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The Roles of Service Quality, Perceived Price and Satisfaction to Passenger's Loyalty: A Study of Full Service National Airline Carriers of Indonesia

Luh Ardini

Bina Nusantara University, Jakarta, Indonesia

La Mani

Bina Nusantara University, Jakarta, Indonesia

Muhamad Aras

Bina Nusantara University, Jakarta, Indonesia

Cessy Bellafania

Bina Nusantara University, Jakarta, Indonesia

Rafa Putra Adlianto

Bina Nusantara University, Jakarta, Indonesia

Abstract--This study aimed to examine the commercial aviation industry, whether the level of service quality, perceived price and passenger satisfaction have the potential to have a high effect and how these three variables produce passenger loyalty. This study presents a brief review of the current competitive situation that is faced by commercial airlines, findings of previous research on service quality, price and passenger satisfaction. This study also determine strategic steps that can be taken by the Indonesian National Airline, especially in facing business competition, retaining customers and expanding consumer market share. This study is descriptive quantitative research. Data collection was done by distributing questionnaires to 200 respondents, which is then processed using SmartPLS. The results of this study indicate that service quality, customer satisfaction have a positive and significant effect on passenger loyalty, while Perceived price does not have a positive and significant effect on passenger loyalty.

Keywords---airline carriers, customer loyalty, passenger's loyalty, perceived price, service quality.

Introduction

The AEC (ASEAN Economic Community) agreed on the ASEAN Open Sky policy at the Bali Summit in 2015 as part of ASEAN 2015 which aims to free up both fully and partially air transportation services. With the ASEAN Open Sky policy, Indonesia's business prospects are increasingly developed, can create jobs, increase the number of aviation investors, and increase connectivity in the tourism sector. However, in addition to the various benefits, of course, this policy can create obstacles and negative impacts, especially related to the rise of low-cost flights with Low Cost Carrier (LCC) so that the competition in the airline business is very competitive, which is marked by price wars. In the airline industry competition, there are two segments, namely airlines with full service and low cost, this segmentation may have different views in understanding the value of a price and quality of service. Passengers of full-service airlines are more concerned with service quality and less concerned with pricing, while passengers of low-cost airlines place less concern about service (Yang et al., 2012; Zhang & Czerny, 2012).

The contradictory perspectives of means-end theory development carried out by (Gutman, 1982) maintain the notion that value is the dominant factor in consumer buying patterns; consider a product or service based on a function of satisfactory value; all actions have consequences (wanted or not); and finally, there is a correlation between consequences and product or service attributes. Many airlines are now starting to focus on Service Quality, to increase passenger satisfaction (Asma, 2018; Rajaguru, 2016; Ali et al., 2015; Farooq et al., 2018). In the case of airlines, the customer's goal is to enjoy the services provided by the airlines, so they prefer to choose full-service airlines over low-cost ones, this is to get service and product satisfaction. On the other hand, the theory of price sensitivity refers to the extent to which price is an important criterion in the consumer decision-making process. So far, consumers who are sensitive to price will evaluate the value of a product/service based on how much money they have to sacrifice to get the product/service. Thus, they prefer to have cheaper goods or services (Rajaguru, 2016).

Indonesia has now become the fifth largest domestic market in the world, after the United States, China, Japan, and Brazil, as its aviation industry has experienced rapid growth in the last few decades (World Bank, 2018). This shows an increase in the number of both international and domestic passengers since the 2000s, triggered by the fact that the income of the middle class has increased as well as the increase in the international and domestic tourism industry (Indonesian Global Business Guide). Soekarno-Hatta International Airport, located in Jakarta, was ranked as the 8th busiest airport in the world by Airports Council International (Indonesia-Investment). The busiest airport, the largest in Southeast Asia, in the southern hemisphere and one of the busiest airports in the world. In the competition of the aviation industry in Indonesia, there are two segments, namely high and low segments or low-cost carriers LCC (Low Cost

Carrier) and full-service airlines (Full Service) to capture market opportunities and generate profits. For example, Garuda Indonesia as a flagship carrier introduced City Link to serve passengers in the low cost category (Zakaria et al., 2014; Cossío-Silva et al., 2016).

