

EXPLORATION OF CUSTOMER EXPERIENCE IN SATISFACTION AND LOYALTY TOWARD LION AIR FLIGHT SERVICES

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Abstract

Lion Air is one of the leading airlines in Indonesia's low-cost carrier (LCC) market. However, the airline faces several public concerns related to service quality and customer experience. This study aims to explore the reasons behind customer retention and the dynamics of customer satisfaction in the face of operational shortcomings. The study employs a qualitative approach to explore and understand customer experiences, perceptions, and preferences in-depth. Data were collected through primary and secondary sources, and interviews were conducted with participants. Data analysis was conducted qualitatively through stages of collection, presentation, reduction, and conclusion. The results show that customer satisfaction and loyalty to Lion Air flight services are influenced by several factors, including product quality, price, and service quality. Among these factors, affordable ticket prices are the main factors that encourage customers to make repeat purchases, stay loyal customers, and provide positive recommendations to others. The findings of this study can guide Lion Air's management in formulating effective strategies to improve service quality, strengthen customer loyalty, and maintain its position as a leading airline in Indonesia. Furthermore, it is hoped that further research can produce more comprehensive and useful findings for Lion Air management in improving performance and competitiveness in the aviation industry.

Keywords: Customer Satisfaction, Customer Loyalty, Flight Services, Lion Air

INTRODUCTION

Amidst intense competition in the aviation industry, Lion Air has emerged as a leading player in Indonesia's low-cost carrier (LCC) market. Achieving first place in the Top Brand Award category for aviation services with an average Top Brand Index of 35.1%, Lion Air has demonstrated its ability to attract and retain a large customer base. This achievement is reflected in its market share of 45% in 2023 and increasing ticket sales, reaching 25.4 million passengers in 2022—a notable 18.6% growth from the previous year. Despite this success, Lion Air faces persistent issues such as frequent flight delays, inadequate customer service, and compensation policies that fall short of customer expectations. These challenges, as evidenced by high delay rates reported by the Directorate General of Civil Aviation and numerous customer complaints, have raised questions about the airline's service quality and its impact on customer satisfaction and loyalty.

Based on data from the Directorate General of Civil Aviation, the number of Lion Air flight delays in the last two years reached 18,432 cases in 2020 and 21,756 cases in 2021 (Direktorat Jenderal Perhubungan, 2022). This high rate of delay certainly has an impact on customer satisfaction and loyalty to the airline. On the other hand, Lion Air airlines also often experience flight delays which can have an impact on customer satisfaction and loyalty. Based on data from the Directorate General of Civil Aviation, Lion Air recorded 2,345 cases of delay in 2020 and 1,892 cases of delay in 2021 (Direktorat Jenderal Perhubungan, 2022).

The Official Airline Guide (OAG) released a ranking of airlines that have the best on-time performance (OTP) in May 2022. OAG defines on-time performance (OTP) as flights departing or arriving within 15 minutes of the scheduled departure/arrival time. As a result, the last position, namely the 7th position, was achieved by Lion Air which was recorded to have a

punctuality percentage of 47.30 percent and a flight cancellation rate of 7.30 percent. The data shows that Lion Air has a low OTP, which shows that there are frequent delays on Lion Air flights. Even though the existing OTP standard is 80%. So that Lion air has a substandard OTP.

On time performance is a situation where the departure time and arrival time are in accordance with what has been set (Dabachine et al., 2020; Hsu et al., 2015; Kuipers et al., 2021; Siu & Lo, 2014; Yin et al., 2021). There are several things related to the problem of on time performance, namely estimated time of departure, actual time departure, estimated time of arrival, actual time arrival, flight time, and total departure. These things must be very considered because they can greatly affect the on time performance of a flight.

On-time performance (OTP) is critical in the aviation industry as it reflects the punctuality of departure and arrival times (Gayle & Yimga, 2018; Guépet et al., 2016; Hajko & Badánik, 2020; Manchiraju et al., 2023; Wang et al., 2019). Factors such as estimated and actual times of departure and arrival, flight duration, and total departures play a significant role in maintaining OTP (Yimga, 2017). However, Lion Air has frequently faced customer complaints due to recurring delays, which impact customer satisfaction and loyalty. While flight delays are common across airlines, Lion Air's repeated occurrences, coupled with inadequate compensation and unclear explanations, have fueled dissatisfaction among passengers.

