

Review Article

Analysis of the Implementation of Service Strategy in the Indonesian Aviation Industry

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Abstract - This study aims to determine (1) The effect of perception of service quality on customer satisfaction, (2) The effect of customer value perception on customer satisfaction (3) the impact of customer satisfaction on customer loyalty.

This study uses the independent variables of service quality perception, customer value perception, and the dependent variable of customer satisfaction and customer loyalty. The sampling method used in this study is the Roscoe method and the Analysis Tool used in this study is AMOS version 23. The number of 200 respondents selected are people who have used all flight services in Indonesia.

Based on the results of the study, it can be concluded that there are three hypotheses that have a positive and significant influence, namely: The first hypothesis is the perception of service quality and customer satisfaction has an influence and significant on the results of the t-test of 4.039 greater than t-table.

The second hypothesis is the perception of customer value on customer satisfaction has an influence with a negative t-test that is equal to -1.529 smaller than the t-table. The third hypothesis is customer satisfaction Customer loyalty has a positive and significant impact with the t-test result of 4.039 greater than the t-table.

Keywords - Service Quality, Customer Value, Customer Satisfaction, Customer Loyalty.

I. INTRODUCTION

Increasingly times, transportation in Indonesia is increasingly needed for all people. The existence of a means of transportation in human life is quite significant because it supports a smooth life. Transportation becomes an important part of human and world development, both in the distribution of population, economic development, and the growth of industrialization. Various disciplines mean that the existence of transportation opens all the conveniences and makes a new civilization more modern.

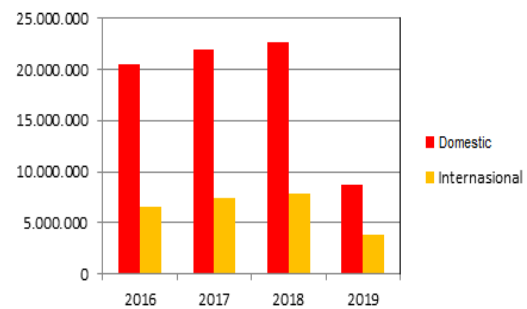


Fig. 1 Development of Domestic and International Passenger Plane Amounts Period 2016-2019

One of the transportation developments which is growing rapidly is the aviation industry. In Indonesia, the aviation industry is no longer a means of transportation for the upper-middle class, but from various circles can use the means of transportation. This is supported by Indonesia which is an archipelago. Indonesia consists of thousands of large and small islands surrounded by the sea. To connect thousands of islands in Indonesia, sea transportation and air transportation are the mainstay.

Table 1. List of Top 10 Global Airlines

Ranking	Airlines	TBI
1	Garuda Indonesia	40,5%
2	Lion Air	19,2%
3	Citylink	13,1%
4	Batik Air	10,6%
5	Air Esia	4,8%

With the economic downturn, aviation transportation facilities are also declining. Of course, this puts a huge burden on companies, and consumers are confused to choosing which airlines they think can provide travel services and security according to their finances. So that every airline is competing to provide the best service and perfect performance to attract customers. But for the airline industry itself, the number of these airlines certainly has an impact on the increasing competition so there is a tendency for airlines to reduce costs in order to dominate the share of passengers by offering prices cheap.

Building on the above discussion, a description that has been stated in the background of the research, the problems in this study will be formulated as follows:



1. How much influence does the perception of service quality have on the Indonesian aviation industry customer satisfaction?
2. How big is the influence of the perception of customer value on customer satisfaction in the aviation industry in Indonesia?
3. How big is the impact of customer satisfaction on the loyalty of the Indonesian aviation industry?

In accordance with the background and identification of the problem, this research was conducted with the aim of:

1. To determine the effect arising from the Perception of Service Quality on Customer Satisfaction of the aviation industry in Indonesia
2. To determine the effect of the Customer Value Perspsi on Customer Satisfaction of the aviation industry in Indonesia.
3. To find out the magnitude of the impact resulting from Customer Satisfaction on the Customer Loyalty of the aviation industry in Indonesia?

