can take days, and this gives the aviation sector a competitive edge. It is therefore only natural that as airline tickets become increasingly affordable, Indonesians option for plane travel over cumbersome and lengthy journeys. (Global Business Guide Indonesia, 2017)

There are two categories of air flight carriers, full-service carrier and low-cost carriers. Full-service carriers focus on providing pre-flight and during the flight service while low-cost carriers (LCC) focus on reducing the cost to implement the price leadership strategy in the markets they serve (airline business model report, 2008).

The 2015 data showed that there were thirty-two national and international airlines, both full services carriers and low-cost carriers that were actively in operations (bandarasoekarnohatta.com, 2015). A large number of airlines operating in Indonesia resulted in increasing competition between airlines. These fierce competitions eventually resulted in the bankruptcy of PT Metro Batavia Airlines and PT Mandala Airline, because they were no longer able to compete.

PT Lion Mentari Airlines (Lion Air) is one of the private companies engaged in the aviation field. Lion Air was legally established on 15 November 1999 and began operating the first time on June 30, 2000, by flying from Jakarta to Pontianak using aircraft type Boeing 737-200 which at that time it has only 2 units. Fifteen years in the air and serving the public, today, Lion Air already flies to 183 routes, which are divided into domestic routes, which spread to all corners of Indonesia from Sabang to Merauke, and the International routes to countries such as Singapore, Malaysia, Saudi Arabia, and China. Lion Air is part of the Lion Air Group, together with Wings Air, Batik Air, Lion Bizjet, Malindo Air which based in Malaysia, and Thai Lion Air that is based in Thailand. Aggressive and innovative business expansion make Lion Air Group now has full facilities to support their business such as training and education center, offices, housing for the ground crew and flight crew located at Lion City-Balaraja, Lion Simulator Center located at Bandara Mas-Tangerang and Aircraft Maintenance Facility Batam Aero Technic that is located at Hang Nadim Airport, Batam. To continue to expand its business

network, Lion Air Group started freight business called Lion Parcel. Lion Air Group also join the world of hospitality with Lion Hotel & Plaza located in Manado. (Lion Air, 2017)

Throughout the year 2006 until 2013, Lion Air had increased the number of customers and managed in 2012 to become the airline with the highest market share in Indonesia. In the airline industry in Indonesia, PT Lion Mentari Airlines is known as the largest and the lowest service airline carrier under the name of Lion Air. Although Lion Air has the largest market share in Indonesia, in practice, Lion Air has still a number of shortcomings. Data from the Indonesian Consumers Foundation (YLKI) recorded in the year 2014, 24 complaints about the airline services. YLKI chairman Tulus Abadi said that Lion Air is at the top of the complaint category list in 2014, ranging from complaints about flight delays, lost baggage, ticket refund that takes so long, and unorganized passengers transfers. To emphasize this problem, the special staff of the Minister of the Transportation sector of Public Disclosure, Hadi Mustofa Djuraid, informed that warning letters had been sent to the airline company regarding their ignorance of the procedures, and he further stated that Lion Air as an airline company must have standard operating procedures for emergencies. (Munthe & Hidayat, 2015)

As an airline company, trust towards the company becomes an important factor, more than the service quality. As one of the largest airline companies in Indonesia, PT Lion Mentari Airlines has many competitors. In order to build trust and retain customers, PT Lion Mentari Airlines should maintain its competitive advantage over the competitors. The existence of the loyalty to the brand is possible when customers feel that the product has the right characteristics according to the quality and price of the product (Ahmed & Rizwan, 2014).

As one of the airline's companies that are known in Indonesia, PT Lion Air has many competitors. To be able to develop trust and to keep its customers to always use its services, PT Lion Air must have a competitive advantage compared to its competitors, which are considering and offering quality services to the customers. Quality services can be considered as one of the key success factors of the company in maintaining its customers and its business performance since the competition among air service companies has become more intensive. By providing maximum service and fulfilling its customer's expectations, the company can build trust and loyalty of the customers.

The thriving of low-cost airlines business is based on the belief that consumers purchasing behavior is driven by value for money rather than services. Though low-cost airlines succeeded in attracting consumers on the grounds of value for money, they found difficulties in retaining and building a loyal customer base. (Rajaguru, 2016). Unfortunately, an integrated approach of the influence of purchase intention as loyalty behavior on service quality is limitless. 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 (Chiu, Liu, & Tu, 2016).

Based on this background, the researcher is interested to conduct a study about the service quality (Parasuraman et al. 1988) that is further developed and applied at airline company's air services (AIRQUAL) and customer's satisfaction that is directed towards PT Lion

Mentari's consumer's trust and loyalty. This paper analyzes the role of customer satisfaction toward airline AIRQUAL in effecting trust and loyalty. The questions that arise in this study are 1. Will the satisfied customer on AIRQUAL will directly increase the trust and loyalty on Lion Air? 2. What things should Lion Air need to do to maintain its market share in the midst of intense competition in the airline world?

2. LITERATURE REVIEW

Airline Service Quality (AIRQUAL)

Service is a very important factor and is the deciding factor of a company's success, especially for companies which are active in the service field. In general, the company will provide quality and valuable service to fulfill the customer's interest and to create satisfaction, hoping that the company will then be more sort after compared to its competitors and therefore will gain a maximum profit. Delivering quality service is considered an essential strategy for success and survival in today's business competition. During the 1980s, the primary emphasis of both academic and managerial effort is focused on determining what service quality meant to customers and developing strategies to meet customer expectations. Customers' behavioral intentions show compelling evidence of their being influenced by service quality. (Zeithaml, Berry, & Parasuraman, 1996).

Service quality promotes customer satisfaction, stimulates intention to return, and encourages recommendations (Nadiri, Hussain, Ekiz, & Erdog'an, 2008). In a highly competitive airline industry, managers must find ways to make their services stand out amongst the others. To achieve this, managers must understand their customers' needs and then set out to meet (or exceed) these needs. If service quality is to be improved, it must be reliably assessed and measured. Results revealed that, among the quality dimensions, "airline tangibles" was found to be the most significant to affect both customer satisfaction and repurchase intention. Findings also showed that customer satisfaction is positively related to repurchase and word-of-mouth intentions.