Notable incidents highlight the extent of these delays. For example, a Lion Air flight from Soekarno-Hatta Airport to Makassar in April 2024 was delayed for over nine hours, leaving passengers frustrated and demanding accountability. Similarly, in mid-2023, Lion Air experienced four delays within a month, including a Surabaya-Palangka Raya flight postponed multiple times, with compensation that passengers deemed insufficient for their lost time. Such issues underline the urgency for Lion Air to address its OTP challenges and improve customer service to rebuild trust and loyalty among its passengers.

Despite Lion Air's remarkable success in dominating Indonesia's low-cost carrier (LCC) market, the airline faces several public concerns related to service quality and customer experience. Previous studies have highlighted persistent issues such as flight delays, lost baggage, and inadequate customer service, which inevitably impact customer satisfaction and loyalty (Boonchunone et al., 2021; Hife & Ylagan, 2022; Song et al., 2020). These recurring complaints raise critical questions about how Lion Air manages to maintain a strong customer base despite these challenges.

This paradox provides a compelling foundation for investigating the factors that influence customer satisfaction and loyalty in the context of Lion Air's operations. The key question addressed by this research is: Why do customers remain loyal to Lion Air despite frequent service issues? This study seeks to explore the reasons behind customer retention and the dynamics of customer satisfaction in the face of operational shortcomings. Titled "Exploration of Customer Experience in Satisfaction and Loyalty Toward Lion Air Flight Services," this research aims to test and analyze the key drivers of customer satisfaction and loyalty, offering both theoretical and practical insights.

Theoretically, the study contributes to the marketing literature by enhancing understanding of customer satisfaction and loyalty within the aviation sector, particularly in the LCC market. It also enriches customer experience theory by examining the interplay between service quality and customer behavior in a competitive industry. Practically, the findings of this research can guide Lion Air's management in formulating effective strategies to improve service quality and strengthen customer loyalty. Additionally, the study provides valuable insights for other airlines in developing customer-centric approaches to address similar challenges in the aviation industry.

RESEARCH METHOD

The subject of this study comprised Lion Air aviation service customers who had used the airline's services at least three times in the 12 months prior to the study. These respondents were selected to provide relevant and accurate insights into the factors that influenced customer satisfaction and loyalty. The study focused on identifying these factors to help Lion Air's management develop strategies to enhance customer satisfaction and loyalty.

The research employed a qualitative approach to explore and understand customer experiences, perceptions, and preferences in-depth. Data collection involved in-depth interviews with selected respondents, including four Lion Air customers who had experienced delays more than three times, two Lion Air financial staff, and a private employee who used Lion Air. Field observations and document reviews supplemented the interviews, and data were collected through primary and secondary sources. Primary data were obtained directly from interviews, while secondary data were drawn from articles, documents, and websites. Snowball sampling was used to identify participants who met the study's criteria.

Data analysis was conducted qualitatively through stages of collection, presentation, reduction, and conclusion. Information from interviews, observations, and documentation was categorized, synthesized, and organized into relevant patterns to uncover insights about customer satisfaction and loyalty. The analysis aimed to provide a comprehensive understanding of the factors that influenced these aspects, offering actionable insights for improving Lion Air's customer service strategies.

RESULT AND DISCUSSION

Interview Results

Interviewee: Octavia Simanjuntak Crash

Ranap said that Lion Air is an airline suitable for the middle class with affordable ticket prices, although there are often delays, especially in the afternoon. According to him, the facilities on board are adequate for the standards of economy airlines. Crashes feel safe during the flight, but the quality of staff service is felt to be lacking, especially in dealing with delays that often occur without adequate compensation. Ranap chose Lion Air for repeat trips because of the cheap price factor, and he tends to buy tickets twice a year.

Ranap has been a loyal customer of Lion Air for eight years and remains loyal to the airline because of its affordable prices. He also occasionally recommends Lion Air to others, especially because of the competitive price. However, he hopes that Lion Air can improve timeliness and better handle customer complaints to increase customer loyalty and satisfaction.