Garuda Indonesia as a full-service airline carries the theme Experience as the latest service concept that presents the best aspects of Indonesia to passengers. From the moment of booking flight tickets until arriving at the destination airport, passengers will be pampered by the sincere and friendly service that is the hallmark of Indonesian hospitality. In terms of service quality in 2018 Garuda Indonesia was ranked 9th in the Skytrax World Airlines Awards, and World's Best Airline Cabin Crew as 1st rank. In the domestic aviation industry market share, Garuda Indonesia and its subsidiary, Citilink, are in position 3 and 4 by controlling 15.3 percent or as many as 5.42 million passengers. The increasingly fierce competition between airlines through ticket price wars has also contributed to the decline in the market share value of this government-owned airline. The COVID-19 pandemic situation in the last two years in Indonesia has also contributed to the decline of the domestic and international aviation industry. The number of airplane passengers has decreased sharply compared to 2019 or before the COVID-19 pandemic. The number of domestic passengers at Indonesian airports only reached 35.4 million throughout 2020. This figure fell 55 percent when compared to the 2019 period of 79 million passengers. Below is the passenger volume data for the 2019-2020 period (Forgas et al., 2010; Akamavi et al., 2015).

Table 1
Domestic aircraft passenger volume and market share in 2019 and 2020

No	Airlines	2019 Passenger	2020 %	Passenger	%
1	Lion Air				
2	23,737,227	29.9%	12,520,000	35.3%	
3	Garuda Indonesia	15,542,662	19.6%	4,610,000	13%
4	Citilink	11,860,912	14.9%	5,420,000	15.3%
5	Batik Air	10,518,452	13.2%	6,130,000	17.3%
6	Wings Air	5,709,457	7.2%	2,820,000	8%
7	Sriwijaya	5,473,880	6.9%	1,590,000	4.5%
8	Indonesia Air Asia	2,887,581	3.6%	1,100,000	3.1%
9	Nam Air	2,117,906	2.7%	695,469	2%
10	Trigana	661,364	0.8%	236,951	0.7%
11	Trans Nusa	599,781	0.8%	198,289	0.6%
12	Travel Express	341,676	0.4%	65,325	0.2%
	Total	79,466,559	100.0%	35,389,774	100.0%

Seeing the decline in the volume of full-service airlines from year to year, it is important for airlines to take advantage of this opportunity by understanding the attitudes and behavior of Indonesian passengers, especially the underlying factors that drive them to choose airlines based on their segments. Thus, this study sought to examine the behavioral intentions of passengers by incorporating the value-for-service quality in the SERVQUAL dimension Parasuraman et al. (1988),

perceived price and passenger satisfaction to loyalty (Hapsari et al., 2016; Liu & Lee, 2016).

Theoretical framework

In previous studies, it is explained that to survive in the airline industry market, companies must study the most important factors of what consumers want, by studying consumer behavior to get new customers and maintain loyalty (Asma, 2018; Hapsari et al., 2017). In line with previous study by Shen & Yahya (2021), in which it is stated that the most important factor in a low cost airline or LCC (Low Cost Carrier) is satisfaction compared to the price factor. This is in line with study by Asma (2018), that price has a weak effect on loyalty compared to service quality and passenger satisfaction. In study by Rajaguru (2016), that Gutman (1982), reveals the consumer's decision to choose low cost and full service airlines can be explained by price sensitivity theory. Price sensitivity is defined as the extent to which price is an important criterion in the consumer decision-making process. Price-sensitive consumers often turn to cheaper brands and are ready to compensate service expectations for better prices. While price sensitivity is superior on low-cost carriers, quality of service is appreciated in traditional full-service airlines (Periera & dos Reis, 2011). Therefore, this study investigates the perception of the value of price suitability, service quality and its effect on consumer satisfaction and loyalty (Korfiatis et al., 2019; Liou & Tzeng, 2007).

Literature

Service quality

Regarding service quality Grönroos (1984), argues that service quality is the result of an evaluation process in which perceived service and expected service are compared. Service quality has also been described as a form of attitude, because it is a global assessment of the service excellence provided by an organization (Parasuraman et al., 1988). Service quality has been the focus of many studies since its initial conceptualization, as it provides a positive level of service. Quality creates a competitive advantage for an organization (Zeithaml, 1988). Five dimensions of service quality according to Parasuraman et al. (1988) are:

- Reliability, the ability to provide the promised service promptly, accurately and satisfactorily.
- Responsiveness, namely the desire of the company or staff to help consumers and provide services responsively.
- Assurance includes the knowledge, ability, courtesy, and trustworthiness of the staff, free from the danger of risk or doubt.
- Empathy, includes ease in making relationships, good communication, personal attention, and understanding the needs of consumers.
- Tangibles, includes physical facilities, equipment, employees and means of communication.