Parasuraman et al. (1985) have created the SERVQUAL instrument that was intended to value the service quality. The SERVEQUAL model is the first model that is offered to the organization to help and as an indicator to analyze the service quality shortened as SERVQUAL. It is consisting of five dimensions which are *Tangible* consisting of the physical situation around what is represented via the object (example, interior design) and subject (example, the employee's performance), *Reliability*, that is, the ability of the server to provide an accurate and reliable service. *Responsiveness*, in the form of the company's readiness to help the customers by providing them with excellent, fast and efficient services. *Assurance* is the knowledge and courtesy of employees and their ability to convey trust and confidence to the customers (such as special knowledge of a company, and well-mannered behavior and trustful to the customers), and *empathy* in the form of the company's readiness to provide personalized service to the customers. (Parasuraman, Zeithaml, & Berry, 1985).

Several researchers used SERVQUAL on measuring airline service quality (Fick and Ritchie, 1991; Sultan and Simpson, 2000 in Saha & Theingi 2009). There was initial uncertainty

among researcher as to whether the perceptions of a lower cost structure would alter accepted measures of service quality or using conventional measures to the LCC.

Airline Quality Rating (AQR) affects significantly the profitability (ROI) of the airlines. At the same time, considering the components of the AQR, a positive correlation between on-time performance and profitability is shown (positive impact), as well as a significant effect of mishandled baggage and customer complaints on profitability (negative impact) (Kalemba & Campa-Planas, 2017).

There is no universal definition of service quality (Liou & Tzeng, 2007) and the meaning will be different in different industries. The authors pointed out that the concept of service quality is context-dependent and its measurement will reflect the operational circumstances. The airline's service is a chain of services consist of two stages of services which are ground service and in-flight service. According to Gourdin (1988), airline quality can be classified into three aspects: price, safety, and timeliness.

Customer Satisfaction

The word satisfaction is derived from the Roman word "*satis*" which means good, and "*facio*", which means doing or making, so that satisfaction can be understood as efforts to fulfill something or to make something satisfactory. Passenger satisfaction is the uppermost driver of passenger loyalty enhancement, not of price. And passenger trust has a dramatic impact on passenger satisfaction (Koklica, Kinneyb, & Vegelj, 2017).

In the low-cost airlines, the intention to focus on low cost to retain customer often sacrificing quality and satisfaction from consumers. This caused the number of complaints that occurred in the low-cost airline. There is a positive correlation between quality of service and word of mouth, depending on tourists' levels of empathy. WOM was positively related to purchase intention when high levels of empathy from tourists were perceived for the low-cost airline (Chiu, Liu, & Tu, 2016).

Corporate influence in purchase decision making is more evident in travelers choosing network carriers and this is partly a function of the size of the company, with larger companies favoring such low-cost carriers (Mason, 2001). Researchers have indicated that service quality may be the key influence of perception, feeling, and the formation of consumers' purchase intentions (Taylor & 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. (Chiu, Liu, & Tu, 2016). Research of Szwarc (2005) find that service quality will increase customer satisfaction, which enforces customer loyalty and in turn, will lead to corporate profits increased.

Some studies showed that the quality of pre-flight, inflight, and post-flight services had a significant effect on customer satisfaction, which as a mediating variable, had a positive effect on customer loyalty (Namukasa, 2013; Calisir, Basak, & Calisir, 2016).

Customer Loyalty

Customer loyalty is viewed as the strength of the relationship between an individual's relative attitude and repeat patronage (Dick & Basu, 1994). In the fiercely challenging airlines market, one of the key indicators which influences competitive advantage is passenger loyalty (Akamavi, Mohamed, Pellmann, & Xu, 2015). Sustainable market share depends on passenger loyalty.

For ensuring low-cost airline (LCA) firms have long-term success, the firm should develop the determinants of passenger loyalty. The behavioral aspects of loyalty are characterized in terms of repurchase intentions and word-of-mouth communication (Nadiri, Hussain, Ekiz, & Erdog˘an, 2008). Loyal can be interpreted as loyal, and loyalty means faithful allegiance.

Customer loyalty is key for the successful result of a company. Airlines' sustainable market share may predominantly depend on passenger loyalty. Customer loyalty has been universally recognized as a valuable asset in competitive markets. Investments in loyalty management are especially important if consumers face low switching costs because they are not locked in by a contract (Shapiro & Vivian, 2000 on (Kumar & Shah, 2004)). The behavioral approach focuses on the after-purchase consumer behavior, and measures loyalty based on the purchasing level, the frequency and the possibility to repurchase. The attitude approach concludes that customer loyalty is based on the psychology involvement, the wish to give a recommendation to other parties, favoritism, and a sense of goodwill towards a certain service. While the integration approach combines two variables to create a separate customer's loyalty concept.

Customer Trust

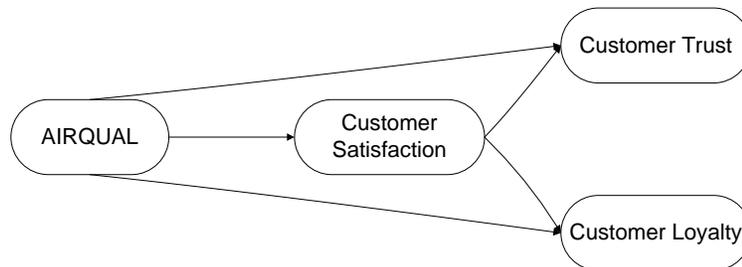
According to Mayer, R.C., Davis, J.H., & Schoorman, F.D. (1995), trust is the willingness of an individual to be sensitive towards other people based on the hope that other people will take certain steps towards those that are trusted. The customer's trust towards a certain product or service is beneficial to building and defending long term relationship (Mayer, Davis, & Schoorman, 1995). Having a long term relationship with their customers, a company can increase its competitiveness (Morgan & Hunt, 1994).

