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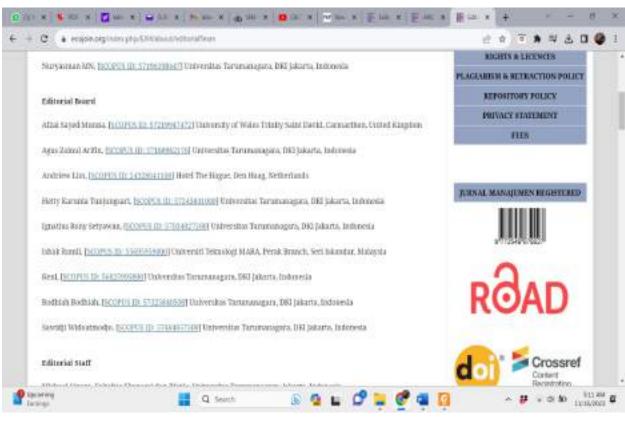
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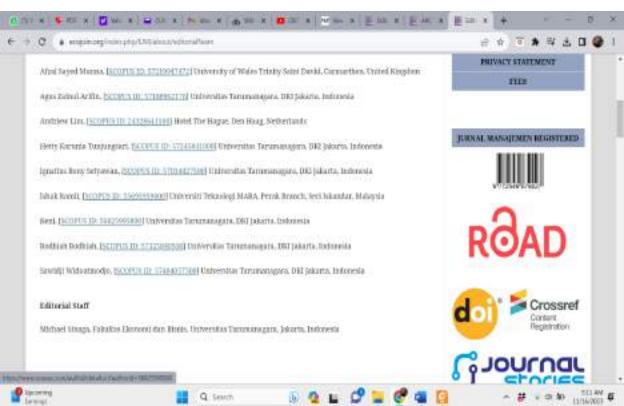




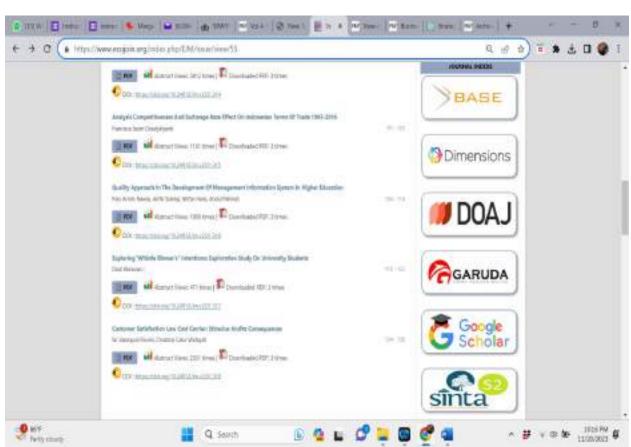


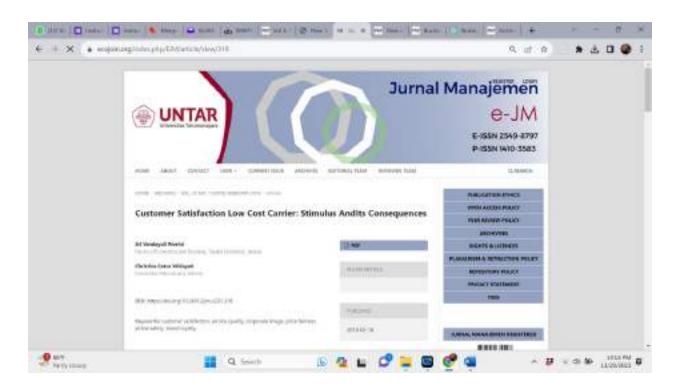


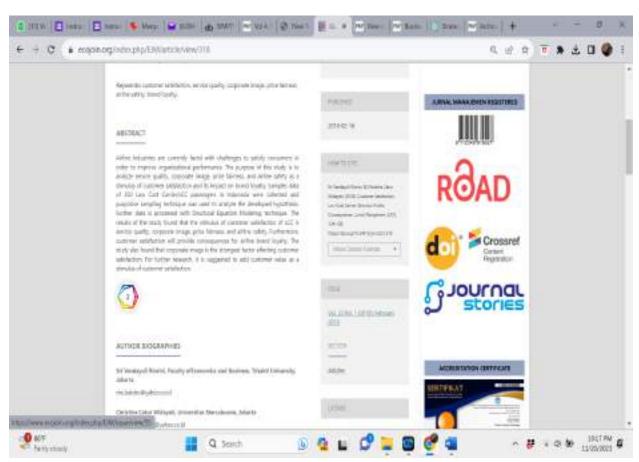












### **Customer Satisfaction Low Cost Carrier: Stimulus And Its Consequences**

#### Sri Vandayuli Riorini and Christina Catur Widayati

Faculty of Economics and Business, Trisakti University, Jakarta, Indonesia and Universitas Mercubuana, Jakarta, Indonesia corresponding author: rini\_keloko@yahoo.co.id and christinewijaya73@yahoo.co.id

Abstract: Airline industries are currently faced with challenges to satisfy consumers in order to improve organizational performance. The purpose of this study is to analyze service quality, corporate image, price fairness, and airline safety as a stimulus of customer satisfaction and its impact on brand loyalty. Samples data of 350 Low Cost Carrier/LCC passengers in Indonesia were collected and purposive sampling technique was used to analyze the developed hypothesis. Further data is processed with Structural Equation Modeling technique. The results of the study found that the stimulus of customer satisfaction of LCC is service quality, corporate image, price fairness, and airline safety. Furthermore, customer satisfaction will provide consequences for airline brand loyalty. The study also found that corporate image is the strongest factor affecting customer satisfaction. For further research, it is suggested to add customer value as a stimulus of customer satisfaction.

**Key words:** customer satisfaction, service quality, corporate image, price fairness, airline safety, brand loyalty.

#### INTRODUCTION

Each country requires a means of transportation to facilitate the movement of people and goods into and out of the country that will provide added value in the form of time efficiency and speed better than other transportation modes. Air transportation also contributes in strengthening the political, economic, social and cultural life as well as security and defense of a country. In the economy field, air transport, in particular contributes to the government in the fulfillment of employment for the community, which is a direct result (the creation of industrial employment from the air transport itself) or indirectly (multiplier effect of the increase of incoming tourists hence opening employment for aircraft maintenance, travel and hospitality) (https://www.kompasiana.com). From 2010 to 2015, the airline industry could generate a net profit of USD \$59.2 billions (IATA, 2016).