Previous studies on the effect of service quality on customer satisfaction and loyalty Ali et al. (2015); Farooq et al. (2018); Hapsari et al. (2017); Shah et al.

(2020); Shen & Yahya (2021), reveal that both service quality and perceived price are found to have a positive impact on satisfaction, and lead to loyalty.

- H1: Service quality has a positive effect on Loyalty.
- H2: Service quality has a positive effect on satisfaction

Perceived price

The more customers, the more price conscious they will become Kim et al. (2020) because it is easy for individuals to find out the cost of goods/products/services via the Internet or mobile phones. While low (actual) prices mostly attract budget-minded customers (Chua et al., 2015). In the aviation industry, it is undeniable that passengers are increasingly looking for the best price (better deal). Chua et al. (2015) as it is not difficult for most passengers to make price comparisons (Han & Hwang, 2015). Various studies on perceived price suitability, customer satisfaction, and loyalty have been made in the literature. These studies analyze these variables at different levels of perspective, showing that customer price fairness affects perceptions Bassey (2014), customer satisfaction affects satisfaction and loyalty. Previous studies on perceived price Rajaguru (2016); Shen & Yahya (2021), shows that Perceived price has a positive and significant effect on loyalty to low-budget LCC (Low cost carrier) airlines.

- H3: Perceived Price has a positive effect on satisfaction
- H4: Perceived price has a positive effect on Loyalty.

Customer satisfaction

Customers who have used the product or service they purchased will feel satisfied or dissatisfied, depending on the quality of service received from the company. The customer will evaluate after consuming the product or service and then the customer will feel satisfied or dissatisfied with the product or service they have gotten. If the customer is satisfied, it will encourage customers to buy and consume the product again. Meanwhile, if the customer is dissatisfied, it will cause the customer to be disappointed and stop repurchasing or consuming the product and will inform other potential customers negatively and can switch to other similar service companies. In previous study Shah et al. (2020), state that for airline management it is recommended that they must know how to satisfy customers through service quality practices, because guaranteeing customer satisfaction is the most important factor in carrying out the process to run flight services (Eljawati et al., 2021; Kazakov et al., 2021).

A significant finding from this study is that airline service quality has a positive correlation with passenger satisfaction and loyalty. Furthermore, mediation analysis shows that passenger satisfaction factors act as mediators between airline service quality and behavioral intentions. Further study on the effect of customer satisfaction on loyalty Shen & Yahya (2021), the results show that service quality and price have a significant positive effect on passenger satisfaction, thus leading to passenger loyalty. Besides the findings of this study also confirm the mediating role of customer satisfaction between service quality and customer satisfaction. Loyalty, price, and loyalty separately, show that

customer satisfaction is an important factor for low cost carrier (LCC) airlines to survive in a highly competitive aviation market.

- H5: Customer satisfaction has a positive effect on loyalty.
- H6: Customer satisfaction mediates service quality on loyalty.
- H7: Customer Satisfaction mediates Perceived price on loyalty.

Customer loyalty

Previous study by [Dolnicar et al. \(2011\)](#), investigates the determinants of airline loyalty using a method that describes the multi-step nature of the airline selection process. The results show that, at the aggregate level, frequent flyer membership, price, status as a national airline and airline reputation perceived by passengers are the variables that most distinguish between loyal and non-loyal tourists. Differences in the determinants of airline loyalty can be identified, for example, loyalty programs play a key role for passengers with business purposes while loyalty to tourists with leisure purposes is difficult to trace and go back to a single factor. Since neither of the models was taken into account, satisfaction emerged as the main driver of airline loyalty. Further study by [Hapsari et al. \(2017\)](#), proves that customer involvement has the most significant effect on customer loyalty compared to other variables. The significant positive effect of satisfaction on loyalty confirms that satisfied customers are more likely to have the intention to reuse the airline's services ([Devi & Yasa, 2021](#); [Mahatama & Wardana, 2021](#)).