Studies about customer's perception of the service quality of the Cyprus Turkish Airlines in North Cyprus were conducted by Nadiri et al (Nadiri, Hussain, Ekiz, & Erdog˘an, 2008). In measuring the perception of the service quality, Nadiri et al. had applied the variable, customer satisfaction, repurchase intention, image and 5 dimensions (AIRQUAL), e.g. the airline's *tangibles, terminal tangibles, personnel, empathy, and image*. The study's result indicated that the airline tangibles dimensions were significantly able to influence positively on the customer's satisfaction, repurchase intention and a good word of mouth.

Saha and Theingi (2009) had discussed the impact created by the service quality, satisfaction and consumers repurchase intention at three low-cost carriers in Thailand. The result indicated that a significant service quality determines the customer's satisfaction, and the service quality influenced the customer's behavior by conducting word of mouth, repurchase and providing feedback. In this study, it is indicated that passengers will provide positive feedbacks if their expectations were fulfilled. However, if the passenger's expectations were not fulfilled, they will give negative feedback. For passengers that will not give negative feedback, they usually will keep quiet or switch to another airline (Saha & Theingi, 2009).

Research of Akamavi, Mohamed, Pellmann, & Xu (2011) about key determinants of passenger loyalty in the low-cost airline business give a result that efficacious service employees not only positively influence service recovery and price, but also enhance passenger trust. Service employee self-efficacy diminishes bad service experiences; primarily, however, it boosts passenger satisfaction. The passenger satisfaction leads a passenger to trust and loyal to the airline, not the low price.

This study tries to test the influence of the variables AIRQUAL, customer satisfaction, customer trust and customer loyalty that had been studied before.



Base on the research model in figure 1, the following hypothesis is presented:

- H1 : AIRQUAL influence Lion Air's customer satisfaction
- H1a : Lion Air's customer satisfaction influence customer trust
- H1b : Lion Air's customer satisfaction influence customer loyalty
- H2 : AIRQUAL Influence Lion Air's customer's trust.
- H3 : Customer's satisfaction influence Lion Air's customer trust
- H4 : Customer's satisfaction influences Lion Air's customer loyalty
- H5 : Customer satisfaction influence Lion Air's Customer loyalty
- H6 : Customers satisfaction mediates the influence of AIRQUAL towards Lion Air's customer trust.
- H7 : Customer satisfaction mediates the influence of AIRQUAL towards Lion Air's customer loyalty.

Figure 1. The Research Model

3. RESEARCH METHOD

The study was directly conducted by collecting primary data by distributing the questioners to respondents that were boarding at the gate of terminal 1A and 1B at the Soekarno Hatta International Airport. The measuring scale used was the Likert scale 1 to 4 using the simple random sampling in collecting the data. The respondent criteria that could fill in the questioners were respondents that had frequently used Lion Air airline (at least 2 times using Lion Air services) so that it could measure the respondent's loyalty.

Variables that were used as measurements in this study were adapted from Nadiri, H.; Hussain, K.; Ekiz, E.H.; & Erdogan, S. (2008); Saha & Theingi (2009), and Raphael K. Akamavi, R.K; Mohamed, E.; Pellmann, K.; & Yue Xu (2011) study. Before the data analysis was conducted, the author conducted the pre-test by distributing 30 questioners. The pre-test testing was conducted using 2 types of testing, that is, the validity and reliability test that was conducted using the SPSS 22 program. The data analysis method of this study was done using the Structural Equation Model (SEM) using the LISREL 8.80 statistical software. Descriptive analysis such as means, standard deviation and frequencies are calculated. Causal analyses are implied. The operationalization of each variable on table 2.

Table 2. Operationalization of The Data Collection Instrument

VARIABLE	Code	Indicator	Source
Airline Quality (AIRQUAL)	<i>Airline Tangible</i>		(Nadiri, Hussain, Ekiz, & Erdog̃an, 2008) (Saha & Theingi, 2009)
	AT-1	Aircraft are clean and modern-looking	
	AT-2	The aircraft condition is clean	
	AT-3	Lion Air has new planes	
	AT-4	The air conditioners in the planes were comfortable	
	AT-5	The seats in the planes were comfortable	
	AT-6	Cleanliness of the plane seats	
	AT-7	Cleanliness of the plane toilets.	
	<i>Schedule</i>		(Saha & Theingi, 2009)
	S-1	The air plane departed from the airport at schedule time	
	S-2	The air plane arrived at the destination at schedule time	
	S-3	Lion Air did not cancel the flight	
	<i>Personnel (Ground Staff)</i>		(Saha & Theingi, 2009)
	GS-1	Lion Air staffs are well dressed and neat appearance	
	GS-2	Lion Air staffs are willing to help passengers	
	GS-3	Lion Air staffs friendly to passengers	
	GS-4	Lion Air staffs have sincere interest in fulfilling my needs	
	GS-5	Lion Air staffs have knowledge to answer my questions	
	GS-6	Lion air staffs are easy to contact	
	GS-7	Lion Air staffs never too busy to respond to my request	
	<i>Personnel (Flight Attendants)</i>		(Saha & Theingi, 2009)
	FA-1	Lion Air flight attendants are well dressed and had neat appearance	
	FA-2	Lion Air flight attendants are willing to help passengers	
	FA-3	Lion Air flight attendants friendly to passengers	
	FA-4	Lion Air flight attendants have sincere interest in fulfilling my needs	
	FA-5	Lion Air flight attendants have knowledge to answer my questions	
	FA-6	Lion Air flight attendants are easy to contact	

	FA-7	Lion Air flight attendants never too busy to respond to my request	
		<i>Image</i>	(Nadiri, Hussain, Ekiz, & Erdog˘an, 2008)
	I-1	Lion Air have consistency of ticket prices with given service	
	I-2	Image of the Lion Air is good	
	I-3	Availability of low price ticket offerings	
Customer Satisfaction	CS-1	I felt more satisfied using Lion Air compare to the other low-cost airlines (Air Asia, Sriwijaya Air, Citilink, etc.)	(Akamavi, Mohamed, Pellmann, & Xu, 2015)
	CS-2	I felt happy after flying with the Lion Air	
	CS-3	I felt satisfy with the price that Lion Air offer	
	CS-4	I felt satisfied after flying with the Lion Air	
	CS-5	I think I did the right thing when choosing this Lion Air	
Customer Trust	CT-1	In my experience, Lion Air is very reliable.	(Akamavi, Mohamed, Pellmann, & Xu, 2015)
	CT-2	I feel I know what to expect from the Lion Air	
	CT-3	Most of what Lion Air says about its products is true.	
	CT-4	I can trust the employees of Lion Air	
Customer Loyalty	CL-1	I recommend Lion Air to someone who seeks my advice	Nadiri et al., (2008)
	CL-2	I will consider Lion Air more for air transportation in the next few years.	
	CL-3	I consider Lion Air as my first choice for air transportation	
	CL-4	I say positive things about Lion Air to other people	
	CL-5	I encourage my friends and relatives to fly with Lion Air	