McKinsey consultancy review in 2014 said that globally (both in Europe, Latin America and Asia), the development of the aviation world have grown rapidly, but the market is starting to specialize, such as the Low Cost Carrier / LCC specialization. LCC airlines are increasingly becoming a major lead in the global comfort of flight (such as additional food reservations, or ticket booking altogether with hotel and tour) (http://industri.bisnis.com).

In Indonesia, LCC is growing rapidly, where since 2012 until 2016 there was a continuous growth in the number of flights and passengers using the LCC both domestic and foreign

routes. By 2016, there was an increment of 207.7% of LCC number (Indonesian Ministry of Transportation, 2017) and 47.75% of LCC passengers (Statistics of Indonesian Transportation, 2017). The growth of LCC is driven by the advantages offered to both companies and consumers. For the company, LCC makes the company more efficient, as it can diminish the average flight load and accelerate the demand among all flights. As for consumers, LCC can make consumers enjoy a significant ticket prices reduction. In addition, LCC growth is also driven by the government by exempting bilateral aviation anticipate agreements to build up new airports to increasing (http://www.datacon.co.id).

Although the LCC is growing annually, there are many complaints from LCC passengers that are triggered by service failure. Bamford and Xystouri (2005) claimed that service failures can occur in the aviation industry, such as flight cancelation, flight diversion, flight delay, flight strike, and negative passenger attitudes. Ministry of Transportation (2017), noted that the average delayed LCC in Indonesia since 2012 to 2016 was 26%, or in other words the average of merely 76% of LCC in Indonesia are on time. The result of research by the British air travel analyst agency, namely OAG in 2017, Hawaiian Airlines, airline from the United States is the most timely airline in the world that has an on-time performance of 89.96% during 2016 (https://www.kompas.com). The high percentage of delayed aircraft each year is threatening because this can impact customer satisfaction. This is reinforced by the study of Oliveiraa et al., (2012), who found that the service delays of internal and external departure had an effect on the low customer satisfaction. The customer's negative perception of service failure can have an impact on the shifting of customers to other tariff-type airlines (Sreenivasulu et al., 2014). Many companies today focus on strategies to improve customer satisfaction, because customer satisfaction is a method to achieve the company's strategic objectives namely customer retention (Jones and Sasser, 1995), where satisfied customers will tend to purchase the same product (Reichheld, 1996). In addition, customer satisfaction will directly affect the increment of corporate profits (Awan and Rehman, 2014), which in turn can improve company performance (Martensen et al., 2000). Therefore, every company must be able to cope with customer satisfaction to accomplish company goals.

In managing customer satisfaction, it is essential to identify the stimulus and consequence of customer satisfaction. Customer satisfaction has a substantial impact toward the brand loyalty (Hussain, 2016). Companies that can set up brand loyalty will be able to maintain their forthcoming business as it can hamper their customer move and generate positive word of mouth about their brand from customers, increased repurchase intentions, cross-buying, and reduced price sensitivity (Chung and Park, 2015). In addition, devoted consumers to the company's brand will express a positive feeling, bring about more frequent purchases, and utilize the same brand over a long period of time (Kocoglu *et al.*, 2015).

Furthermore, Hussain (2016) found that exceptional service quality and trustworthy corporate image is an inducement of customer satisfaction. Parasuraman *et al.*, (1991) argued that the most effective means to guarantee that a company's offerings are uniquely positioned in a market filled with "lookalike" competitive offerings is to provide outstanding quality service in the industry. Service quality has turned out to be a major area of consideration to practitioners, managers and researchers due to its solid impact on business performance, cost reduction, Return on Investment (ROI), customer satisfaction, customer loyalty and higher profit gain (Baker, 2013).

Furthermore, corporate image facilitates consumers to obtain a better understanding of the products offered by specific corporations and further mitigate their unpredictability while executing buying decisions (Long-Yi and Ching-Yuh, 2010), and they mentioned that corporate image plays important role to build up the trust of customers. A positive corporate image is not only rising the competition but also urging consumers to repurchase (Tu *et al.*, 2013). The underlying reason using corporate image is its direct and indirect strong impact that builds customer satisfaction and further trust to customers to convey positive sight about the company (Sallam, 2015).

The performed study added price fairness (Herrmann *et al.*, 2007) and airline safety as a trigger to customer satisfaction. Despite the fact that quality and customer satisfaction is composed of multiple attributes, the price as an influence on customer satisfaction has gained minimal attention (Gielissen *et al.*, 2008). For many types of organisations, to identify when people perceive prices and price changes to be fair is very crucial (Gielissen *et al.*, 2008). It is very crucial to recognize when perceived prices and price changes to be reasonable or unreasonable either for non-profit organizations or commercial organisations. Experimental research has shown that concerns about rationality influence the agents preferred behaviour (Rabin, 1998). Judgments of unreasonableness direct to customer dissatisfaction (Oliver and Swan, 1989). It may also direct people to criticize or question for a refund (Xia *et al.*, 2010). In more intense cases, people might even attempt to take revenge by not coming back, by spreading negative word-of-mouth or even by taking aggressive action (Bougie *et al.*, 2003). Research by Kahneman *et al.*, (1986) indicated that in some circumstances, people are even willing to disadvantage themselves in order to rebuke a seller that is perceived to be acting unreasonable.

Safety plays important factor in airline. However, although safety plays an important role in air transportation, there is little study of this in operation literature (McFadden and Hosmane, 2001). Eventhough an airline transport has a trustworthy safety record, public perception often concentrate excessively on accidents (Liou *et al.*, 2007), since airline safety is pertinent to human life (Graaff, 2001). Maintaining a safety record is vital to the aviation industry. As well as the immediate negative impacts involved, accidents can also have a long-term negative impact on the business of the organisations (https://qualifications.pearson.com). Company should be made aware of that avoiding accidents, due to all the negativeimpacts which could deteriorate the heart of the industry (Gill and Shergill, 2014).