When a customer is satisfied with their flight experience and happy with their flight experience with a particular airline, they are more likely to say positive things about that airline to others. In addition, satisfied airline passengers tend to prefer the same airline over other airlines, so it is called passenger loyalty. [Prentice & Loureiro \(2017\)](#), study reveals that customer satisfaction has minimal effect on customer loyalty in the case of airline passengers. However, trust in the airline industry plays an important role in customer attitudes and behavior. This finding can be a useful guide and reference for airlines to focus on the causal condition of trust without over-damaging the recipe for predicting customer satisfaction. In some cases, satisfied customers expressed an intention to fly again with the airline of their choice ([Zong & Zhen, 2021](#); [Suryasa, 2019](#)).

Hypothesis



Figure 1. Hypothesis

Method

To examine the effect of service quality and price on loyalty through satisfaction, this study considered a sample of tourists who prefer to decide to use a full service airline. The type of research used is quantitative research using a questionnaire scale model with a Likert scale of 1 (strongly disagree) to 5 (strongly agree). The research sample consisted of 200 correspondents who had used Garuda Indonesia airline transportation services. The research operation took place during August 2021. The questionnaire was displayed in general, regarding data on gender, age, and profession, average income, and data on experience using Garuda Indonesia airline services.

Data and sample collection

The latest version of SEM PLS is used by researchers in this study because this method is most suitable to be used as a procedure used to develop theory and can also be used to build a correlation that does not have a theoretical basis (Ghozali, 2008). Some of the goodness of fit criteria in the PLS SEM that must be met include first, the loading factor value of all indicators must be above 0.55. Second, Average Variance Extracted (AVE) values must be greater than 0.5. Third, Composite Reliability (CR) values must be greater than 0.6. Fourth, square roots of AVE must be greater than the correlation between variables. Fifth, values of R² must be greater than 0.25 and the closer to 1, the better (Ghozali, 2008).

The variables used in this study are exogenous latent variables, namely variables which values are not affected by other variables. So each exogenous variable is an independent variable. The next variable is the endogenous variable which is considered to be affected by other (independent) variables. This study used the one-tailed hypothesis because the direction to be studied is clear, namely the researchers expected a positive effect from each variable in the research model.

Table 2
Variable

Construct Variable	No	Exogenous Variable	Reference
Service Quality Reliability	RL 1	On time service as promised	Zeithaml et al., 1990
	RL .2	Clear service standards	
	RL .3	Clear and accurate information	
Responsiveness	RP.1	Service officers in serving ticket purchases	
	RP.2	Services for online access	
	RP.3	Readiness and completeness of supporting facilities	
	RP.4	Officers in conveying information	
	RP.5	Officers can resolve the problem before the	

		flight	
Tangibles	RP.6	Proper baggage service by officers	
	TNG.1	Arrangement of Design Physical facilities, cleanliness and comfort of the room	
	TNG.2	Equipment and technology owned	
	TNG.3	Ease of customer access in service requests	
	TNG.4	Ease in the service process	
	TNG.5	Appearance and tidiness of officers	
Assurance	TNG.6	Use of tools in service	
	US.1	Security and safety guarantee	
	US.2	Compensation if there is an error in service	
	US.3	Communication skills of officers in serving	
	US.4	Ease of submitting a complaint if a problem occurs	
Empathy	US.5	Customers feel safe during the COVID-19 pandemic	
	E.1	Services for people with special or priority needs	
	E.2	The officers serve in a friendly and courteous manner when a problem occurs	
Perceived Price	E.3	Customer needs are met	
	PP.1	Price offered	Schiffman et al., 2004; Cockrill et al., 2010.
	PP.2	Price suitability	
Customer Loyalty	Y1	Repeat use of the product	
	Y2	Loyalty and effort to recommend products or services to friends or partner	

Result

Data were initially screened for any potential statistical errors of normality, outliers, missing values, and demographic characteristics. The previous data were 204 respondents, but 4 respondents had never taken a full service Garuda Indonesia flight. As a result of filtering this data, the final sample size decreased to 200. The majority of respondents are women (62%), between 25 and 34 years-old (49%), their occupation i.e. most are private employees (48%), and their average income is Rp. 10,000,000 – 25,000,000 (37%).

Table 3
Correspondent data

Identity of Respondent		%
Gender	Woman	38%
	Man	62%
Age	14 – 25 Years old	6%
	25 – 34 Years old	49%
	35 – 44 Years old	31%
	Over 45 Years old	14%
	Student	4%
Work	Private employees	48%
	Government employees	15%
	Entrepreneur	11%
	Etc	22%
Income	Rp. 2,500,000 – IDR 5,000,000	19%
	Rp. 5,000,001 – Rp 10,000,000	28%
	IDR 10,000,000 - IDR. 25,000,000	37%

Validity test

Validity test is conducted to measure whether a questionnaire is valid or not. An item is declared valid if the statement on the questionnaire is able to reveal something that will be measured by the questionnaire. The validity test carried out in this study used a loading factor, average variance extracted (AVE), and cross loading.

