



Analysis of The Impact of Service Quality on Lion Air Customer's Repurchase Intention

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Abstract. The decline in ticket purchases from Lion Air can be attributed to perceived shortcomings in the airline's service quality. The primary objective of this research is to empirically ascertain the impact of service quality on customers repurchase intentions. This study utilizes a descriptive and verificative research methodology, focusing on passengers who have previously traveled with Lion Air. The research population comprises all Lion Air customers, and a sample size of 50 respondents was selected for data collection. The sampling method employed was convenience sampling. The statistical analysis utilized for this investigation is Structural Equation Modeling-Partial Least Squares (SEM-PLS). The findings of this research unequivocally demonstrate a statistically significant relationship between service quality and repurchase intention. This substantiates the critical importance of enhancing service quality as a means to foster increased repurchase intentions among Lion Air passengers. Therefore, in order to bolster customer loyalty and secure a competitive edge in the market, it is imperative for Lion Air to institute measures aimed at elevating the quality of services provided to its clientele. This study underscores the indispensable role that service quality plays in shaping passengers' intentions to repurchase, highlighting its strategic significance for the airline's sustainability and growth.

Keywords: Customers Lion Air, Repurchase Intention, Service Quality, Tickets.

1 Introduction

The aviation industry in Indonesia is experiencing rapid growth due to the high demand for air transportation services, particularly due to the increasing consumptive lifestyle of the populace. However, the competition in this industry is becoming increasingly intense, necessitating companies to concentrate on creating a positive impression for their customers by providing good service quality, including meeting customer needs and satisfying expectations. Several leading brands, such as Lion Air, AirAsia, Batik Air, City Link, and Garuda Indonesia, are competing for a growing market share. Despite being one of the largest airlines in Indonesia, Lion Air has faced numerous challenges in maintaining its brand reputation. The company has experienced several significant incidents, including a tragic crash in 2018 that resulted in the loss of

all passengers and crew on board. These incidents have raised concerns and anxieties among consumers and passengers regarding the safety and service quality of Lion Air. As a result, the trust in the Lion Air brand has been significantly disrupted, reflected in its position as the lowest-ranked airline in the air transportation industry according to the 2023 Top Brand Award[1]. Lion Air's ranking, which is poor, can be attributed to several factors, including consumer confidence. The airline's performance in terms of punctuality has been suboptimal, with an on-time arrival rate of only 42.27%. Furthermore, Lion Air has experienced a high cancellation rate of 34.43%, which indicates a significant number of flights being cancelled over the past year. These statistics further diminish consumer trust and confidence in Lion Air as a dependable airline.

A good service quality can influence the repurchase intention of customers [2] and increase the profitability of companies [3] and foster sustainable customer loyalty, which can help businesses achieve growth and sustainable competitive advantage [4]. Repurchase intention has been a widely researched topic across various industries, including fashion [5], aviation [6,7], tourism [8], cosmetics [9], and smartphones [10]. The results of these studies indicate that repurchase intention remains a prevalent issue among customers. As such, this research topic is of interest to examine. However, this study differs from previous research in that it focuses on the aviation industry after the COVID-19 pandemic, where customers still have concerns about health protocol standards. Moreover, the current recession conditions further complicate customer decisions to make repeat purchases. Thus, this research holds significance in exploring the factors that influence repurchase intention during the pandemic and recession, which can provide valuable insights into consumer behavior during a crisis. Therefore, this study aims to analyze the effect of service quality on repurchase intention with Lion Air's customer analysis unit using descriptive and verification methods.

1.1 Repurchase Intention

Repurchase intention is a manifestation of loyal consumer behavior, reflecting the willingness of consumers to repeatedly buy a product or service offered by a company [11]. This is of utmost importance for companies in the long term, as gaining customer loyalty can lead to business growth and a sustainable competitive advantage. It also refers to an individual's desire or intention to repurchase products or services from a particular brand or company. This intention is formed based on various factors such as product quality, price, promotion, and services provided by the company. A high level of repurchase intention among consumers is indicative of a high level of satisfaction, and is often a decision made by those who have previously purchased a product [12]. Repurchase intention can be influenced by various factors, including Transaction interest, Referential interest, Preferential interest, and Explorative interest [13]. By understanding these factors, companies can better comprehend what drives consumer behavior and make informed decisions to foster customer loyalty and secure a competitive advantage in the market.