#### **REVIEW OF LITERATURE**

Customer satisfaction. Customer satisfaction is the most important factor considered in the marketing literature (McQuitty et al., 2000), since customer satisfaction is an initial concept for understanding how consumers take action in purchases (Aburoub et al., 2011) and how companies can generate long-term profitability (York et al., 2009). Satisfaction is the reaction of consumers evaluation after purchase (Oliver, 1997) based on their experience (Joewono and Kubota, 2007). In evaluating the purchases, consumers combine emotions and their understanding of attributes to determine their satisfaction or dissatisfaction (Khan et al., 2012). There are three outcomes from the results of consumer evaluation (Cadotte et al., 1987), namely: (a) neutral feelings - when performance matches standards, (b) satisfaction - when performance is considered better than standard, and (c) dissatisfaction - is considered worse than standard.

Service quality toward Customer satisfaction. In the era of competition, service quality is a concern in many companies, both public and private sector (Zahari et al., 2008), as a tool to compete in service industries (Baker, 2013). The challenge of today's service industry is how every service company delivers excellence service quality and high customer satisfaction from its competitors (Hung et al., 2003). Researchers provide a variety of service quality definitions, but all definitions portray service quality based on consumer perspective which is the result of consumer assessment of the company's services delivered constantly, whether it has conformed or in accordance with consumer expectations (Hanaysha et al., 2014).

Service quality airline service quality is dissimilar with that of other industries, where airline service emphasizes tangible and intangible attributes (Park *et al.*, 2005). Consumers will gain distinctive intangible experiences derived from services delivered during pre-flight, in-flight, and post-flight service in aircraft (Hussain, 2016). The experience gained from consuming services will have a positive influence on customer satisfaction (Wijaithammarit and Taechamaneestit, 2012).

In the context of aviation, passenger perceptions of service quality are important predictors of airline customer satisfaction. Some researchers in their study discovered a positive effect of service quality on customer satisfaction in airline industry in various countries, such as in South Korea (Park *et al.*, 2004), Australia (Park *et al.*, 2005), Uganda (Namukasa, 2013), America (Baker, 2013), Nigeria (Geraldine and David, 2013), and United Arab Emirates (Hussain, 2016). Based on the theory and previous research, the hypothesis to be tested in this study is as follows:

H<sub>1</sub>: There is a positive effect of service quality toward customer satisfaction

Corporate image toward Customer satisfaction. Corporate image is an important factor for every service business, since it is the overall impression of the consumer evaluation process toward the overall service provider (Giovanis et al., 2014). Corporate image is the overall impression left behind and stored in the minds of consumers and this results from accumulative feelings, ideas, attitudes and experiences with the organization or business entity (Gray, 1986). The image is derived from the perspective of the consumer through the description, remembrance and associate thoughts, beliefs, feelings about things, and impressions derived from interactions with people and consumer memories from previous consuming experiences (MacInnis and Price, 1987).

Consumers who make purchases from companies with good corporate image (corporate name, corporate building, and product or service quality), can reduce the risk of their purchasing decisions, due to corporate image which provide consumers with knowledge of the products or services the company offers (Nguyen and Leblanc, 2001). When the risks that consumers must bear in purchasing a product or service are low, then consumers will feel satisfied. Research of Ghotbabadi *et al.*, (2016), on the passengers of Iranian Airlines in an International Airport found an affirmative effect of perceived risk toward customer satisfaction.

In many industries, empirically, the impact of image on satisfaction will ultimately affect loyalty as the ultimate goal of the company (Cameran *et al.*, 2010). However, the findings in the marketing literatures show diverse results regarding the effect of image on satisfaction hence require further validation (Palacio *et al.*, 2002). The strong and positive impact of corporate image on customer satisfaction in the aviation industry has been corroborated through several studies (Abd-El-Salam and Shawky, 2013; Cameran *et al.*, 2010). Hypothesis to be tested further in this research is:

H<sub>2</sub>: There is a positive effect of corporate image toward customer satisfaction

**Price fairness toward Customer satisfaction.** Price is the amount of money paid to obtain some benefits from a product. The price offered rationally, will generate perceptions of fairness onconsumer's minds (Xia et al., 2010). Price fairness is the buyer's assessment of the seller's price (Kimes, 2010), whether the price is tolerable or acceptable based on competitor price (Bolton et al., 2003) and previous price (Jin et al., 2012). Consumer perceptions of price fairness will provide various outcomes (Garbarino and Maxwell, 2010). Consumers who perceive the price paid fair will have an impact on satisfaction (Chapuis, 2012), and the higher intentions to repurchase (Oliver and Swan, 1989), as for the company can boost its sales (Campbell, 1999). At the time when consumers evaluate the value of the services they receive, they always consider about the price that will make them satisfied, where the cheaper they perceive the price, the lower should be their sacrifice to acquire the service (Anderson et al., 2007). Several studies in marketing literature, found that fair prices can generate customer satisfaction, as in the context of automobile purchases (Hermann et al., 2007), airline passengers (Martin-Consuegra et al., 2007), restaurant (Jin et al., 2012), in the tourism industry (Chapuis, 2012). Based on the literature review and previous studies, this study proposes:

H<sub>3</sub>: There is a positive effect of price fairness toward customer satisfaction

Airlines safety to Customer satisfaction. The demand for airline safety programs is higher (Liou et al., 2007), in line with the demand for air flights that are expected to raise by 5% annually over the next 20 years (Graaff, 2001). Perceived safety examines the level of users' safety. It also refers to the situation of being harmless and limitless from risk, wound or danger. Instead of that, perceived risk has been characterized by some of the researchers, as the opportunity of suffering the loss and turning out the feelings of anxiety, insecurity and inconvenience (Sweeney et al., 1999). Purchasing an airplane ticket and traveling on an airplane comprise diverse risks, such as psychological risk, financial risk and social risk (Cunningham et al., 2002). Perceived risk performs a significant role in the analysis of consumer behavior in air travel (International Air Transport Association, 2010). This research will have the emphasis on in-flight safety. Safety is influenced by many elements such as management, operations, maintenance, environment, aircraft design, and air traffic control (Liou et al., 2007). Several studies have found the influence of airline safety on satisfaction (Atalik and Ozel, 2007; Johnson et al., 2006; Climis, 2016). Based on the description above, the next hypothesis to be addressed in this research is:

H<sub>4</sub>: There is a positive influence of airline safety toward customer satisfaction

