

# Effect of service quality on the satisfaction of low-cost carrier service users in Indonesia

W. Handayani, F. N. Widjaja & V. Megawati  
*University of Surabaya, Surabaya, Indonesia*

**ABSTRACT:** This study aims to reveal the effect of service quality on the satisfaction of Low-Cost Carrier (LCC) service users in Indonesia. The purpose of this study is to determine the effect of service quality through tangible features, flight schedules, service provided by ground staffs, service provided by flight attendants, and online services on LCC service users. This study is causal research and was conducted using 150 respondents who are Air Asia, Citilink, and Lion Air flight service users. Multiple regression methods using SPSS 20 software for Windows was used for this study. The results of this study show that two of the five hypotheses are accepted. Hypothesis 2 and 5, namely flight schedules and online services, has a significant effect on customer satisfaction because the significance value is less than 0.05. Meanwhile, tangible features, services provided by ground staffs, and flight attendants do not have a significant effect on customer satisfaction.

**Keywords:** service quality, customer satisfaction, low cost carriers.

## 1 INTRODUCTION

Greater competition in business and the increasing economic globalization require companies to determine management processes or methods that can help companies produce better results (Stock et al. 2000; Bañón & Sanchez 2002; Norek et al. 2007 in Mansidao & Coelho 2014). Almost all business organizations compete in providing products or services to customers, but according to Patel (2016), only a few organizations are able to provide services that can attract customers to come back, while the rest is only lip service. In fact, every customer is actually eligible to get exactly what the company has promised (Crosby in Patel 2016:2).

Service quality can also be found in public transportation, ranging from land transportation such as city buses, taxis, and trains to air transportation such as airplanes (Gryna et al. 2007:439). In island countries like Indonesia, the most effective type of transportation to connect between islands is air transportation. Data also shows that the number of air transport passengers tends to increase every year,

especially domestic flights, which shows an increase in public enthusiasm for air transportation (Azmarani 2016).

Airlines in Indonesia offer several different types of flight services, namely full service, medium service, and Low-Cost Carriers (LCC). In contrast to full service, LCC airlines, also known as budget or no-frills airlines, are airlines that offer low-cost services to their customers, with the consequent of reduction or elimination of some services. According to Ministry of Transportation Regulation No. 26 of 2010 article 5 paragraph (2), flight tariffs are charged according to their services, for example 100% of the maximum tariff rates are charged for full service-based airlines, 90% of the maximum tariff rates are charged for medium service-based airlines, and 85% of the maximum tariff rates are charged for LCC.

Research by Eng et al. (2012) titled "A Study of Customer Satisfaction Towards Service Quality in Air Asia in Malaysia" tested Air Asia's customer satisfaction for several service quality dimensions,

namely tangible features, flight schedules, services provided by ground staffs, services provided by flight attendants, online services, and food services. The study focused on the LCC specifically on Air Asia airline.

In Indonesia, airlines included in the category of LCC are Air Asia, Lion Air, Wings Air (a subsidiary of Lion Air), and Citilink. The airlines are quite contributing to aviation services in Indonesia where this can be seen by the increasing number of routes by the LCC category so that service quality on the satisfaction of the LCC service users in Indonesia needs to be examined.

## 2 RESEARCH METHODS

The target age of respondents who are considered able to answer the questionnaire well is the age of 18 years and above with minimum education level of high school or equivalent. The sample in this study used non-probability sampling because the population studied was not identified in number. The sample size used in this research was minimum 150 people. These numbers using the concept proposed by Hair et al. (2010: 176) as a reference that says the sample size for multiple regression research is minimum 50 and the more will give better results. Data processing in this study used ANOVA, t-test, and multiple regression. The hypotheses to be tested in this study were the followings:

Hypothesis 1: Tangible features have a positive effect on customer satisfaction of LCC.

Hypothesis 2: Flight schedules have a positive effect on customer satisfaction of LCC.

Hypothesis 3: Services provided by ground staffs have a positive effect on customer satisfaction of LCC.

Hypothesis 4: Services provided by flight attendants have a positive effect on customer satisfaction of LCC.

Hypothesis 5 : It is expected that online service has a positive effect on customer satisfaction of LCC.

