FACTORS AFFECTING LION AIR AIRLINE LOYALTY BEHAVIOR IN INDONESIA

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ABSTRACT

This study aims to analyze the factors that affect the loyalty of Lion Air airline behavior. The research design used was causality, while the type of research was quantitative research using the quesionary method. The population of this research is the students of Perbanas and some of the writer's friends who have flown with Lion Air, while the determination of the sample uses non-random sampling techniques and by purposive sampling. The research data used is primary data, obtained through distributing questionnaires to 100 respondents, conducted using purposive sampling technique. The analytical tool u sed is the correlation test, multiple linear regression, the coefficient of determination, and hypothesis testing. The results show that: (1) perceived fairness of price has no effect on behavioral loyalty, (2) service quality has a significant effect on behavioral loyalty, (3) customer satisfaction has a significant effect on behavioral loyalty (4) Based on the results of multiple linear regression tests, it shows that quality service is more dominant than the perception of price fairness and customer satisfaction in influencing the behavior of Lion Air airlines.

Keywords: Behavioral loyalty, perceived fairness of price, service quality, customer satisfaction, Lion Air

Introduction

The need for transportation facilities is closely related to the community in general and continues to grow in line with the high mobility of the community. One of the modes of transportation that is of interest to the public is the flight mode of transportation. Many people are now using the flight mode of transportation because it saves time. This has resulted in the emergence of competition among the airline industry in order to attract consumers to use their products. Over time, the total number of airlines operating in Indonesia was recorded as 13 airlines ("Indonesian Airline Flight List," 2017).

In the passenger airline category, three different categories are found, namely full service, medium service and low cost carrier (LCC) ("List of Indonesian Airline Flights," 2017). The airlines that compete in the full service category are the state-owned airline Garuda Indonesia and the private airline Batik Air. In the medium service category, there are two airlines that can be said to be one parent, namely Sriwijaya Air and Nam Air. While in the LCC category there are 6 competing airlines, namely Lion Air, Citilink Garuda Indonesia, Air Asia Indonesia, Trigana Air, Wings Air and AirFast. In this study, the LCC category will be discussed. Because in this category the level of competition is tighter than other categories and the number of passengers is more than other categories (Ministry of Transportation, 2019).

In this category Lion Air dominates the aircraft passenger market in Indonesia. Since its establishment, Lion Air has faced quite rapid development. The cause of Lion Air's dominance is that the ticket prices offered by Lion Air are very cheap compared to other LCC airlines and the schedules offered by Lion

Air are relatively large (Djono, 2018). Table 1.1 shows the data on the number of passengers in the LCC category airline in Indonesia. In million passengers.

Graph 1.1 Sales Data of LCC's Largest Airline in Indonesia

2014 - 2017 in units (million passengers)
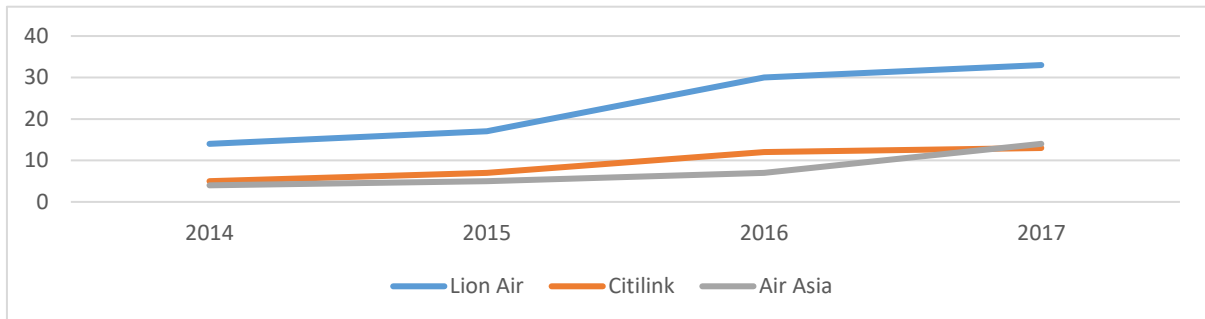
Source: Ministry of Transportation (2018)

Despite having a fairly rapid development, Lion Air has a bad record regarding security. Even the Australian media reported the same thing (Palupi 2018). This is reinforced from the records of Lion Air accidents so far which have recorded up to 20 accidents since the year of operation (Putri, 2018). Besides that, there are records of bad workers such as pilots, flight attendants and others involved in drug cases making the name of this airline tarnished (Facette, 2018). Lion Air CEO Rusdi Kirana stated that the airline is indeed the worst in the world, but passengers have no other choice (Paramita 2018). In fact, Lion Air has the largest market share, as shown in the percentage in table 1.2 below.