Customer satisfaction toward Brand loyalty. Brand loyalty is a short-term commitment of consumers to the brand to make repeat purchases (Abubakar, 2014). Consumers who consider the greater benefits after consuming a product from a company rather than other companies, will feel satisfied and less likely attempting to seek other alternatives brands (Bennett and Rundle-Thiele, 2004), tend to repurchase the products or services continually over the long term period, or in other words there is a huge possibility for changes in consumer behavior to become loyal (Sreenivasulu *et al.*, 2014), and willingness to recommend the brand to others (Szymanski and Henard 2001). Brand loyalty becomes a predictor or an important element to intensify a company's profit (Saeed *et al.*, 2013), as well as the achievement and sustainability of the company from

time to time (Thakur, 2014). Research has been conducted to identify that satisfied customers will demonstrate more loyal behavior in various service sector, namely on international retail service brand (Kuan-Yin *et al.*, 2007), restaurant service (Jin *et al.*, 2012), hotel industry (Al-Msallam, 2015), healthcare insurance industry (Wong *et al.*, 2014; Abdelfattah *et al.*, 2015), education (Rojas-Mendez *et al.*, 2009), and retail banking sector (Mohsan *et al.*, 2011; Ibojo and Asabi, 2015, Minh and Huu, 2016). Based on the theory and previous research, the hypothesis proposed in this study as follows:

H<sub>5</sub>: There is a positive influence of customer satisfaction toward brand loyalty

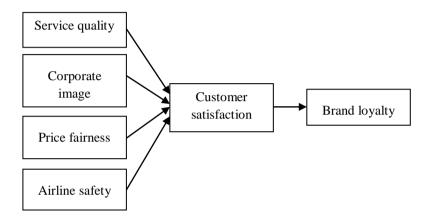


Figure 1. Conceptual Framework

#### **METHOD**

The research is aimed to test the hypothesis based on data obtained directly from the source. Data were collected by distributing questionnaires from samples of 350 passengers who had made flights with Low Cost Carrier / LCC in Indonesia at least once in the last year. Sampling using purposive sampling technique. The data was collected at the Sukarno-Hatta International Airport Domestic Terminal, Jakarta during July and August 2017.

The majority of respondents make flights using Citilink LCC 4 times a month, and minority use Air Asia once a month. By gender, the majority are male, aged 30-39, under graduate, private employee with income of Rp. 15.000.000,-/month. While minority of respondents are women less than 20 years old, diploma education, not working, and earn less than Rp. 5.000.000,-/month.

Prior to the data collection, pre-test of the research instrument to obtain valid and reliable measuring instrument was created. By using confirmatory factor analysis method, it can be viewed that all measuring instruments used to measure each variable of service quality, airline image, price fairness, airline safety, customer satisfaction, and brand loyalty have factor loading values from 0.679 up to 0.930, therefore it can be stated to be legitimate or valid (all items obtained statement factor value loading is > 0.6). Furthermore, by using internal consistency reliability method, it can be seen that all variables used are consistent or reliable, with Cronbach's coefficient alpha value from 0.664 to 0.877 (all Cronbach's coefficient alpha > 0.6). The data collected was then processed using the Structural

Equation Modeling / SEM technique with the help of the AMOS program. Before the proposed hypothesis is tested, it is necessary to meet the conformity requirements of the proposed model.

**Table 1.** Test Instrument Test Results

Construct/measurement	Factor loading	Cronbach's coefficient alpha
Airline image (adapted from Geraldine and David, 2013)		0.774
1. I always impress with this comfortable airline	0.693	
2. I trust that this airline image exceeds its competitors	0.820	
3. In my opinion, the passenger should have a good image about this airline	0.829	
Price fairness (adapted from Chapuis, 2012)		0.828
1 .I spend the appropriate price for my ticket	0.763	
2. The price charged for my ticket was reasonable	0.736	
Airline safety (adapted from Liou et al., 2007)		0.774
Management		0.793
1. Safety procedure of the airline is well-defined	0.874	
2. The management is highly committed to passenger safety	0.787	
3. Staff members obligate to passenger safety	0.804	
Operations		0.760
1. Proficiency level of flight crew	0.774	
2. Comformity with the aviation assignment procedures	0.802	
3. Pilots have a good safety awareness	0.679	
Maintenance		0.877
1. Comformity with maintenance assignment procedures	0.737	
2. Maintenance workers have been well educated	0.798	
3. Meet numerous trained maintenance workers	0.821	
Accident ratio		0.664
1. Low accident ratio (Number of accidents per 100,000 departures)	0.758	
Customer satisfaction (adapted from Hussain, 2016)		0.761
1. The service provided meets my expectations	0.779	
2. LCC is an appropriate means of air transportation to achieve my goals	0.930	
3. Overall, I am very satisfied with LCC that I use	0.838	
4. Employees treat me fairly	0.723	
5. Overall, I am very satisfied with the service provided		
Brand Loyalty (adapted from Hussain, 2016)		0.740
1. I receive the same service with other LCC services	0.854	
2. I will keep using LCC in the future	0.745	
3. I will still use LCC as a partner for travel	0.772	
4. I would recommend and convey positive things about this LCC to friends, family, and others	0.831	

From goodnesss of fit model test results, some test criteria meet the value of the required cut-off value (p-value = 0.073; GFI = Goodness-of-Fit statistic = 0.961; RMSEA = Root Mean Square Error of Approximation = 0.079; NFI = Normed Fit Index = 0.918; CFI =

Comparative Fit Index = 0.908; CMIN / DF = 1.171), so it can be said that the fit model conform to the data collected, and the proposed hypothesis testing can be proceeded.

#### RESULTS AND DISCUSSION

brand loyalty

The results of hypothesis testing proposed in this research paper can be noticed in Table 2. The study found positive influence of each service quality toward customer satisfaction ( $\beta = 0.772$ , p-value = 0.000), corporate image toward customer satisfaction ( $\beta = 0.873$ , p-value = 0.000), price fairness toward customer satisfaction ( $\beta = 0.629$ , p-value = 0.025), and airlines safety toward customer satisfaction ( $\beta = 0.754$ , p-value = 0.000). Furthermore, it was also found the positive influence of customer satisfaction toward brand loyalty ( $\beta = 0.826$ , p-value = 0.000).