## 3 DISCUSSIONS

The initial stage of the study conducted data collection of 30 samples then tested the validity and reliability. The results obtained are statements for all dimensions of destination attributes and destination images are considered valid because the loading factor value is greater than 0.5. The reliability testing can be said to be reliable because all Cronbach's al-

pha values are greater than 0.6. Then proceeded to distribute the questionnaire to reach 150 samples.

The majority of respondents in this study (51.66%) were 21-30 years old with the education level of high school (79.47%). Most respondents earn Rp. 3,000,000 to Rp. 10,000,000 and travel for personal purposes (92,05%). Lion Air was the most favorite LCC for the respondents (50.99%) with flight frequency in the last 1 year was 2-5 times (79.47%).

Descriptive research results for each service quality dimension are indicated by the mean and standard deviation as shown in Table 1 to 7.

Table 1. Mean and Standard Deviation of Tangible Features

No.	Statements	Mean	St. Dev
TF1	The airline has new airplanes	3.62	0.737
TF2	The AC in the airplanes were comfortable	4.15	0.661
TF3	The seats in the airplanes were comfy	3.83	0.691
TF4	The airline has good in-flight environment quality	3.90	0.690
TF5	The airline has good facilities at the airport	3.83	0.734
Total		3.87	0.722

Source: Research data, processed

Table 2. Mean and Standard Deviation of Flight Schedules

No.	Statements	Mean	St. Dev
FS1	Flight schedule of the airline was convenient.	3.93	0.775
FS2	Departure time of the airline was on-schedule	3.87	0.745
FS3	The airline arrived on-schedule	3.79	0.805
FS4	The flight schedule was not canceled	4.16	0.767
FS5	The airline provided compensation for delayed flights	3.76	0.755
FS6	Flight schedules were well-informed	3.74	0.744
FS7	Flight schedules were very reliable	3.59	0.705
FS8	My expectations were high receive compensation if I encountered a long delay	4.12	0.783
Total		3.87	0.779

Source: Research data, processed

Table 3. Mean and Standard Deviation of Services by Ground Staffs (GSs)

No.	Statements	Mean	St. Dev
GS1	GSs were well dressed	4.26	0.597
GS2	GSs were easy to contact	3.91	0.711
GS3	GSs showed a sincere intention to help	3.83	0.691
GS4	GSs had a willingness to help	4.05	0.558
GS5	GSs were never too busy to help	3.75	0.683
GS6	GSs showed a friendly attitude	4.05	0.671
GS7	GSs could answer questions well	4.07	0.664
Total		3.989	0.673

Source: Research data, processed

Table 4. Mean and Standard Deviation of Services by Flight Attendants (FAs)

No.	Statements	Mean	St. Dev
FA1	FAs were well dressed	4.50	0.552
FA2	FAs were easy to contact	4.26	0.680
FA3	FAs showed a sincere intention to help	4.12	0.673
FA4	FAs had a willingness to help	4.21	0.659
FA5	FAs were never too busy to help	4.05	0.641
FA6	FAs showed a friendly attitude	4.38	0.609
FA7	FAs could answer questions well	4.28	0.634
Total		4.257	0.650

Source: Research data, processed

Table 5. Mean and Standard Deviation of Online Service (OS)

No.	Statements	Mean	St. Dev
OS1	OS was easy to choose route	4.52	0.576
OS2	OS is easy to choose date and flight time	4.49	0.631
OS3	OS has a fast process to the result page	4.36	0.678
OS4	Information on the results page was very clear	4.34	0.712
OS5	Flight information on the OS was accurate and up-to-date	4.28	0.715
Total		4.398	0.669

Source: Research data, processed

The highest perception is the Online Service dimension with an average value of 4.398, which indicates that respondents can easily obtain flight information via online.