4. STUDY RESULTS AND DISCUSSION

4.1 Respondent Characteristic

After checking the distributed 252 questioners, the researcher had received 225 questioners that had complete and good answers so that it could be used for the analysis process. The questioners distributed consisted of two parts. The first part consisted the respondent characteristics and the second part consisted indicators that were measured in the Likert scale, in which the respondents were asked to provide an evaluation of the answers in the 1 to 4 scales. Based on the results obtained, the data of the respondents could be seen in Table 3.

Table 3. Respondents Characteristic Data (n=225)

No.	Respondent Characteristic	Frequency	Percent
Gender			
1.	Man	102	45.3
	Woman	123	54.7
Age			
2.	< 20 Year	12	5.3
	21 – 30 Year	149	66.2
	31 – 40 Year	29	12.9
	41 – 50 Year	23	10.2
	> 51 Year	12	5.3
Marital Status			
3.	Single	128	56.9
	Married	90	40.0
	Widow	3	1.3
	Widower	4	1.8
Last Education			
4.	<High School	81	36.0
	Diploma (D1/D3)	15	6.7
	Bachelor (S1)	111	49.3
	Master (S2)	17	7.6
	Doctorate (S3)	1	0.4
Occupation			
5.	Student	92	40.9
	Employee	81	36.0
	House Wife	9	4.0
	Entrepreneur	27	12.0
	Lecturer	1	0.4
	Retired	1	0.4
	PNS	9	4.0
	Police man	1	0.4
	Doctor	1	0.4
	Consultant/ Professional	3	1.3
Monthly expenses for household expenditure			
6.	< Rp 1.000.000	17	7.6
	Rp 1.000.001 – Rp 3.000.000	89	39.6
	Rp 3.000.001 – Rp 6.000.000	68	30.2
	Rp 6.000.001 – Rp 9.000.000	31	13.8
	> Rp 9.000.000	20	8.9

From Table 3, it could be concluded that from the 225 respondents of this research samples, the majority of the correspondents had used Lion Air airlines two to five times a year with a

frequency of 156 people (69,3%). The most having the status single with a frequency of 128 people (56,9%). The level of education was Bachelor (S1) with 111 people (49,3%) which dominated this study. The occupation of the majority of respondents were secondary school children/students with a frequency of 92 people (40,9%). In addition to, the monthly expenditures most of the respondents were in the Rp.1.000.000-Rp 3.000.000 consisting of 89 people (39,6%).

To dig deeper into the use habits as well as the reasons for using Lion Air, an open question has been tabulated in table 4.

Table 4. Open Question for Flying Habit

Frequency usage Lion Air in a year			
1.	2 – 5 times	156	69.3
	>5 times	69	30.7
Reason Using Lion Air			
2.	Vacation	103	45.8
	Family Business	72	32.0
	Business Trip	42	18.7
	Going Back home	2	0.8
	No other choice cause another airlines already full seat	3	1.3
	Company task to use these airlines	2	0.9

As shown in Table 4, 30.7% of respondents use Lion Air more than 5 times. This shows the interest of respondents to always use Lion Air. In addition, most respondents (45.8%) used Lion Air for vacation and for family affairs (32%). It shows the biggest market of Lion Air is those who are on vacation or to visit family.

4.2. Empirical Data Analysis (SEM)

In the Confirmatory Factors Analysis (CFA), all indicators were tested through the validity test via the Confirmatory Factors Analysis (CFA) test of each indicator, using the LISREL 8.70 software. The result of this test indicated that the collected data had fulfilled the valid and reliable criteria (Appendix1).

The next step was: to conduct a confirmatory test by comparing the fit model measurement in this study with the standard value (cutoff) that had already been determined. The following is the table of the result of the goodness of fit model test.

Table 5. The Goodness of Fit Index at The SEM Study Model

Fit Measure	Good Fit	Acceptable Fit	Score	Result
χ^2	$0 \leq \chi^2 \leq 2df$	$2df < \chi^2 \leq 3df$	$3df = 2298$	Acceptable fit
χ^2/df	$0 \leq \chi^2/df \leq 2$	$2 < \chi^2/df \leq 3$	$\chi^2/df = 2.084$	Acceptable fit
RMSEA	$0 \leq RMSEA \leq .05$	$.05 < RMSEA \leq .08$	0.07	Acceptable fit
SRMR	$0 \leq SRMR \leq .05$	$.05 < SRMR \leq .10$	0.063	Acceptable fit
IFI	$IFI \geq 0.9$	$.80 \leq IFI < .89$	0.87	Acceptable fit

Based on the result of the descriptive statistics test which is presented at table 5, it could be observed that this model has a good level of compatibility. This was indicated via 5 indicators that had fulfilled the Acceptable Fit, that is χ^2 , χ^2/df , RMSEA, SRMR, and IFI. The compatible level at the criteria Acceptable Fit means that this study model can still be accepted. The result of the analysis of the structural model can be seen in figure 2 and 3.