Coefficient p-**Hypothesis** Conclusion Decision value **(β)** H<sub>1</sub>:There is a positive effect of service quality toward 0.772 0.000 H<sub>0</sub> rejected H<sub>1</sub> Supported customer satisfaction H<sub>2</sub>:There is a positive effect of corporate image 0.000 H<sub>0</sub> rejected H<sub>2</sub> Supported 0.873 toward customer satisfaction H<sub>3</sub>:There is a positive effect of price fairness toward 0.629 0.025 H<sub>0</sub> rejected H<sub>3</sub>Supported customer satisfaction H<sub>4</sub>:There is a positive influence of airline H<sub>0</sub> rejected H<sub>4</sub> Supported 0.754 0.000safety toward customer satisfaction H<sub>5</sub>:There is a positive influence of customer 0.826 0.000 H<sub>0</sub> rejected H<sub>5</sub>Supported satisfaction toward

 Table 2. Hypothesis Testing Results

Based on hypothesis testing results, it can be viewed that all hypotheses are supported. This explains that service quality, corporate image, price fairness, and airlines safety are stimulus of Low Cost Carrier / LCC customer satisfaction that will give consequences to brand loyalty. The first hypothesis explains that the higher the consumer grading the service delivered prior to, throughout and subsequentto the airline usage, the overall consumer feels more satisfied with the LCC being used. This result is consistent with the research of Hussain (2016). Many airlines have realized that improving sustainable quality services is a long-term investment that can generate higher profits, since creating, delivering, and maintaining better service quality than competitors will have an influence on customer satisfaction (Hussain *et al.*, 2015). Customer satisfaction has now become the key to success for every organization as it turns out to be the standard of excellence and performance standard for every organization (Munusamy and Chelliah, 2011; Climis, 2016).

In the second hypothesis, it is discovered that airline companies in consumer perception increasingly generate good impression and better image, so consumers experience more satisfied with LCC used. The results are consistent with the research of Abd-El-Salam *et al.*, (2013) and Hussain (2016). Corporate image is an accumulation of personal experience from consumers and the experience of others (Hu and Huang, 2011). Corporate image can provide an idea of what consumers accept prior to buying the product, thereby minimizing the risk of purchase (Robertson and Gatignon, 1986). The lower the risk perceived by consumers before purchasing the goods, the higher expectations the consumers have to obtain the satisfaction (Hu and Huang, 2011). Corporate image is a marketing strategy to attract and retain consumers. Companies with good image are more competent to survive in the competition, because it can create differentiation with competitors and create customer retention and trial users (Park *et al.*, 2005). The study observes that corporate image is the most powerful stimulus affecting LCC customer satisfaction.

Furthermore, hypothesis 3 generates findings that are consistent with studies from Martin-Consuegra *et al.*, (2007) and Al-Msallam (2015), where it is learned that in the perception of consumers if the fairer the price of the tickets they pay, the more satisfied they are by using the related airline. The level of customer satisfaction depends on the price of the product (Bei and Chaio, 2001). Price is the amount of money that must be sacrificed by consumers to get service (Bei and Chaio, 2006). Consumers tend to consider fair prices that match their expectations of the services they want to purchase (Hermann *et al.*, 2007). If consumers feel that the benefits offered by the service are in balance with the sacrifices they spend, they feel that the price is fair and the consumer will be satisfied (Chapuis, 2012).

Hypothesis 4 also supports research from Climis (2016), where the higher the management commitment to passenger safety, the overall passengers will be satisfied with the aircraft they will use. The security and safety dimension can serve as an important predictor for measuring service quality, since once customers opt for aviation industry services, they recognize safety factors as critically important (Clemes *et al.*, 2008). Research of Ringle *et al.*, (2011) examined customer satisfaction of passengers with airline service and familiarized perceived safety and the aim of travel as satisfaction triggers. Finally, the proposed and tested hypothesis 5 finds that brand loyalty is a consequence of customer satisfaction, where the more consumers feel satisfied with the LCC flight services, the more loyal consumers are to the company's brand. Customer satisfaction is the prime mover of brand-loyal customers (Bloemer and Odekerken-Schroder, 2002). The airline company will gain a number of benefits with the creation of customer satisfaction, namely: (a) strong relationships between the company and its passengers, (b) consumer opportunity to repurchase, (c) passenger loyalty, (d) word of mouth about airlines, (e) good corporate reputation, and (f) profit for airline companies (Park *et al.*, 2005).

#### CONCLUSIONS

Low cost airline is a phenomenon of air transportation in many developing countries and will increasingly be in demand by domestic and regional markets. In an aviation service business, creating customer satisfaction becomes an absolute demand in order to survive in intense competition. Therefore, it is important to identify the factors that become the stimulus of customer satisfaction and its consequences. The study includes price fairness

and airlines safety as a stimulus to customer satisfaction, and found that Low Cost Carrier / LCC's customer satisfaction stimulus is service quality, corporate image, price fairness, and airlines safety. In addition, corporate image is the strongest stimulus factor for creating LCC customer satisfaction. Furthermore, customer satisfaction is also found to provide consequences for airline brand loyalty.

The results obtained provide some managerial implications. Firstly, to improve service quality, the LCC must be certified to ensure that the services provided presentinternational quality, such as the ISO 9001: 2015 Quality Management system certificate in the case of delayed flight management procedures or delay management. Delay management is the airline's main attribute in meeting customer satisfaction that ultimately affects customer credibility and trust. Second, to enhance corporate image, the LCC can demonstrate its social responsibility, which is a commitment of the company or the business world to contribute to sustainable economic development by focusing on the balance amongthe attention toward economic, social and environmental aspects. Third, the LCC marketing manager must constantly conduct market research to get information on competitors' ticket prices and consumer expectations prior to, throughout and subsequent to an ever-changing flight. Based on the information obtained, managers must be able to set a fair price by considering other factors as well. Fourth, marketing managers must provide regular training to all employees concerned to increase knowledge and number of employees who master passenger safety techniques.