1.2 Service Quality

In general, service quality can be interpreted as a concept used to measure the extent to which a company or organization's performance in providing services can meet or even

exceed consumer expectations [14]. The implementation of good service quality affects repurchase intentions. The low service quality provided by the company to customers can lead to low repurchase intention, so an appropriate strategy is needed to rebuild consumer trust and create loyal customers, which will increase the likelihood of repurchase intention [2] Service quality can be formed through Reliability, Responsiveness, Assurance, Empathy, and Tangibility[15].

1.3 Framework

Repurchase intention can be shaped by transactional, referential, preferential, and explorative interests [13]. Service quality is derived from Reliability, Responsiveness, Assurance, Empathy, and Tangibility [15]. Hence, the hypothesis of this study is

H₁: Digital customer experience influences online repurchase intention.

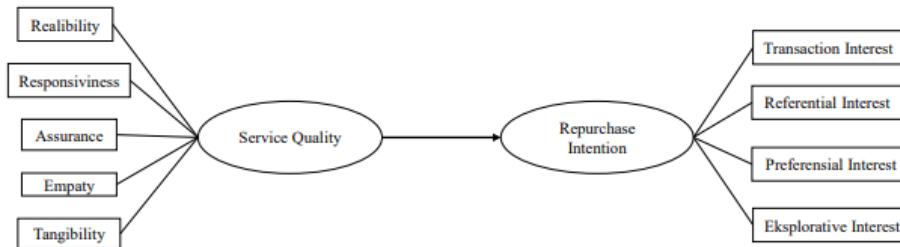


Fig. 1. Research Paradigm

2 Methods

The research methodology employed in this study combines descriptive and verification research approaches, with the target population consisting of followers of Lion Air's Instagram account, which boasts a substantial following of 333,000 individuals. A sample size of 200 respondents was selected for the study. Convenience sampling, a form of non-probability sampling, was utilized to gather the data. Data collection was facilitated using the explanatory survey method, employing questionnaires to elicit the perspectives and opinions of the study's population. This research was conducted over a period spanning from February to August 2023.

3 Result and Discussion

The analysis in this study was conducted using Smart PLS 4.0 software to perform SEM-PLS analysis. During the evaluation of the outer model, the focus was on assessing construct validity and instrument reliability. Convergent validity was evaluated by ensuring that factor loadings exceeded 0.7, the Average Variance Extracted (AVE) was greater than 0.5, and commonality scores were above 0.5. To establish discriminant validity, the study verified that the AVE exceeded the squared correlations between variables or that outer loadings were higher than 0.7 within a single variable. This rigorous approach was adopted to guarantee the measurement model's reliability and its

capacity to differentiate between constructs, thereby enhancing the overall credibility of the study [16]. **Fig. 2** displays the results of the outer loading validity test.