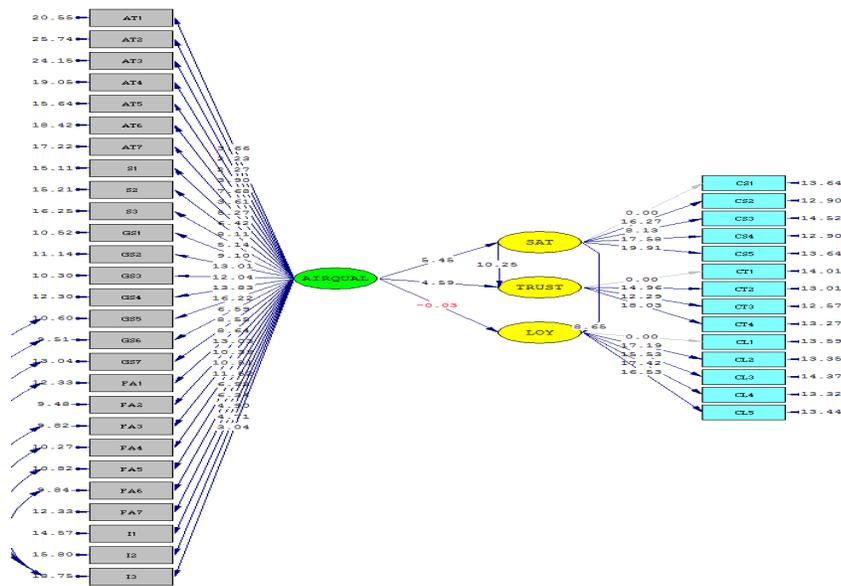


Figure 2. Blueprint of The Structural Model Based on T-Value SEM

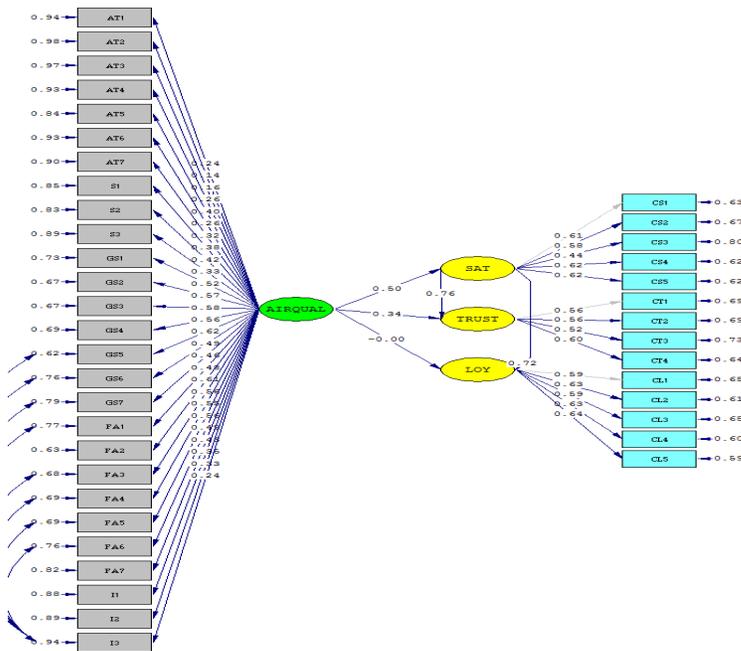


Figure 3. Blueprint of The Structural Model Based on The Standardized Loading Factor SEM

Equation 1 :

$$\text{SAT} = 0.50 \cdot \text{AIRQUAL}, \text{ Errovar} = 0.75, R^2 = 0.25$$

(0.092)	(0.09)
5.45	7.63

At the first structural equation, it is understood that the amount of the determination coefficient (R²) was 0.25 which means that the Lion Air passenger's satisfaction could be explained by Lion Air company's AIRQUAL as much as 25%, while the rest was as much as 75%, that could be explained by others variables.

Based on the output of the above test, the following value of t count + 5.45 ≥ table = 1.96 was obtained. This means that with a significant 5%, it could be concluded that there was significant influence between AIRQUAL towards customer's satisfaction. Hence it could be concluded that AIRQUAL positively influences the customer's satisfaction, which means the better the AIRQUAL obtained, therefore, the higher the satisfaction that emerges from the customers.

Equation 2

$$\text{TRUST} = 0.76 \cdot \text{SAT} + 0.34 \cdot \text{AIRQUAL}, \text{ Errovar} = 0.052, R^2 = 0.95$$

(0.074)	(0.074)	(0.049)
10.25	4.59	1.05

At the second structural equation, it can be derived that the amount of the determination coefficient (R²) was 0.95, which means that Lion Air's passengers trust could be explained by

AIRQUAL and the Lion Air's customers satisfaction was 95%, while the balance as much as 5% could be explained by other variables.

Based on the testing output, the following result was obtained: the amount of influence between customer's satisfaction (SAT) towards customer's trust (TRUST) was 0.76 and it had a t count = 10.25 value (t count \geq t table = 1.96). This means that the significant level was 5% and it could be concluded that there was an influence between AIRQUAL towards customer's trust.

Equation 3

$$\text{LOY} = 0.72 \cdot \text{SAT} - 0.0026 \cdot \text{AIRQUAL}, \text{Errorvar} = 0.48, R^2 = 0.52$$

(0.04)	(0.087)	(0.076)
8.65	-0.039	6.29

At this third structural equity we can conclude that the amount of the (R) determination coefficient was (0.52), which means that the customer loyalty of Lion Air's passengers could be explained by AIRQUAL and the satisfaction of Lion Air's passengers was 52%, while the rest, 48%, could be explained by other variables. Based on aimed the testing output it could be concluded that the thitung+8.65 (t count \geq t table = 1.96), which means that with a significant level of 5% that there was customer's satisfaction (SAT) towards the customer's loyalty (LOY)

Based on the testing output shown, it could be concluded that the result obtained that the amount of the influence between the quality of the airline service(AIRQUAL) towards the customer's loyalty was - 0.0026 with at count value = -0.03 (t count \leq t table =1.96). This means that with a significant level of 5% it could be concluded that there was no significant influence from AIRQUAL towards the customer's loyalty.

Besides the direct relation that was explained in the second and third equations, there was also an influence of the indirect relationship of the variable AIRQUAL through the customer satisfaction towards the customer trust and customer loyalty. The indirect relationship or indirect effects was an influence between the exogenous and endogenous variables via the mediator variable. The following is the indirect effect influence between variables via the mediating variable.