Convergent validity

The validity criteria with the loading factor value can be seen as follows:

- If the loading factor value > 0.7 , then the questionnaire item is valid.
- If the loading factor value < 0.7 , then the questionnaire item is not valid.

After processing the data using SmartPLS software, the following results are obtained: Based on the results of the loading factor above, it can be concluded that all questionnaire indicators are valid because each indicator has a value above 0.7. From the results of data processing loading factor above:

- Indicator E.3 regarding the ability of officers to communicate and serve quickly has the greatest influence on the Service Quality variable. The indicator value is 0.875.
- Indicator PP.2 Prices, services, and facilities of Garuda Indonesia airlines are appropriate are indicators that influence the price compatibility variable. The indicator value is 0.935.
- Indicator S.11 Satisfaction in the excellent communication skills of cabin crew officers has the greatest influence on the variable of customer satisfaction. The indicator value is 0.859.

- Indicator Y2 Loyalty to continue to use and recommend Garuda Indonesia flight products or services has the greatest influence on the Loyalty variable. The indicator value is 0.940

Validity test with average variance extracted,

After processing data using SmartPLS then the average variance extracted (AVE) value is also obtained. The condition that must be met is that the average variance extracted (AVE) value of each variable should be greater than 0.5 (Latan & Ghozali, 2012). After processing the data using SmartPLS software, the following results are obtained.

Table 4
Average variance extracted (AVE) value

	Average Variance Extracted (AVE)
Customer satisfaction	0.622
Loyalty	0.881
Perceived Price	0.769
Service Quality	0.574

Source: Data processing results from SmartPLS, 2020

Table 4 shows that all variables have an AVE value greater than 0.5. With the fulfillment of the criteria above, the variables are valid and convergent validity can be considered achieved.

- Partial Least Square model
To test the research hypothesis, Partial Least Square (PLS) analysis with the SmartPLS 3 program was used.
- Reliability Test
Reliability test is a measure of a questionnaire which is an indicator of a variable (Ghozali, 2017). The questionnaire can be declared reliable if the respondent's answer to the statement is consistent. Reliability Test with Composite Reliability and Cronbach's Alpha:
 - *Composite Reliability* and *cronbach's Alpha* is the part that are used to test the reliability value of indicators on a variable. A variable can be declared to meet composite reliability and Cronbach's Alpha if it has a value > 0.6.
 - Composite Reliability and Cronbach's Alpha reliability tests were carried out by looking at the composite reliability values of each indicator in the instrument.
 - If the resulting composite reliability and Cronbach's Alpha > 0.60 then the items of the research instrument are declared reliable.
 - If the resulting composite reliability and Cronbach's Alpha < 0.60 then the items of the instrument are declared unreliable.

Table 5
Level of reliability of the cronbach alpha method

Alpha	Reliability Level
0.20-0.40	Less Reliable
>0.20 – 0.40	Somewhat Reliable
>0.40 – 0.60	Fairly Reliable
>0.60 – 0.80	Reliable
>0.80 – 1.00	Very Reliable

Source: [Hair et al., 2011](#)

Table 6
Composite reliability and *cronbach's alpha*

	Composite Reliability	Cronbach's Alpha
Customer satisfaction	0.972	0.970
Loyalty	0.936	0.864
Perceived Price	0.869	0.714
Service Quality	0.969	0.966

Source: Data processing results from SmartPLS, 2020

Based on table 6, it can be concluded that all constructs are reliable. This is because each construct has a composite reliability value and Cronbach's Alpha that are more than 0.6.

Discussion, Conclusion and Implication

In assessing the structural model with PLS, it begins by looking at the R-Square for each endogenous latent variable as the predictive power of the structural model. Changes in R-squares are used to explain the effect of certain exogenous latent variables on endogenous latent variables whether they have a substantive effect. Meanwhile, the significant test between constructs uses the path coefficient value or t-statistic test on each path. The value of R-Square is the coefficient of determination on the endogenous construct. According to [Chin \(1998\)](#), the value of R-square is 0.67 (strong), 0.33 (medium/moderate) and 0.19 (weak).