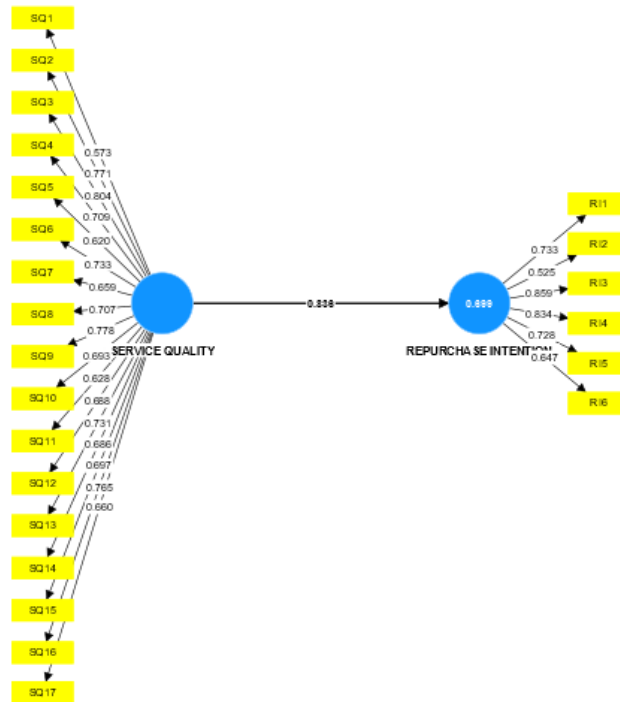


Fig. 2. Structural Model

The findings of the study reveal that the structural model comprises one exogenous variable and one endogenous variable, along with their corresponding outer loading values, which are detailed in **Table 1**. Furthermore, **Table 1** provides the Average Variance Extracted (AVE) values. The study's outer model also addresses instrument reliability, which pertains to the consistency, accuracy, and precision of measurement [17]. To evaluate reliability, two methods were employed: Cronbach's alpha and composite reliability. The study adhered to the guideline of achieving values greater than 0.7, although some tolerance was allowed for values as low as 0.6. The reliability assessment, as per the established criteria, was satisfactorily met, and the results of Cronbach's alpha and composite reliability can be found in **Table 1**

Table 1. Construct Reliability

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Service quality	0.935	0.937	0.494
Repurchase intention	0.829	0.877	0.533

In this study, the inner model employs the R2 value to assess the extent of variation in the dependent variable explained by the independent variables. While the R2 value is not an absolute parameter, it serves as a measure of the predictive model's accuracy. A higher R2 value indicates a more effective prediction model. The initial step in testing the structural model involves examining the R-square value, which serves as a measure of model fit. The table below presents the R-square values obtained from this study.

Table 2. R-Square

	R-square	Adjusted R-square
Repurchase intention	0.699	0.693

Referring to **Table 2**, it is evident that the variable "repurchase intention" can be attributed to the influence of service quality, accounting for 69.9% of the variance, while the remaining 30.1% can be attributed to unaccounted variables not addressed within the scope of this study. Subsequently, hypothesis testing, conducted through bootstrapping, produced results as presented in **Table 3**.

Table 3. Result of Hypotesis

	Original Sample (O)	T (O/STEDEV)	Statistics P Values
Service quality \square Re-purchase intention	0.836	19.058	0.000

The results of evaluating the path coefficient within the inner model of this study are presented in **Table 3**, aligning with the initially posited hypotheses. In particular, the coefficient value for service quality is 0.836. When scrutinized in the context of T Statistics, it records a value of 19.058, and the corresponding P Values are notably low, standing at 0.000.

3.1 Discussion

With a T Statistics value exceeding 1.98 and P Values less than 0.05, it becomes evident that service quality exerts a positive and statistically significant impact on repurchase intention. Therefore, Hypothesis 1 (H_1) of this study is substantiated and accepted. This finding aligns with prior research conducted by various scholars [6,18–21].

These results demonstrate a significant effect, which is consistent with research carried out by C. Law et al. (2022) [6] and L. Chen et al. (2019) [7], indicating that service quality dimensions such as reliability, responsiveness, assurance, empathy, and tangibility significantly influence repurchase intention. Additionally, research by Lestari et al. (2019) reveals that service quality positively affects repurchase intention, primarily through reliability and responsiveness [15,22].

4 Conclusion

In conclusion, this study establishes that service quality significantly impacts repurchase intention concerning Lion Air airlines. Specifically, providing friendly, responsive, efficient, and consistent service quality can enhance customer satisfaction and foster trust, thereby influencing customers' inclination to select Lion Air for future travel. Given these findings, Lion Air is advised to prioritize the enhancement of its overall service quality. This entails the development of employee skills, the implementation of efficient and responsive procedures, and the maintenance of consistency in service quality across diverse customer interactions. Furthermore, companies should also cultivate strong relationships with customers through loyalty programs, open communication, and transparency.

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