Indirect effects

	AIRQUAL

SAT	---
TRUST	0.38
	(0.07)
	5.78
LOY	0.36
	(0.08)
	4.37

Indirect effects

AIRQUAL	
SAT	--

TRUST	0.38 (0.07) 5.78
LOY	0.36 (0.08) 4.37

Indirect Effects

TRUST = 0.38*(AIRQUAL)
(0.07)
5.78

Based on the output test that was shown, the t count = 5.78 was obtained (t count = \geq t table = 1.96). The level of influence between customers satisfaction towards customers loyalty was 0.38. This means that the 5% significant level could be interpreted as the indirect relationship between AIRQUAL towards the customer's trust variable mediated by Lion Air's customer's satisfaction. This shows that AIRQUAL has a considerable influence on customer's satisfaction, customer loyalty, and customer's trust. Its mean if the AIRQUAL result is good, the customer will feel satisfied with the service, and the customer can trust the service and become a loyal customer. If Lion Air increases the quality of the service, the satisfaction, trust, and loyalty of the customer will increase. However, if the customers are not satisfied with the AIRQUAL, the customer's satisfaction, trust, and loyalty will decrease.

From the results of the data processing conducted by the author, the following is a table of summary of the comparison of the direct and indirect influence as done by the author.

Table 6. Comparison of The Direct and Indirect Effect

Variables Influence	Causal Influence		Total
	Direct Effect	Indirect Effect Through customer satisfaction	
AIRQUAL To SATISFACTION	0.50	-	0.50
SATISFACTION To TRUST	0.76	-	
SATISFACTION To LOYALTY	0.72	-	
AIRQUAL To TRUST	0.34	(0.5 x 0.76) 0.38	0.72
AIRQUAL To LOYALTY	-0.0026	(0.5 x 0.72) 0.36	0.36

Table 6 shows that AIRQUAL has a significant influence towards customer's loyalty if mediated by customer's satisfaction, but it cannot mediate influence toward customer's trust. The mediating influence of customer's satisfaction means that the customer's satisfaction variable

strengthens the relationship that had emerged between AIRQUAL towards the customer's loyalty but not influence customer's trust.

From the data processing, the following is the result of the summary of the hypothesis test conducted by the author:

Table 7. The Result Summary of The Hypothesis Test

Hypothesis	Estimate	T-Value	Result
H1: AIRQUAL Influences Lion Air's customer satisfaction	0.50	5.45	Accepted
H1a: Lion Air's customer satisfaction influence customer trust	0.76	10.26	Accepted
H1b: Lion Air's customer satisfaction influence customer loyalty	0.72	8.65	Accepted
H2 : AIRQUAL Influence Lion Air's customers trust.	0.34	4.59	Accepted
H3: Customer satisfaction influence Lion Air's customer Trust	0.76	10.25	Accepted
H4: AIRQUAL influence Lion Air's customer loyalty	-0.0026	-0.030	Rejected
H5: Customer satisfaction influence Lion Air's Customer loyalty	0.72	8.65	Accepted
H6: Customer satisfaction mediates AIRQUAL influence toward Lion Air's customer trust	0.38	5.78	Rejected
H7: Customer satisfaction mediates AIRQUAL towards Lion Air's customer loyalty	0.36	4.37	Accepted

4.3. The Result of Descriptive Variable

For descriptive analysis of the questioner using 4 Likert scales. For mean score range interpretation at table provided below.

Table 8. Mean Score Range Interpretation Table

Mean score of Scale Range	Meaning	Mean score of Scale Range	Meaning
1.00 – 1.75	Very Bad	2.51 – 3.25	Good
1.76 – 2.50	Bad	3.25 – 4.00	Very Good

The results of the descriptive analysis of the questioners are provided at Table 8.

Table 8 Result of The Descriptive Analysis of The Variables

Result OMS Airline Tangibles	2.70	Good
Result OMS Schedule	2.00	Bad
Result OMS Ground Staff	2.80	Good
Result OMS Flight Attendants	2.98	Good
Result OMS Image	2.62	Good
Result OMS Airline Quality (AIRQUAL)	2.62	Good
Result OMS Customer Satisfaction	2.55	Satisfy
Result OMS Customer Trust	2.675	Trust
Result OMS Customer Loyalty	2.376	Bad loyalty

The results of the descriptive analysis show that overall the results of AIRQUAL Lion Air are good, but the overall mean score for the schedule looks bad. When viewed further on the indicator of the schedule all indicators show poor results, namely the timeliness of arrival and departure and notification when Lion Air canceled the departure schedule. Also seen in airline quality (AIRQUAL) the overall mean score for flight attendance and ground staff has the highest score.

For customer satisfaction and loyalty, it can be seen that the result of the overall mean score is satisfied and loyal, but it is different on the variable consumer trust to Lion Air. A surprising result is seen in the customer trust indicator. The average indicator shows bad results, but on the indicator that the respondents will say positive things about Lion Air, it appears that consumers will do so. This is an asset that Lion Air can utilize.

4.4. Discussion

The analysis result indicated that AIRQUAL had a direct influence on customer's satisfaction. This means that the better the quality of the airline service provided by Lion Air, the more it will increase the customer's satisfaction. This study result is supported by the previous study conducted by Saha and Theingi (2012) that indicated that the service quality dimension has an influence towards customer's satisfaction.

Related to the previous study by Ahmed et al., (2014), that had studied the influence of perceived quality, brand trust, customer satisfaction, towards brand loyalty of Hewlett Packard at Bahawalpur, the previous study result had supported this study that concluded that there was an influence between flight quality (AIRQUAL) and satisfaction towards customer's trust.

Further, AIRQUAL did not have a significant influence towards customer's loyalty, which means that the better the quality of the flight (AIRQUAL) provided by Lion Air to its customers, will not always increase customer's loyalty. In contrary AIRQUAL influences customer trust. This may have happened because of situational factors that had influenced Lion Air's customer's loyalty, such as the cheaper price offered by Lion Air, the existence of a timetable variation and Lion Air's many more flying routes.