	Sales
Lion Air	30
GIA	25
Citilink	11
Sriwijaya Air	10
Batik Air	7

Graph 1.2 Percentage of Domestic Passenger Data for All Airlines in Indonesia In 2018
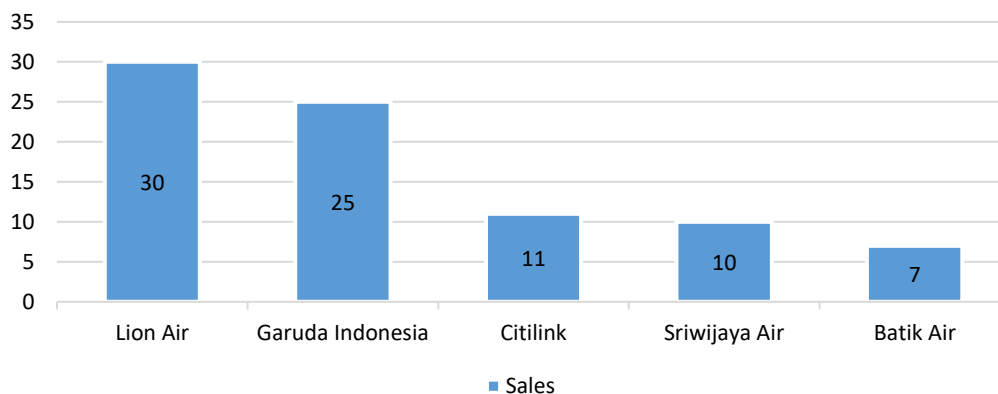
Source: Ministry of Transportation of the Republic of Indonesia (2019)

Factors Affecting Lion Air Airline Loyalty Behavior In Indonesia

Despite dominating the Indonesian aviation market, poor service can result in consumer loyalty. So when loyalty decreases, it can be predicted that sales will decrease. According to Tjiptono (2012), loyalty is a repeat purchase made by a customer which is indicated as a good attitude and commitment to a brand. Loyalty can also be explained as the intensity of the relationship between customer attitudes and repeat purchases (Srivastava, 2017). Furthermore, loyal customers can provide ideas and suggestions for companies in order to develop their products (Irnandha, 2016). There are several factors that can affect loyalty, namely the perception of price fairness, service quality, and customer satisfaction (Kusumawardani, Veronica, & Kumar, 2017).

One of the factors that influence loyalty is the perception of fairness of price. The perception of price fairness can be interpreted as the amount of money and other aspects that contain certain advantages needed to get a product (Rizal, Fanani, & Pangestu, 2016). The perception of price fairness is related to how the price information is fully understood by consumers in assessing the price of a service (Rizal et al., 2016). The results of the study state that the perception of price fairness has a positive effect on loyalty. Therefore, when consumers perceive that prices are high, loyalty will increase (Rizal et al., 2016).

Service quality is an important factor in ensuring loyalty. Service quality is customer expectations for products that are fulfilled through the efforts made by service providers (Irnandha, 2016). Service quality is the most important thing in the airline business (Chien-Chang Chou, Liu, Huang, Yih, & Han, 2011). This statement is supported by Lerrthaitrakul & Panjakajornsak (2014) which states that service quality is urgently needed in the aviation industry due to fierce competition.

In addition, the factor that also affects loyalty is customer satisfaction. Customer satisfaction will arise after someone uses a product or service and matches or exceeds customer expectations. so as to increase the level of sales of a company (Irnandha, 2016). According to Wilson, Zheitamel, Bitner, & Gremler (2012) customer satisfaction is defined as a state of response from customers when their needs have been met. This opinion is also supported by Nazwirman (2015) who defines satisfaction as an evaluation of products and services and their features that will ultimately meet customer needs and create enthusiasm. So that when customers are satisfied, loyalty will increase. This statement is supported by the results of research by Irnandha (2016).

However, it should be noted that loyalty has two categories, namely attitudional loyalty and behavior loyalty (Aditya, 2004). According to TaghiPourian & Bakhsh (2015) attitudinal loyalty is identified as a psychological tendency of customers to repurchase a product or service over and over from a particular company. As for behavior loyalty, according to Chen & Liao (2009), it is repeat purchases made in the future. Then they added that behavioral loyalty is shown by customers who consistently buy back a good or service offered at the same company.

Various researchers have found that perceptions of price fairness, service quality and customer satisfaction affect brand loyalty. Vaiano (2017) examines that the perception of price fairness has a positive effect on brand loyalty. Meanwhile, customer satisfaction has a positive effect on brand loyalty (Wahyuni, Wahyuni, & Widodo, 2018). This opinion is supported by Hamdiyah, Haryono, & Fathoni (2016) that customer satisfaction has a positive effect on brand loyalty. For service quality, according to Wahyuni et al., (2018), it has a positive effect on loyalty.