The limitation of this study is that research is only conducted on air transport services, especially the LCC. Furthermore, the respondents surveyed were LCC passengers who flew through Sukarno Hatta Airport, Jakarta as the state capital, and did not examine service value as a stimulus for customer satisfaction. For further research, it is advisable to apply to full fare airlines and / or other types of transportation (land or sea) so as to generalize the transportation services industry. Furthermore, it is suggested that the respondents surveyed from various LCC flight destinations at each airport, and suggested to add customer value as a stimulus of customer satisfaction

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## Customer Satisfaction Low Cost Carrier: Stimulus And Its Consequences

by Sri Vandayuli Riorini

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#### Customer Satisfaction Low Cost Carrier: Stimulus And Its Consequences

#### Sri Vandayuli Riorini and Christina Catur Widayati

Faculty of Economics and Business, Trisakti University, Jakarta, Indonesia and Universitas Mercubuana, Jakarta, Indonesia corresponding author: rini\_keloko@yahoo.co.id and christinewijaya73@yahoo.co.id

Abstract: Airline industries are currently faced with challenges to satisfy consumers in order to improve organizational performance. The purpose of this study is to analyze service quality, corporate image, price fairness, and airline safety as a stimulus of customer satisfaction and its impact on brand loyalty. Samples data of 350 Low Cost Carrier/LCC passengers in Indonesia were collected and purposive sampling technique was used to analyze the developed hypothesis. Further data is processed with Structural Equation Modeling technique. The results of the study found that the stimulus of customer satisfaction of LCC is service quality, corporate image, price fairness, and airline safety. Furthermore, customer satisfaction will provide consequences for airline brand loyalty. The study also found that corporate image is the strongest factor affecting customer satisfaction. For further research, it is suggested to add customer value as a stimulus of customer satisfaction.

Key words: customer satisfaction, service quality, corporate image, price fairness, airline safety, brand loyalty.

#### INTRODUCTION

Each country requires a means of transportation to facilitate the movement of people and goods into and out of the country that will provide added value in the form of time efficiency and speed better than other transportation modes. Air transportation also contributes in strengthening the political, economic, social and cultural life as well as security and defense of a country. In the economy field, air transport, in particular contributes to the government in the fulfillment of employment for the community, which is a direct result (the creation of industrial employment from the air transport itself) or indirectly (multiplier effect of the increase of incoming tourists hence opening employment maintenance. travel hospitality) for aircraft and (https://www.kompasiana.com). From 2010 to 2015, the airline industry could generate a net profit of USD \$59.2 billions (IATA, 2016).

McKinsey consultancy review in 2014 said that globally (both in Europe, Latin America and Asia), the development of the aviation world have grown rapidly, but the market is starting to specialize, such as the Low Cost Carrier / LCC specialization, LCC airlines are increasingly becoming a major lead in the global comfort of flight (such as additional food reservations, or ticket booking altogether with hotel and tour) (http://industri.bisnis.com).

In Indonesia, LCC is growing rapidly, where since 2012 until 2016 there was a continuous growth in the number of flights and passengers using the LCC both domestic and foreign

routes. By 2016, there was an increment of 207,7% of LCC number (Indonesian Ministry of Transportation, 2017) and 47.75% of LCC passengers (Statistics of Indonesian Transportation, 2017). The growth of LCC is driven by the advantages offered to both companies and consumers. For the company, LCC makes the company more efficient, as it can diminish the average flight load and accelerate the demand among all flights. As for consumers, LCC can make consumers enjoy a significant ticket prices reduction. In addition, LCC growth is also driven by the government by exempting bilateral aviation agreements to build up new airports to anticipate increasing demand (http://www.datacon.co.id).

Although the LCC is growing annually, there are many complaints from LCC passengers that are triggered by service failure. Bamford and Xystouri (2005) claimed that service failures can occur in the aviation industry, such as flight cancelation, flight diversion, flight delay, flight strike, and negative passenger attitudes. Ministry of Transportation (2017), noted that the average delayed LCC in Indonesia since 2012 to 2016 was 26%, or in other words the average of merely 76% of LCC in Indonesia are on time. The result of research by the British air travel analyst agency, namely OAG in 2017, Hawaiian Airlines, airline from the United States is the most timely airline in the world that has an on-time performance of 89.96% during 2016 (https://www.kompas.com). The high percentage of delayed aircraft each year is threatening because this can impact customer satisfaction. This is reinforced by the study of Oliveiraa et al., (2012), who found that the service delays of internal and external departure had an effect on the low customer satisfaction. The customer's negative perception of service failure can have an impact on the shifting of customers to other tariff-type airlines (Sreenivasulu et al., 2014). Many companies today focus on strategies to improve customer satisfaction, because customer satisfaction is a method to achieve the company's strategic objectives namely customer retention (Jones and Sasser, 1995), where satisfied customers will tend to purchase the same product (Reichheld, 1996). In addition, customer satisfaction will directly affect the increment of corporate profits (Awan and Rehman, 2014), which in turn can improve company performance (Martensen et al., 2000). Therefore, every company must be able to cope with customer satisfaction to accomplish company goals.

In managing customer satisfaction, it is essential to identify the stimulus and consequence of customer satisfaction. Customer satisfaction has a substantial impact toward the brand loyalty (Hussain, 2016). Companies that can set up brand loyalty will be able to maintain their forthcoming business as it can hamper their customer move and generate positive word of mouth about their brand from customers, increased repurchase intentions, cross-buying, and reduced price sensitivity (Chung and Park, 2015). In addition, devoted consumers to the company's brand will express a positive feeling, bring about more frequent purchases, and utilize the same brand over a long period of time (Kocoglu et al., 2015).

Furthermore, Hussain (2016) found that exceptional service quality and trustworthy corporate image is an inducement of customer satisfaction. Parasuraman et al., (1991) argued that the most effective means to guarantee that a company's offerings are uniquely positioned in a market filled with "lookalike" competitive offerings is to provide outstanding quality service in the industry. Service quality has turned out to be a major area of consideration to practitioners, managers and researchers due to its solid impact on business performance, cost reduction, Return on Investment (ROI), customer satisfaction, customer loyalty and higher profit gain (Baker, 2013).

Furthermore, corporate image facilitates consumers to obtain a better understanding of the products offered by specific corporations and further mitigate their unpredictability while executing buying decisions (Long-Yi and Ching-Yuh, 2010), and they mentioned that corporate image plays important role to build up the trust of customers. A positive corporate image is not only rising the competition but also urging consumers to repurchase (Tu et al., 2013). The underlying reason using corporate image is its direct and indirect strong impact that builds customer satisfaction and further trust to customers to convey positive sight about the company (Sallam, 2015).