II. LITERATURE REVIEW

Service quality According to Parasuraman in Lupiyoadi (2013) said that how far is the difference between reality and customer expectations for the service they receive. According to Kotler and Armstrong (2012) argues "Product quality is the ability of a product to display its function, this includes the usefulness of the product, reliability, ease of use and improvement, and other values. Product quality can be viewed from two points of view, namely the internal perspective and the external perspective." Quality is a dynamic condition that influences products, services, people, processes and environments that meet or exceed expectations (Tjiptono, 2014). So that the quality of service can be interpreted as an effort to meet the needs and desires of consumers and the accuracy of their delivery in balancing consumer expectations.

Customer value is a combination of quality, service, price of a product offering. The value delivered to the customer is the difference between the amount of value for the customer and the total cost from the customer, and the total value for the customer is a group of benefits that the customer expects from certain goods or services, Kotler and Keller (2009). According to Woodruff in Tjiptono (2014), customer value is a perceptual preference and customer evaluation of product attributes performance attributes, and the consequences obtained from the use of products that facilitate the achievement of goals and objectives in the use situation.

Satisfaction is the level of one's feelings after comparing the performance or results he feels with his expectations. So, the level of satisfaction is a function of the difference between perceived performance and expectations (Kotler 2008). From this definition it can be said if the product

performance is not in line with the expectations of the passenger and if the expectations set are too low, then the passenger will feel dissatisfied and lead to disappointment, if the performance is in line with the expectations the passenger will feel satisfied, but if the product performance exceeds expectations, then the passenger will feel happy and very satisfied. According to Kotler and Keller (2009), satisfaction is someone's happy or disappointed feelings that arise because of comparing the performance that has been perceived by the product (or results) against their expectations. If performance fails to meet expectations, the customer will be dissatisfied. If the performance is in line with expectations, the customer will be satisfied. If performance exceeds expectations, the customer will be very satisfied or happy.

Loyalty is a commitment that is held in-depth to buy or support products or services that are preferred in the future despite the influence of the situation and marketing efforts that cause customers to switch. Based on this opinion, it can be seen that loyalty is a commitment from customers that forms customer loyalty to a product or service, so that the customer will make a continuous purchase of the selected product or service, Kotler (2008). Loyalty is a psychological condition related to attitudes towards products, consumers will form beliefs, determine likes and dislikes, and decide whether they want to buy a product (Hasan, 2014).

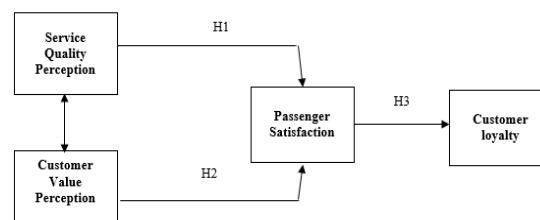


Fig. 2 Research Model Design

III. RESEARCH METHODOLOGY

This study uses quantitative methods and descriptive methods. Quantitative methods are emphasizing the disclosure of behavior, perceptions, tastes, etc. for various problems identified (variables) using a questionnaire media that is valid (valid) and reliable (reliable), then processed to produce quantitative data as a basis for general conclusions (generalizations) about the variables or interrelations under study. The descriptive method is a research method in examining the status of a group of people, an object, system of thought, and current conditions.

Sources of data used in this study are primary and secondary data. For primary data in this study are respondent characteristic data and respondents' perception data on indicators of service quality perception variables, customer value perceptions, customer satisfaction, and customer loyalty. While the secondary data in this study is a brief description

of the company, theories about the perception of service quality, perceived customer value, customer satisfaction, and customer loyalty, and previous research data. Data collection methods in this research are literature study, field study (interview, interview, or questionnaire), and observation. The analysis method for this study using Structural Equation Modeling (SEM) is a multivariate analysis that can analyze complex variable relationships. This analysis is generally used for studies that use many variables. Data analysis technique using SEM is done to thoroughly explain the relationship between variables in the study. The steps in modeling and analysis of SEM structural equations are:

1. Theoretical model development
2. Arrange path diagram
3. Turn the path diagram into a structural equation
4. Select an input matrix for data analysis
5. Assess model identification
6. Assess the Goodness-of-Fit criteria
7. Interpretation of estimation models.