Thus the hypothesis in this study are:

H1: Perception of price fairness affects the loyalty of Lion Air airlines' behavior

H2: Service quality affects Lion Air airline behavior loyalty

H3: Customer satisfaction affects the loyalty of Lion Air airline behavior

The objectives that the researcher wants to achieve are as follows:

1. To analyze the effect of perceived price fairness on the behavior of Lion Air airlines

2. To analyze the effect of service quality on Lion Air airline behavior loyalty

3. To analyze the effect of customer satisfaction on loyalty behavior of Lion Air airlines.

RESEARCH METHODS

This study used a quantitative approach with a population of relatives and relatives of the researchers, most of whom were Perbanas Institute students. With 100 people. The sample in this study used purposive sampling with the determination of the criteria, namely those who have flown with Lion Air.

Primary data collection techniques which use a questionnaire as a means of knowing the answers of 100 respondents. The survey was carried out in 2 different ways, namely giving questionnaires directly to respondents who were easy to find and using Google Drive for respondents who were already busy and difficult to find.

RESULTS

Multiple Linear Regression Analysis is used to see the effect of perceived fairness of price, service quality and customer satisfaction on loyalty behavior of Lion Air airlines. So the researchers used multiple linear regression analysis using the help of the Statistical Package for Social Science (SPSS) program version 25 for Windows.

Model Unstandardized Coefficient

	B	**Std. Error**
(Constant)	**-1,627**	**1,373**
TOTAL_X1	**,102**	**,084**
TOTAL_X2	**,057**	**,024**
TOTAL_X3	**,417**	**,082**

From the data above, it can be found that the multiple linear regression equation is as follows:

1. A constant value of -1,627 shows the pure value of the behavior loyalty variable without being influenced by the independent variables.

2. The regression coefficient for the perceived price fairness variable (X1) is 0.102, indicating that the perceived fairness of price has an effect on behavioral loyalty (Y) which is smaller than the customer satisfaction variable (X3) and greater than the service quality variable (X2).

3. The regression coefficient for the service quality variable (X2) is 0.57, indicating that service quality has an effect on behavioral loyalty (Y) has a greater influence than the customer satisfaction variable (X3), and the perception of price fairness (X1)

4. The regression coefficient for the customer satisfaction variable (X3) of .417 shows that customer satisfaction has a greater effect on behavioral loyalty (Y) than the perceived price fairness variable (X1) and lower than the quality of service (X2).

From the results of multiple linear regression, it is found that service quality has the greatest influence on behavioral loyalty compared to other independent variables, namely the perception of price fairness and customer satisfaction.

TEST t

The T test is useful for testing the significance of the regression coefficient, namely whether the independent variable (X) has a significant or not (partial) effect on the dependent variable. This test will be carried out using a significance level of 0.05 ($\alpha = 5\%$) or a confidence level of 95%. If the significant value <0.05 or t count> t table, then there is an effect of the independent variable on the dependent variable. Then if the sig value> 0.05 or t count <t table, then there is no influence of the independent variable on the dependent variable. In this study, the effect of perceived variable price fairness, service quality, and customer satisfaction on behavioral loyalty will be tested, the T table in this study is 1.985 and the t test results can be seen in the following table:

Konstan	**-1,185**
Variabel X1	1,221
Variabel X2	2,360
Variabel X3	5,063

Based on the table shows the test results obtained for the perceived fairness of price variable (X1), the t value is 1,221 and where the t table value is 1,985 so (t count <t table) means that there is no influence between the perceived fairness of price variable on behavioral loyalty. Furthermore, the test results obtained for the service quality variable (X2), the t value is 2,360 and where the t table value is 1,985 so (t count> t table) means that there is an influence between service quality on behavioral loyalty. And finally the test results obtained for the customer satisfaction variable (X3) the t value is 5.063 and where the t table value is 1.985 so (t count> t table) means that there is an influence between the customer satisfaction variable on behavioral loyalty.

Determination Coefficient Test (R Square)

Based on the test results, it is known that the R Square value is 0.542, this means that the effect of perceived fairness of price, service quality and customer satisfaction simultaneously on behavioral loyalty is 54.2%, while the remaining 45.8% is influenced by variables other than these three variables, such as variables. promotion, brand image, purchasing decisions and other variables.

The value of R Square for the perception variable of price fairness is, 103. Thus it can be concluded that a small result does not mean that it has no effect, it is just that the effect is not too strong. R square worth, 396 for service quality. Thus it can be stated that the variable service quality affects behavior loyalty. R square for customer satisfaction is, 507, which is closer to number 1, the stronger the effect. Thus customer satisfaction greatly influences the loyalty of Lion Air airline behavior.