Interviewee 2: Jeffry Davidson Pardosi

Jeffry assessed that Lion Air's reliability is almost on par with other airlines, although he often feels disappointed by inconsistent flight schedules and often experiences delays without adequate compensation. He assessed that the facilities on board are good enough for domestic flights, but highlighted that domestic ticket prices are often more expensive than international flights.

Jeffry has been using Lion Air since 2015 because of its cheap ticket prices and flexible flight hours. He stated that it is likely to continue using Lion Air in the future, especially if ticket prices remain competitive. Jeffry also recommends Lion Air to his family because of its affordable ticket prices, although he advises the airline to improve punctuality and provide more promos to improve customer satisfaction.

Interviewee 3: Julfiradi

Julfiradi assessed that Lion Air's aircraft had good reliability and he felt safe during the flight. However, he expressed dissatisfaction with punctuality, where airlines often experience

delays. However, he stated that the facilities on board are adequate for domestic flights. Julfiradi feels that Lion Air ticket prices are the most affordable compared to other airlines, even though the price for domestic flights feels high when compared to international tickets.

Julfiradi has been a Lion Air customer for eight years due to its competitive ticket prices. He buys tickets quite often, mainly because of the many flexible flight hours options. Julfiradi also recommends Lion Air to his family, especially when the airline offers cheaper prices and attractive promos. He hopes that Lion Air can further improve flight punctuality so that customers are more satisfied.

Interviewee 4: Imad

Imad felt that Lion Air aircraft were quite reliable even though he was not comfortable with the type of aircraft used. He also felt safe during the flight despite experiencing significant turbulence. Imad highlighted that Lion Air has problems in punctuality, but he can understand it if the reason for the delay is for the comfort and safety of passengers. Although there are often delays, he appreciates the provision of snacks as compensation from the airline.

Imad chose Lion Air for recurring purchases mainly because of the cheap ticket prices and the availability of many routes. It has been a loyal customer since 2015 and is likely to continue using Lion Air as long as ticket prices remain competitive. Although he doesn't recommend Lion Air very often, Imad will do it if he sees cheaper ticket prices. He hopes the airline can improve services and reduce delays to attract more customers.

Interviewee 5: Indra Simorangkir

Indra assessed that the reliability of the Lion Air aircraft was quite good, even though he had felt discomfort during landing and seating position. He felt safe during the flight, but regretted that there were frequent delays of more than two hours. He also felt bothered by Lion Air's position at the airport, which is usually far from the waiting room. Indra stated that ticket prices are often cheaper than other airlines, although sometimes there is an increase in prices that are not proportional to the services provided, especially during the holiday season.

Indra has been using Lion Air for eight years because of its competitive prices and the availability of many routes. He will still consider Lion Air in the future, even though there are already other airlines with competitive prices. Indra rarely recommends Lion Air because he is worried that others will be disappointed with the airline's service and delays. He hopes that the airline can improve the friendliness of employees and reduce delays so that customers are more satisfied.

Interviewee 6: Cicilia

Cicilia feels that although Lion Air offers affordable prices, the quality of its service is quite on par with other airlines. He felt safe during the flight and considered that Lion Air's routes that cover many regions, including remote areas, are one of the airline's strengths. Cicilia admits that flight delays sometimes occur, but she is still satisfied because the facilities on board are adequate.

Cicilia often chooses Lion Air for domestic flights, especially when the trip does not require a lot of luggage. He has been a loyal customer for 13 years and has a good chance to continue using Lion Air because of the good experience. He also often recommends the airline to others, especially because of its affordable prices and satisfactory service. Cicilia hopes that Lion Air can provide a better explanation to customers when there is a delay to maintain customer loyalty.

Observation Results

Based on the results of interviews that have been conducted with six informants who use Lion Air flight services, several things can be observed related to customer satisfaction and loyalty to the airline:

In terms of product quality, in general, the informants felt that the reliability of Lion Air's aircraft was quite good and they felt safe during the flight. However, regarding the punctuality of aircraft departures and arrivals, most of the informants stated that there are still frequent delays, especially during peak hours in the afternoon. This is certainly one of the main complaints of Lion Air service users. Meanwhile, for the facilities on board, the informants considered it to be adequate in accordance with flight standards.