Table 7
Value of R square model

	R-Square	R-Square Adjusted
Customer satisfaction	0.832	0.830
Loyalty	0.692	0.687

Source: Data processing results from SmartPLS, 2020

Based on table 4.10 it can be seen that the user loyalty variable (Y) has an R-square value of 0.692 (69.2%) so it can be said that all variables fall into the Strong category. To determine the effect between variables, it can be done with the bootstrapping method. In the PLS method, the decision to accept or reject a hypothesis is based on a significant value (P value) < 0.05 and determining the

significance value can be known by looking at the parameter coefficient values and the T-statistical significance value > 1.96.

Table 8
Value of T-Statistic

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Results
Customer Satisfaction -> Loyalty	0.581	0.575	0.092	6,293	0.000	Accepted
Perceived Price -> Customer Satisfaction	0.092	0.095	0.039	2,350	0.019	Accepted
Perceived Price -> Loyalty	0.085	0.087	0.049	1,738	0.083	Rejected
Service Quality -> Customer Satisfaction	0.856	0.854	0.033	25,597	0.000	Accepted
Service Quality -> Loyalty	0.212	0.214	0.096	2,208	0.028	Accepted

Table 9
Mediating test

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Result
Perceived Price -> Customer Satisfaction -> Loyalty	0.054	0.056	0.027	1,985	0.048	Accepted
Service Quality -> Customer Satisfaction -> Loyalty	0.497	0.491	0.078	6,392	0.000	Accepted

Based on the results of the statistical tests carried out, it can be concluded that of the three hypotheses that have been tested using the PLS Structural Equation Model (SEM) analysis (Izogo & Ogba, 2015; Kotler et al., 2006). There are two hypotheses that are significant and proven to have an effect. The summary of the hypotheses is as follows:

- H1: Service quality has a positive and the significant effect on loyalty.
- H2: Service quality has a positive and significant effect on satisfaction.
- H3: Perceived Price has a positive effect on satisfaction.
- H4: Perceived price has a negative and insignificant effect on Loyalty.
- H5: Customer satisfaction has a positive effect on loyalty.
- H6: Customer satisfaction mediates positively and significantly from service quality to loyalty.

- H7: Customer satisfaction mediates positively and significantly from Perceived price on loyalty.

H1: This study is considered in line with previous study Hapsari et al. (2017), which shows the quality of service has a direct effect on passenger loyalty (Asma, 2018). H2: This hypothesis is supported by previous research Ali et al. (2015); Farooq et al. (2018), that the dimension of service quality has a direct impact on airline passenger satisfaction. Customers of full-service airlines have perceived that they already have a high level of service quality and usually have a high level of satisfaction as well. Strategically, it is critical that full-service airlines ensure that crew and all airline employees provide a high level of interaction quality (e.g. professional staff, courteous staff), physical quality, environmental quality (e.g. in-flight facilities) and quality of outcomes (e.g. safety and security) to make customers satisfied. H3 and H4: The results of this study are in line with previous studies Asma (2018); Ali et al. (2015); Farooq et al. (2018); Hapsari et al. (2017), which show that service quality affects customer satisfaction. Also, the effect of satisfaction on loyalty to the company and perceived price affect satisfaction and affect weakly on loyalty. Confirming that price has a positive effect on satisfaction but does not affect loyalty. H5: The significant positive effect of satisfaction on loyalty confirms that satisfied customers will be more likely to have the intention to reuse the airline's services. When a customer is satisfied with the service provided, then the service they buy has fulfilled their needs and desires. Customers who are satisfied and happy with their flight experience will make the decision to fly and are more likely to say positive things about the airline to others. In addition, satisfied airline passengers tend to prefer the same airline over other airlines. H6 and H7: These hypotheses is supported by previous study by Shah et al. (2020), which results show that passenger satisfaction mediates the relationship between airline service quality and behavioral intentions, plus through this study it is revealed that passenger satisfaction mediates between service quality and loyalty.

The study shows that customer satisfaction is the biggest factor in affecting customer loyalty compared to other variables (Leong et al., 2015; Chen & Hu, 2013). There are several methods that management can use to increase customer engagement in the airline industry. In addition to a commitment to service quality that can be used for better business planning strategies, other strategies are marketing strategies, the strategies for setting flight costs that are not too expensive and ticket promotion programs to provide positive input for management in maintaining business. Satisfaction on service and prices that match expectations will certainly increase the number of loyal passengers.

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