IV. RESULTS AND DISCUSSION

The structural model analysis is a full model structural equation modeling (SEM) analysis, after an analysis of the level of unidimensionality of the indicators forming the exogenous and endogenous latent variables tested by confirmatory factor analysis. Analysis of the results of data processing at the full SEM model stage is carried out by conducting a suitability test and a statistical test.

The results of data processing for the full SEM model analysis are shown in the following figure:

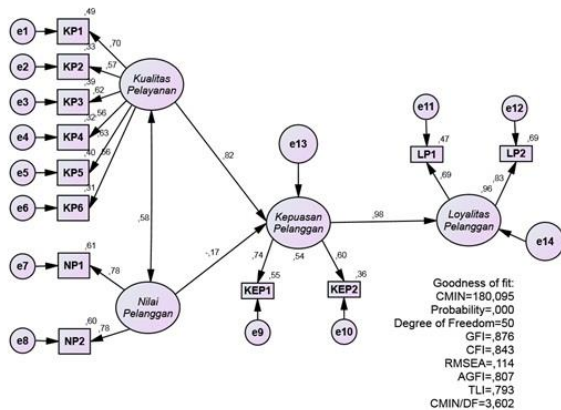


Fig. 3 Full Model Structural Equation Modeling (SEM) Test Results

The two structural equations produced by the full SEM model can be formed from AMOS 23 output on Standardized Regression Weights, namely:
 Customer Satisfaction = 0.822 * Quality of Service + (-0,174) * Customer Value
 Customer Loyalty = 0.979 * Customer Satisfaction. Based on figure 3 above the Goodness of Fit value of the full SEM model can be seen in Table 2 below:

Table 2. Uji Full Model Goodness of Fit SEM

No	Goodness of Fit Index	Cut off Value	Result	Description
1	X ² – Chi Square	Probability small	180,095	Good Fit
2	Significance probability	≥ 0,05	0,000	Bad Fit
3	DF	> 0	50	Good Fit
4	RMSEA	≤ 0,08	0,114	Bad Fit
5	GFI	≥ 0,90	0,876	Marginal Fit
6	AGFI	≥ 0,90	0,807	Marginal Fit
7	CMIN/DF	≤ 2,0	3,602	Good Fit
8	TLI	≥ 0,95	0,793	Good Fit
9	CFI	≥ 0,95	0,843	Good Fit

Based on the results and processing of questionnaire data using AMOS Ver software. 23 conducted by researchers, the discussion of the research hypothesis is:

1. Relationship of Service Quality Perception to Customer Satisfaction
 Perception The quality of service has a positive and significant effect on customer satisfaction, it is known that the value of t arithmetic 4.939 is greater than 1.96 or the value of P has a *** sign so that hypothesis 1 is accepted.
2. Relationship of Customer Value Perception to Customer Satisfaction
 Customer Value Perception has an influence on customer satisfaction can be seen that the value of t arithmetic -1.529 is smaller than 1.96 or the P-value of 0.126 is greater than 0.05 so hypothesis 2 is accepted.
3. Relationship of Customer Satisfaction to Customer Loyalty
 Customer satisfaction has a positive and significant effect on customer loyalty, it is known that the value of t arithmetic 7.675 is greater than 1.96 or the value of P has a *** sign so hypothesis 3 is accepted.

V. CONCLUSION

Based on the analysis and testing of hypotheses regarding "The Influence of Service Quality Perception, Customer Value Perception, on Customer Satisfaction and its impact on Customer Loyalty, then the composer can conclude the following:

1. The perception of service quality (X1) has a positive and significant effect.
2. Customer satisfaction (Y) has a very positive and significant influence on customer loyalty (Z).

Based on the conclusions outlined above, the researcher wants to provide suggestions that can be used as material for consideration for companies and readers, namely:

1. For Indonesian Aviation Industry
 Judging from the results of the overall data processing the lowest variable is the perception of customer value to customer satisfaction. Batik Air

is expected to be able to reduce the price of flight tickets and baggage charges which are clarified while maintaining good service quality.

2. Further Research

In this study, researchers suggest that we should examine more deeply the effect of Perceived Value on customer satisfaction and whether the impact is very influential or not on customer loyalty by paying more attention to more complex variables and indicators, for example using other elements or dimensions in customer value (Perceived Value).

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