In terms of price, most of the informants stated that Lion Air ticket prices are affordable and competitive with other airlines. However, some informants also highlighted the increase in ticket prices, especially on holidays and holiday seasons. In addition, the informant also stated that he rarely gets discounts or promos for ticket prices from Lion Air.

Regarding the quality of service, the informants gave various assessments. Some stated that the friendliness and alertness of Lion Air employees in serving passengers was still lacking, especially in handling complaints. However, some informants also assessed that the ease of booking tickets and check-in was quite good. Overall, the level of satisfaction of informants with the quality of Lion Air's service is at an intermediate level.

From the aspect of repeat purchase, most informants stated that they often repurchase Lion Air flight tickets, with the main reason being affordable prices. Likewise with the retention aspect, informants who have been loyal customers of Lion Air for many years, generally remain persistent due to competitive pricing factors.

Meanwhile, in the aspect of referrals, some informants stated that they had recommended Lion Air flight services to others, especially family and friends. However, some informants also stated that they rarely give positive recommendations, especially related to the problem of frequent delays.

Overall, the results of the interviews with the six informants show that Lion Air still has some shortcomings, especially in terms of flight punctuality and employee service quality, which has an impact on customer satisfaction and loyalty. However, the affordable price factor remains the main attraction for consumers to continue using Lion Air flight services.

Data Analysis

Based on the results of the interviews that have been conducted, it can be further analyzed related to customer satisfaction and loyalty to Lion Air flight services by referring to the latest previous studies.

In terms of product quality, the findings of this study are in line with the results of a study conducted by Suryani and Hendryadi (2021), which shows that aircraft reliability and flight safety are important factors that affect airline customer satisfaction. However, the problem of flight delays that are often experienced by informants in this study is also in line with the findings of Wulandari and Susilawati (2019), which state that punctuality is one of the indicators of product quality that has a significant effect on customer satisfaction.

Regarding prices, the results of the interviews show that affordable Lion Air ticket prices are the main attraction for consumers, in accordance with research by Suryani and Hendryadi (2021) which states that competitive prices are one of the determining factors for customer satisfaction. However, the increase in ticket prices, especially on holidays, is also a concern for informants, which is in line with the findings of Wulandari and Susilawati (2019) that prices that are not in accordance with service quality can reduce customer satisfaction.

In terms of service quality, the results of the interviews show that the friendliness and alertness of Lion Air employees in serving passengers still needs to be improved, in line with

the research of Suryani and Hendryadi (2021) which stated that the quality of interaction with employees is an important factor in influencing customer satisfaction. In addition, the ability of employees to handle customer complaints is also in the spotlight, which is in line with the findings of Wulandari and Susilawati (2019) that good complaint handling can increase customer satisfaction.

In terms of repeat purchases, retention, and referrals, the results of the interview show that affordable ticket prices are the main factors that encourage customers to make repeat purchases, stay loyal customers, and provide positive recommendations to others. This is in accordance with the research of Suryani and Hendryadi (2021) which states that customer satisfaction which is influenced by product quality, price, and service quality can cause customer loyalty behavior.

Overall, the findings of this study provide a comprehensive picture related to customer satisfaction and loyalty to Lion Air's flight services, taking into account various aspects, such as product quality, price, and service quality. The results of this analysis are also in line with previous recent studies, which can enrich the understanding of the factors that affect customer satisfaction and loyalty in the aviation industry.

CONCLUSION

The study revealed that customer satisfaction and loyalty to Lion Air are shaped by factors such as product quality, pricing, service quality, and repeat purchase behavior. While the airline offers reliable aircraft and competitive ticket prices, issues like flight delays, holiday price increases, and inconsistent employee service quality pose challenges. To address these, Lion Air is advised to improve punctuality through better planning, enhance employee service through training, maintain fair ticket pricing, and implement loyalty programs. Regular customer feedback should be leveraged for continuous improvement. Future research could involve broader informant diversity, employ quantitative methods for statistical analysis, explore additional variables like brand image, and compare Lion Air's performance with other airlines. A longitudinal approach could also provide valuable insights into long-term trends in customer satisfaction and loyalty. These measures aim to strengthen Lion Air's market position and customer engagement.

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