Table 6. Mean and Standard Deviation Customer Satisfaction

No.	Statements	Mean	St. Dev
CS1	The airline offered a reasonable price	4.16	0.694
CS2	I was satisfied with the airline services	3.83	0.678
CS3	My choice to use the airline was wise one	4.01	0.693
CS4	My choice to use the airline was correct	3.99	0.688
Total		3.998	0.696

Source: research data, processed

Table 7. Multiple Regression Analysis of Service Quality on Customer Satisfaction of LCC

Service Quality Dimension	Customer Satisfaction		
	$\beta$	t	sig
Tangible Features	0.079	0.995	0.322
Flight Schedules	0.265	30.111	0.002
Ground Staffs	0.161	10.648	0.101
Flight Attendants	0.012	0.116	0.908
Online Service	0.195	2.534	0.012
R <sup>2</sup>	0.506		
F	9.960		
Sig.	0.000		

Hypothesis test results on 5 hypotheses show that only 2 hypotheses show a significant positive effect. Hypothesis 2 shows that there is a positive effect of

flight schedule on customer satisfaction with a regression coefficient of 0.265. The results of this study are supported by the theory uttered by Gunawan (2014: 119) that flight schedule is one of the things that need to be considered in the quality of air transportation services because this will affect the perception of passengers and the image of the airlines. In addition, the Soelasih (2014) study also shows that the most important factor in air transportation, other than safety, is the timeliness and the factor that causes passengers will not fly the same airline again is inaccuracy or delay.

While Hypothesis 5 is proven to have a positive effect of online service on customer satisfaction with a regression coefficient of 0.195. This result is supported by Cox & Dale (2001) who found that the use of online-based services will have an impact on customer satisfaction. The results of this study are also supported by the research of Eng et al. (2012) which also states that online services have a significant effect on Air Asia Malaysia customer satisfaction variables. Online service is said to be one of the things that can reduce prices or save costs, as well as many other conveniences such as avoiding the queue and the number of reward options for passengers through online services (Belobaba et al. 2009).

The dimensions of Tangible Features, Services by Ground Staffs, and Flight Attendants have proven to have no effect on customer satisfaction of LCC in Indonesia. However, the overall regression model test shows a significant regression model which can be seen from the F value of 9.960 with the significance value of 0.00 which is below alpha 5%.

## 4 CONCLUSION

The results of the study on the effect of service quality on customer satisfaction of LCC service users in Indonesia show that there is a significant effect. The more positive perception of quality service of LCC will make the airline users more satisfied. Tests conducted on the 5 dimensions of service quality show that the dimensions of Flight Schedule and Online Service have a positive effect on customer satisfaction, while the Tangible Features, Ground Staffs, and Flight Attendants dimensions have not been proven to influence Customer Satisfaction.

The recommendation for future research is the inclusion of other factors such as price, and services provided by pilots, insurance, safety, and experience. Other research can also be done on airlines that are not the LCC category.

## REFERENCES

- Azmarani, A. W. 2016. Analisis Kualitas Pelayanan Maskapai Penerbangan Low Cost Carrier. *Kebijakan dan Manajemen Publik* (4)3.
- Belobaba, P., A. Odoni & C. Barnhart. 2009. *The Global Air-line Industry*. Wiley Publication.
- Cox, J. & Dale, B. J. 2001. Service quality and e-commerce: an exploratory analysis. *Managing Service Quality* 11(2): 121-131
- Eng A.J., Lee S.C., Tan P.P & Yeoh C.Y. 2012. *A Study of Customer Satisfaction Towards Service Quality in AirAsia Malaysia*. Universiti Tunku Abdul Rahman
- Gryna, F. M., R.C.H. Chua & J.A. Defeo. 2007. *Juran's Quality Planning and Analysis 5th edition*. McGraw Hill
- Gunawan, H. 2014. *Pengantar Transportasi dan Logisti*. Rajawali Pers
- Hair, J.F. JR., Anderson, R.E, Tatham, R.L.& Black, W.C. 2006. *Multivariate Data Analysis 6th*. New Jersey, Pearson Educational, Inc
- Mansidao, R. & L.A.G. Coelho. 2014. Logistics Performance: a Theoretical Conceptual Model for Small and Medium Enterprises. *Working Paper*, Evora University.
- Patel, S. 2016. *The Global Quality Management System*. Florida: CRC Press
- Soelasih, Y. 2012. *Pengaruh Kualitas Pelayanan dan Kewajaran Tarif terhadap Nilai Konsumen Serta Retensi Pelanggan untuk Penerbangan Domestik Niaga Full Services di Indonesia*. Skripsi Unpublished. Yogyakarta: Universitas Katolik Atma Jaya

Series: **Advances in Social Science, Education and Humanities Research**

## Proceedings of the 16th International Symposium on Management (INSYMA 2019)

---

### Effect of service quality on the satisfaction of low-cost carrier service users in Indonesia

#### Authors

Winnny Handayani, Fitri Novika Widjaja, Veny Megawati

#### Corresponding Author

Fitri Novika Widjaja

Available Online March 2019.