Dick and Basu (2014) revealed that there were four situations for the probability of loyalty. In this study, Lion Air's customer loyalty could be categorized into Spurious loyalty. Spurious loyalty could have happened if the attitude was relatively low, combined with a strong

pattern of repurchasing. This situation could have happened because it was by a non-attitude factor towards a behavior such as situational factors. For the Lion Air case, this is possible because Lion Air offers cheap ticket prices and a wide selection of major destinations.

Besides, this study has also indicated that there is as direct influence between customer satisfaction towards trust and loyalty. This indicates that respondents who are satisfied with Lion Air will trust and be loyal to the company.

The scope of the direct influence from the AIRQUAL variable towards customer satisfaction, customer trust and the indirect influence from the AIRQUAL variable towards trust and loyalty via the mediation of customer satisfaction can be obtained from the concise table 4.5 of the comparison between direct and indirect influence that had been conducted by the author. The indirect influence between the AIRQUAL variable towards the customer's loyalty towards the customer's satisfaction as a mediating variable has a higher value compared to the direct influence. This means, that AIRQUAL has a significant influence on customer's loyalty if it is through the mediation of the customer's satisfaction. The existence of the mediation influence of the customer's satisfaction can strengthen the influence. This means that if the customer is satisfied with the flying quality offered by Lion Air, therefore customers loyalty will increase. On the other hand, if the customer is not satisfied with AIRQUAL offered by Lion Air, this will result in the lowering of customer's loyalty.

However, satisfaction does not mediate the influence of airline quality (AIRQUAL) on customer trust. This can be interpreted that consumers who are satisfied with the service of Lion Air will not immediately believe in Lion Air quality. Need something else that can increase the confidence of consumers so they want to continue to use the service of Lion Air.

The result of the descriptive analysis shows that the customer does not trust Lion Air. However, the interesting thing is that although the respondents do not believe in Lion Air they still want to say positive things about Lion Air. Although these results look contradictory it can be one of the things that Lion Air can utilize in marketing its services.

Another interesting point derived from a descriptive analysis of the result of airline quality (AIRQUAL) is good. Viewed from each variable in AIRQUAL it appears that the schedule gets a poor overall mean score. This confirms a lot of complaints about Lion Air services that often experience delays in departure and arrival. In addition, Lion Air often does not provide clear information if they cancel the flight. This is very detrimental to Long term business. There is even a joke circulating among consumers that the "Lion" in the Lion Air is the abbreviation of "Late Is Our Nature". It can also be seen from the overall mean score on the variable trust that gets a bad score. However, on the variable satisfaction and loyalty showed good results. This can be interpreted, although the respondents do not have trust they will be satisfied to remain loyal with Lion Air.

5. CONCLUSION AND SUGGESTIONS

The result of this study has confirmed that AIRQUAL influences customer's satisfaction and trust, however, AIRQUAL does not influence the customer's loyalty. AIRQUAL influences the customer's loyalty if it is mediated by the customer's satisfaction. In contrary customers, satisfaction is not able to strengthen the influence of AIRQUAL towards customer's trust.

To increase customer's loyalty, Lion Air must increase things that will influence customer's satisfaction, because a good opinion towards AIRQUAL will not directly be able to increase customer's loyalty. In this instance, Lion Air often receives complains from the customers regarding the flight schedule, and the request to correct it, so as to minimize the frequency of delay, especially during the peak season and public holiday. The worst thing that can happen if they do not pay attention to this is the bad impact towards Lion Air's image because in the society an image has already been established of LION as the abbreviation of *Late Is Our Nature*. It will be very bad if this is permitted.

Another thing that can be done to increase customer satisfaction and make them as loyal customers are by making a membership program, or millage for every Lion Air's customer. This membership can be exchanged not only for free tickets but can also be exchanged for merchandise or for lottery prizes, which encourage customers to use flights more often.

As the following result, consumers who are satisfied with the service of Lion Air will not immediately trust Lion Air quality. Probably Lion Air could consider making a standardization for all the service procedures, and the service recovery procedures as well. As one example if there is a delay in the departure schedule, Lion air can implement standard procedures for delay announcement and assign professional employee on handling the customer complaints, who always been informed about the recent development of the air flight departure schedule and have the authorization to take action on handling complaint. On planning the flight schedule Lion Air should set the departure time according to the experience of previous delays. This can be done if Lion Air has standard document record for detail of the delays that occur from each experience. If the aircraft can be dispatched in accordance with the schedule, this can increase consumer confidence in the flight services and trust.

Appendix 1

CFA test Result

Indicator	T-Value	Result	Indicator	T-Value	Result
AIRQUAL			AIRQUAL		
AT1	3.52	VALID	GS1	8.92	VALID
AT2	2.15	VALID	GS2	12.28	VALID
AT3	2.20	VALID	GS3	11.09	VALID
AT4	3.92	VALID	GS4	13.42	VALID
AT5	7.21	VALID	GS5	14.16	VALID
AT6	3.44	VALID	GS6	6.15	VALID
AT7	5.07	VALID	GS7	8.29	VALID
S1	6.03	VALID	FA1	9.28	VALID
S2	7.36	VALID	FA2	14.26	VALID
S3	4.81	VALID	FA3	10.96	VALID
I1	4.67	VALID	FA4	11.24	VALID
I2	3.97	VALID	FA5	12.46	VALID
I3	2.48	VALID	FA6	6.92	VALID
			FA7	6.66	VALID

Indicator	T-Value	Result	Indicator	T-Value	Result
Customer Satisfaction			Customer Trust		
CS1	20.27	VALID	CT1	15.01	VALID
CS2	14.89	VALID	CT2	11.25	VALID
CS3	10.80	VALID	CT3	7.03	VALID
CS4	18.78	VALID	CT4	22.38	VALID
CS5	22.23	VALID			
Customer Loyalty					
CL1	14.41	VALID			
CL2	26.39	VALID			
CL3	27.30	VALID			
CL4	14.89	VALID			
CL5	43.23	VALID			

Reliability Test Result

Construct	Cronbach Alpha	Result
<i>AIRQUAL</i>	0.8539	Reliable
<i>Customer Satisfaction</i>	0.9143	Reliable
<i>Customer Trust</i>	0.8679	Reliable
<i>Customer Loyalty</i>	0.937	Reliable