DISCUSSION

The Effect of Perceived Fairness of Price on Behavioral Loyalty

Based on data that has been processed using multiple linear regression analysis, it shows the results of the perception of price fairness towards behavioral loyalty, it is found that a significance level of .225> 0.05 indicates that the perceived variable price fairness does not affect the loyalty of Lion Air airline behavior. These results make the first hypothesis Ha1 which states that perceived fairness of price has a positive effect on unacceptable behavior loyalty and Ho1 which states that perceived fairness of price has no positive effect on perceived fairness of price is accepted. These results do not support the research of Kusumawardani et al. (2017) which states that perceptions of price fairness partially affect behavioral loyalty. This phenomenon can occur because most of the respondents studied (77%) are students who do not really need to think about traveling or traveling so that they cannot perceive the

fairness of the price that is in their minds for the Lion Air airline. In addition, most of them are still not working so they still use money from their parents, so they don't think too much about the perception of the fairness of prices in using airline services, and also many who travel only with their parents where the ticket has been provided by the parents so that they do not think directly from their perception of the fairness of the prices of the airlines they use.

Effect of Service Quality on Behavioral Loyalty

Based on the data that has been processed using multiple linear regression analysis, it shows the results of service quality on the loyalty of Lion Air airline behavior, it is found that a significance level of .020 <0.05 indicates that the service quality variable has an effect and is significant on behavioral loyalty. These results make the second hypothesis Ha2 which states that service quality has a positive effect on accepted behavior loyalty and Ho2 which states that service quality does not have a positive effect on loyalty to rejected behavior. This is in line with research conducted by Irnandha (2016) and Kusumaningrum et al. (2000) which states that service quality has a positive and significant effect on behavioral loyalty. In this day and age, service quality is the spearhead of airline service companies. When the quality of service provided satisfies customers, the customer will continue to want to fly with the same airline continuously, so that the airline can compete in a competitive market and become a market leader. The quality of service that was asked by the questionnaire of this study and many respondents agreed that it is more about the features on the plane, such as comfortable seats, clean toilets, the sensitivity of Lion Air cabin crew and so the quality of service must be considered by the company. In addition, the services provided by the LCC airline are taking passengers from their place of origin to their destination. Lion Air runs these services well.

The Influence of Customer Satisfaction on Behavioral Loyalty

Based on the data that has been processed using multiple linear regression analysis, it shows the results of customer satisfaction on the loyalty of Lion Air's behavior. It was found that a significance level of .000 <0.05 indicates that the variable customer satisfaction has an effect on behavioral loyalty. These results accept the third hypothesis Ha3 which states that customer satisfaction affects the loyalty of accepted behavior and Ho3 which states that customer satisfaction does not affect the loyalty of rejected behavior. These results support research conducted by Azmarani (2016) and Nugroho (2017) which states that customer satisfaction has a positive effect on behavioral loyalty. Because if it is logged that loyalty comes from the satisfaction of consumers after using the services offered. Even in the case of behavioral loyalty, in the end the buyer also wants to feel satisfied even though he uses the services of a company that he doesn't really want. In this study, most of the respondents agreed on the questions shared that they were satisfied flying using Lion Air's services, moreover, in this study, most of the respondents in this study were students who only needed delivery services from their place of origin to their destination, so they were satisfied with the services provided by Lion Air. Therefore, the airline in

this study, Lion Air, must understand when customers are satisfied. Loyalty will happen. So that airline sales can increase and become a market leader.

The Effect of Perceptions of Fairness of Price, Service Quality and Customer Satisfaction on Behavioral Loyalty

Based on data that has been processed using multiple linear regression analysis, it shows perceptions of fairness of price, service quality and customer satisfaction to the loyalty of Lion Air airline behavior, a significance level of 0.239> 0.05 indicates that the independent variables simultaneously affect behavioral loyalty.

CONCLUSION

Based on the research objectives and hypothesis analysis to determine the effect of perceived variable price fairness, service quality and customer satisfaction on Lion Air airline behavior loyalty, it can be concluded that perceived price fairness has no effect on behavioral loyalty, while service quality and customer satisfaction have an effect on behavioral loyalty. However, when compared to the three independent variables, service quality is the variable that most influences behavioral loyalty.

This study has several limitations, including the following:

1. The study involved a limited number of research subjects, namely as many as 100 people, so that the results could not be generalized to a large number of subjects.

2. This research was only conducted at one time, so it is possible that the data obtained is situational and this research only focuses on analyzing the effect of perceived fairness of price, service quality and customer satisfaction simultaneously on the behavior loyalty of Lion Air airlines. so that further researchers are expected to examine other variables such as purchase decisions, brand image etc.

Suggestions from that, for further research to use other variables, such as price perception, brand image, purchase decisions, etc., in order to get different results, besides that if the research is carried out in a specific place, such as at the airport, the results will be more optimal.

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