#### DOI

<https://doi.org/10.2991/insyma-19.2019.52> [How to use a DOI?](#)

#### Keywords


service quality, customer satisfaction, low cost carriers

#### Abstract

This study aims to reveal the effect of service quality on the satisfaction of Low-Cost Carrier (LCC) service users in Indonesia. The purpose of this study is to determine the effect of service quality through tangible features, flight schedules, service provided by ground staffs, service provided by flight attendants, and online services on LCC service users. This study is causal research and was conducted using 150 respondents who are Air Asia, Citilink, and Lion Air flight service users. Multiple regression methods using SPSS 20 software for Windows was used for this study. The results of this study show that two of the five hypotheses are accepted. Hypothesis 2 and 5, namely flight schedules and online services, has a significant effect on customer satisfaction because the significance value is less than 0.05. Meanwhile, tangible features, services provided by ground staffs, and flight attendants do not have a significant effect on customer satisfaction.

#### Open Access

This is an open access article distributed under the [CC BY-NC license](#).

 [Download article \(PDF\)](#)

<b>Proceedings</b>	16th International Symposium on Management (INSYMA 2019)
<b>Part of series</b>	Advances in Social Science, Education and Humanities Research
<b>Publication Date</b>	March 2019
<b>ISBN</b>	978-94-6252-694-5
<b>ISSN</b>	2352-5398
<b>DOI</b>	<a href="https://doi.org/10.2991/insyma-19.2019.52">https://doi.org/10.2991/insyma-19.2019.52</a> <a href="#">How to use a DOI?</a>
<b>Open Access</b>	This is an open access article distributed under the <a href="#">CC BY-NC license</a> .



## Proceedings of the 16th International Symposium on Management (INSYMA 2019)

---

Effect of Service Quality on The Satisfaction of Low-Cost Carrier Servi

[+ Advanced search](#)

SEARCH

55 articles

---

### The effect of gastronomy and destination attractiveness on satisfaction and behavior intention in traditional cuisines in Yogyakarta

Siti Rahayu

The study aims to provide an integrated model to explain the effect of gastronomy and destination attractiveness on tourist behavior. The survey was conducted in Yogyakarta with the target of domestic tourist respondents. Analysis of Structural Equation Modeling (SEM) was used to test the hypothesis...

[Article details](#)

[Download article \(PDF\)](#)

---

### Digital disruption in print media: challenges of convergence and business models

Freddy Mutiara, Ambang Priyonggo

Disruption in information technology has caused newspapers experiencing a significant decline in revenue in terms of the number of customers and advertising. However, the efforts of print media companies in Indonesia to expand their customer base and revenue by expanding into online media platforms have...

[Article details](#)

[Download article \(PDF\)](#)

---

### Effect of service quality on the satisfaction of low-cost carrier service users in Indonesia

Winnie Handayani, Fitri Novika Widjaja, Veny Megawati

This study aims to reveal the effect of service quality on the satisfaction of Low-Cost Carrier (LCC) service users in Indonesia. The purpose of this study is to determine the effect of service quality through tangible features, flight schedules, service provided by ground staffs, service provided by...

[➤ Article details](#)

[➤ Download article \(PDF\)](#)

---

### Succession role of indigenous and non-indigenous family business in Indonesia to achieve business sustainability

Sofi Hidayah

This study aims to conduct a deeper study of the succession stages that occur in the family business through the stage of pre-succession (introduction/initiation) and the stage of the succession process (integration and involvement in management) to see how the succession of family business is able to...

[➤ Article details](#)

[➤ Download article \(PDF\)](#)

---

### The influence of perceived price, perceived quality, brand image, and store image on the purchase intention of Hypermart private label

M. Dwiki Ramadhan, Muchsin Muthohar

Private label is well known as one of the strategies to expand the market as well as strengthen brand image and store image within stiff competition of retail business. Due to its lower price, the private label could harm perceived quality and affect customer purchase intention. This study aims to examine...

[➤ Article details](#)

[➤ Download article \(PDF\)](#)

---