6. REFERENCES

- Ahmed, Z., & Rizwan, M. (2014). Effect of brand trust and customer satisfaction on brand loyalty in Bahawalpur. *Journal of Sociological Research Vol. 5, No. 1* , Page 306-326. Doi:10.5296/ jsr.v5i1.6568 URL: <http://dx.doi.org/10.5296/ jsr.v5i1.6568>.
- Akamavi, R., Mohamed, E., Pellmann, K., & Xu, Y. (2015). Key Determinants of Passenger Loyalty in The Low-Cost Airline Business. *Tourism Management 46 (2015)*, 528-545; <http://dx.doi.org/10.1016/j.tourman.2014.07.010>.
- bandarasoekarnohatta.com*. (2015, February 18). Retrieved from [bandarasoekarnohatta.com: http://bandarasoekarnohatta.com/daftar-nama-maskapai-penerbangan-yang-beroperasi-di-indonesia.info](http://bandarasoekarnohatta.com/daftar-nama-maskapai-penerbangan-yang-beroperasi-di-indonesia.info)
- Calisir, N., Basak, E., & Calisir, F. (2016). Key drivers of passenger loyalty: a case of Frankfurt-Istanbul flights. *Journal Air Transportation Management, 53*, 211-217.

- Chiu, S.-C., Liu, C.-H., & Tu, J.-H. (2016). The Influence of Tourists' Expectations on Purchase Intention: Linking Marketing Strategy for Low-cost Airlines. *Journal of Air Transport Management* 53, 226-234.
- Dick, A. S., & Basu, K. (1994). Customer Loyalty: Toward an Integrated Conceptual Framework. *Journal of the Academy of Marketing Science* Volume 22, No. 2, 99-113.
- Global Business Guide Indonesia. (2017, 10 22). *Indonesia's Aviation Industry: Flying High*. Retrieved from Global Business Guide Indonesia: http://www.gbgingonesia.com/en/services/article/2017/indonesia_s_aviation_industry_flying_high_11719.php
- Gourdin, K. (1988). Bringing quality back to commercial travel. *Transportation Journal*, 27 (3) , 23-29.
- Kalemba, N., & Campa-Planas, F. (2017). The Quality-Profitability Link in The US Airlines Business: A Study Based on The Airline Quality Rating Index. *10th International Scientific Conference* (pp. 308-316). Transbaltica: Transportation Science and Technology.
- Koklica, M., Kinneyb, M., & Vegelj, S. (2017). An Investigation of Customer Satisfaction with Low-Cost and Full-Service Airline Companies. *Journal of Business Research*, <http://dx.doi.org/10.1016/j.jbusres.2017.05.015>.
- Kumar, V., & Shah, D. (2004). Building and Sustaining Profitable Customer Loyalty for The 21st Century. *Journal of Retailing* 80, 317-330.
- Lion Air. (2017, 10 22). *Lion Air*. Retrieved from Lion Air: <http://www.lionair.co.id/lion-experience/about-us>
- Liou, J., & T. G. (2007). A non-additive model for evaluating airline service quality. *Journal of Air Transport Management*, 13 (3), 131-138.
- Mason, K. (2001). Marketing Low-Cost Airline Service to Business travelers. *Journal of Air Transport Management* 7, 103-109.
- Mayer, R., Davis, J., & Schoorman, F. (1995). An Integrative Model of Organization Trust. *Academy of Management Review*, 20 (3), 709-734.
- Morgan, R., & Hunt, S. (1994). The Commitment - Trust Theory of Relationship Marketing. *Journal of Marketing*, 58 (3), 20-38.
- Munthe, B., & Hidayat, A. (2015, 02 23). *YLKI: Lion Air Receives Most Complaints*. Retrieved from Tempo.Co: <https://bisnis.tempo.co/read/644409/ylki-lion-air-receives-most-complaints>

- Nadiri, H., Hussain, K., Ekiz, E., & Erdog˘an, S. (2008). An Investigation Influencing passengers' loyalty in the North Cyprus National Airline. . *The TQM Journal Vol. 20 No. 3*, 265-280.
- Namukasa, J. (2013). The influence of airline service quality on passenger satisfaction and loyalty. *Total Quality Management Journal*, 25 (5), 520 - 532 .
- News, Indonesia Investment. (2016, July 13). *Aviation Industry Indonesia 2016: Air Passenger Growth Expected at 15%*. Retrieved from Indonesia Investment: <https://www.indonesia-investments.com/id/news/todays-headlines/aviation-industry-indonesia-2016-air-passenger-growth-expected-at-15/item6995>
- O'Connell, J., & G., W. (2005). Passengers' Perception of Low-Cost Airlines and Full-Service Carriers- A Case Study Involving Ryanair, Aer Lingus, Air Asia and Malaysia Airlines. *Journal of Air Transport Management* 11 (4), 259-272.
- Parasuraman, A., Zeithaml, V., & Berry, L. (1985). A conceptual model of service quality and its implications for future research. *Journal of Marketing*, Vol. 49, 41-50.
- Praditya, I. I. (2018, 03 16). *Liputan 6*. Retrieved from Liputan6.com: <https://www.liputan6.com/bisnis/read/3378443/rekor-penumpang-pesawat-di-2017-tembus-109-juta-orang>
- Rajaguru, R. (2016). Role of value for money and service quality on behavioural intention: A study of full service and low cost airlines. *Journal of Air Transport Management* 53, 114-122.
- Saha, G., & Theingi. (2009). Service quality, satisfaction, and behavioral intentions: A study of low-cost airline carriers in Thailand. . *Managing Service quality* 19 (3), 350-372.
- Szwarc, P. (2005). *Researching Customer Satisfaction and Loyalty: How to Find Out what People Really Think*. . London: Kogan Page.
- Taylor, S., & Baker, T. (1994). An Assessment of The Relationship Between Service QUality and CUsomer Satisfaction in The Formation of Consumers' Purchase Intention. *Journal Retail* 70 (2), 163-178.
- Zeithaml, V., Berry, L., & Parasuraman, A. (1996). The Behavioral Consequences of Service QUality. *Journal of Marketing Vol. 60 No. 2*, 31-46.