The performed study added price fairness (Herrmann et al., 2007) and airline safety as a trigger to customer satisfaction. Despite the fact that quality and customer satisfaction is composed of multiple attributes, the price as an influence on customer satisfaction has gained minimal attention (Gielissen et al., 2008). For many types of organisations, to identify when people perceive prices and price changes to be fair is very crucial (Gielissen et al., 2008). It is very crucial to recognize when perceived prices and price changes to be reasonable or unreasonable either for non-profit organizations or commercial organisations. Experimental research has shown that concerns about rationality influence the agents preferred behaviour (Rabin, 1998). Judgments of unreasonableness direct to customer dissatisfaction (Oliver and Swan, 1989). It may also direct people to criticize or question for a refund (Xia et al., 2010). In more intense cases, people might even attempt to take revenge by not coming back, by spreading negative word-of-mouth or even by taking aggressive action (Bougie et al., 2003). Research by Kahneman et al., (1986) indicated that in some circumstances, people are even willing to disadvantage themselves in order to rebuke a seller that is perceived to be acting unreasonable.

Safety plays important factor in airline. However, although safety plays an important role in air transportation, there is little study of this in operation literature (McFadden and Hosmane, 2001). Eventhough an airline transport has a trustworthy safety record, public perception often concentrate excessively on accidents (Liou et al., 2007), since airline safety is pertinent to human life (Graaff, 2001). Maintaining a safety record is vital to the aviation industry. As well as the immediate negative impacts involved, accidents can also have a long-term negative impact on the business of the organisations (https://qualifications.pearson.com). Company should be made aware of that avoiding accidents, due to all the negative impacts which could deteriorate the heart of the industry (Gill and Shergill, 2014).

#### REVIEW OF LITERATURE

Customer satisfaction. Customer satisfaction is the most important factor considered in the marketing literature (McQuitty et al., 2000), since customer satisfaction is an initial concept for understanding how consumers take action in purchases (Aburoub et al., 2011) and how companies can generate long-term profitability (York et al., 2009). Satisfaction is the reaction of consumers evaluation after purchase (Oliver, 1997) based on their experience (Joewono and Kubota, 2007). In evaluating the purchases, consumers combine emotions and their understanding of attributes to determine their satisfaction or dissatisfaction (Khan et al., 2012). There are three outcomes from the results of consumer evaluation (Cadotte et al., 1987), namely: (a) neutral feelings - when performance matches standards, (b) satisfaction - when performance is considered better than standard, and (c) dissatisfaction - is considered worse than standard.

Service quality toward Customer satisfaction. In the era of competition, service quality is a concern in many companies, both public and private sector (Zahari et al., 2008), as a tool to compete in service industries (Baker, 2013). The challenge of today's service industry is how every service company delivers excellence service quality and high customer satisfaction from its competitors (Hung et al., 2003). Researchers provide a variety of service quality definitions, but all definitions portray service quality based on consumer perspective which is the result of consumer assessment of the company's services delivered constantly, whether it has conformed or in accordance with consumer expectations (Hanaysha et al., 2014).

Service quality airline service quality is dissimilar with that of other industries, where airline service emphasizes tangible and intangible attributes (Park et al., 2005). Consumers will gain distinctive intangible experiences derived from services delivered during pre-flight, in-flight, and post-flight service in aircraft (Hussain, 2016). The experience gained from consuming services will have a positive influence on customer satisfaction (Wijaithammarit and Taechamaneestit, 2012).

In the context of aviation, passenger perceptions of service quality are important predictors of airline customer satisfaction. Some researchers in their study discovered a positive effect of service quality of customer satisfaction in airline industry in various countries, such as in South Korea (Park et al., 2004), Australia (Park et al., 2005), Uganda (Namukasa, 2013), America (Baker, 2013), Nigeria (Geraldine and David, 2013), and United Arab Emirates (Hussain, 2016). Based on the theory and previous research, the hypothesis to be tested in this study is as follows:

Hi: There is a positive effect of service quality toward customer satisfaction

Corporate image toward Customer satisfaction. Corporate image is an important factor for every service business, since it is the overall impression of the consumer evaluation process toward the overall service provider (Giovanis et al., 2014). Corporate image is the overall impression left behind and stored in the minds of consumers and this results from accumulative feelings, ideas, attitudes and experiences with the organization or business entity (Gray, 1986). The image is derived from the perspective of the consumer through the description, remembrance and associate thoughts, beliefs, feelings about things, and impressions derived from interactions with people and consumer memories from previous consuming experiences (MacInnis and Price, 1987).

Consumers who make purchases from companies with good corporate image (corporate name, corporate building, and product or service quality), can reduce the risk of their purchasing decisions, due to corporate image which provide consumers with knowledge of the products or services the company offers (Nguyen and Leblanc, 2001). When the risks that consumers must bear in purchasing a product or service are low, then consumers will feel satisfied. Research of Ghotbabadi et al., (2016), on the passengers of Iranian Airlines in an International Airport found an affirmative effect of perceived risk toward customer satisfaction.

In many industries, empirically, the impact of image on satisfaction will ultimately affect loyalty as the ultimate goal of the company (Cameran et al. 2010). However, the findings in the marketing literatures show diverse results regarding the effect of image on satisfaction hence require further validation (Palacio et al., 2002). The strong and positive impact of corporate image on customer satisfaction in the aviation industry has been corroborated through several studies (Abd-El-Salam and Shawky, 2013; Cameran et al., 2010). Hypothesis to be tested further in this research is:

H2: There is a positive effect of corporate image toward customer satisfaction

Price fairness toward Customer satisfaction. Price is the amount of money paid to obtain some benefits from a product. The price offered rationally, will generate perceptions of fairness onconsumer's minds (Xia et al., 2010). Price fairness is the buyer's assessment of the seller's price (Kimes, 2010), whether the price is tolerable or acceptable based on competitor price (Bolton et al., 2003) and previous price (Jin et al., 2012). Consumer perceptions of price fairness will provide various outcomes (Garbarino and Maxwell, 2010). Consumers who perceive the price paid fair will have an impact on satisfaction (Chapuis, 2012), and the higher intentions to repurchase (Oliver and Swan, 1989), as for the company can boost its sales (Campbell, 1999). At the time when consumers evaluate the value of the services they receive, they always consider about the price that will make them satisfied, where the cheaper they perceive the price, the lower should be their sacrifice to acquire the service (Anderson et al., 2007). Several studies in marketing literature, found that fair prices can generate customer satisfaction, as in the context of automobile purchases (Hermann et al., 2007), airline passengers (Martin-Consuegra et al., 2007), restaurant (Jin et al., 2012), in the tourism industry (Chapuis, 2012). Based on the literature review and previous studies, this study proposes:

H<sub>3</sub>: There is a positive effect of price fairness toward customer satisfaction

Airlines safety to Customer satisfaction. The demand for airline safety programs is higher (Liou et al., 2007), in line with the demand for air flights that are expected to raise by 5% annually over the next 20 years (Graaff, 2001). Perceived safety examines the level of users' safety. It also refers to the situation of being harmless and limitless from risk, wound or danger. Instead of that, perceived risk has been characterized by some of the researchers, as the opportunity of suffering the loss and turning out the feelings of anxiety, insecurity and inconvenience (Sweeney et al., 1999). Purchasing an airplane ticket and traveling on an airplane comprise diverse risks, such as psychological risk, financial risk and social risk (Cunningham et al., 2002). Perceived risk performs a significant role in the analysis of consumer behavior in air travel (International Air Fransport Association, 2010). This research will have the emphasis on in-flight safety. Safety is influenced by many elements such as management, operations, maintenance, environment, aircraft design, and air traffic control (Liou et al., 2007). Several studies have found the influence of airline safety on satisfaction (Atalik and Ozel, 2007; Johnson et al., 2006; Climis, 2016). Based on the description above, the next hypothesis to be addressed in this research is:

H4: There is a positive influence of airline safety toward customer satisfaction

Customer satisfaction toward Brand loyalty. Brand loyalty is a short-term commitment of consumers to the brand to make repeat purchases (Abubakar, 2014). Consumers who consider the greater benefits after consuming a product from a company rather than other companies, will feel satisfied and less likely attempting to seek other alternatives brands (Bennett and Rundle-Thiele, 2004), tend to repurchase the products or services continually over the long term period, or in other words there is a huge possibility for changes in consumer behavior to become loyal (Sreenivasulu et al., 2014), and willingness to recommend the brand to others (Szymanski and Henard 2001). Brand loyalty becomes a predictor or an important element to intensify a company's profit (Saced et al., 2013), as well as the achievement and sustainability of the company from

time to time (Thakur, 2014). Research has been conducted to identify that satisfied customers will demonstrate more loyal behavior in various service sector, namely on international retail service brand (Kuan-Yin et al., 2007), restaurant service (Jin et al., 2012), hotel industry (Al-Msallam, 2015), healthcare insurance industry (Wong et al., 2014; Abdelfattah et al., 2015), education (Rojas-Mendez et al., 2009), and retail banking sector (Mohsan et al., 2011; Ibojo and Asabi, 2015, Minh and Huu, 2016). Based on the theory and previous research, the hypothesis proposed in this study as follows:

Hs: There is a positive influence of customer satisfaction toward brand loyalty

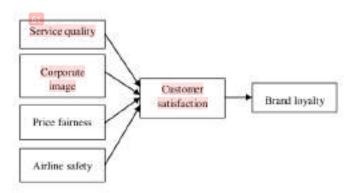


Figure 1. Conceptual Framework

#### METHOD

The research is aimed to test the hypothesis based on data obtained directly from the source. Data were collected by distributing questionnaires from samples of 350 passengers who had made flights with Low Cost Carrier / LCC in Indonesia at least once in the last year. Sampling using purposive sampling technique. The data was collected at the Sukamo-Hatta International Airport Domestic Terminal, Jakarta during July and August 2017.

The majority of respondents make flights using Citilink LCC 4 times a month, and minority use Air Asia once a month. By gender, the majority are male, aged 30-39, under graduate, private employee with income of Rp. 15.000.000,-/month. While minority of respondents are women less than 20 years old, diploma education, not working, and earn less than Rp. 5.000.000,-/month.

Prior to the data collection, pre-test of the research instrument to obtain valid and reliable measuring instrument was created. By using confirmatory factor analysis method, it can be viewed that all measuring instruments used to measure each variable of service quality, airline image, price fairness, airline safety, customer satisfaction, and brand loyalty have factor loading values from 0.679 up to 0.930, therefore it can be stated to be legitimate or valid (all items obtained statement factor value loading is > 0.6). Furthermore, by using internal consistency reliability method, it can be seen that all variables used are consistent or reliable, with Cronbach's coefficient alpha value from 0.664 to 0.877 (all Cronbach's coefficient alpha > 0.6). The data collected was then processed using the Structural

Equation Modeling / SEM technique with the help of the AMOS program. Before the proposed hypothesis is tested, it is necessary to meet the conformity requirements of the proposed model.

Table 1. Test Instrument Test Results

Construct/measurement	Factor loading	Cronbach's coefficient alpha
Airline image (adapted from Geraldine and David, 2013)		0.774
1.1 always impress with this comfortable airline	0.693	
2. I trust that this airline image exceeds its competitors	0.820	
<ol> <li>In my opinion, the passenger should have a good image about this airline</li> </ol>	0.829	
Price fairness (adapted from Chapuis, 2012)		0.828
I spend the appropriate price for my ticket	0.763	
2. The price charged for my ticket was reasonable	0.736	
Airline safety (adapted from Liou et al., 2007)		0.774
Management		0.793
Safety procedure of the airline is well-defined	0.874	
2. The management is highly committed to passenger safety	0.787	
3. Staff members obligate to passenger safety	0.804	
Operations		0.760
Proficiency level of flight crew	0.774	
2. Comformity with the aviation assignment procedures	0.802	
3. Pilots have a good safety awareness	0.679	
Maintenance		0.877
1. Comformity with maintenance assignment procedures	0.737	
2. Maintenance workers have been well educated	0.798	
3. Meet numerous trained maintenance workers	0.821	
Accident ratio		0.664
<ol> <li>Low accident ratio (Number of accidents per 100,000 departures)</li> </ol>	0.758	
Customer satisfaction (adapted from Hussain, 2016)		0.761
1. The service provided meets my expectations	0.779	
<ol> <li>LCC is an appropriate means of air transportation to achieve my goals.</li> </ol>	0,930	
3. Overall, I am very satisfied with LCC that I use	0.838	
Employees treat me fairly	0.723	
5. Overall, I am very satisfied with the service provided		
Brand Loyalty (adapted from Hussain, 2016)		0.740
1. I receive the same service with other LOC services	0.854	
2.1 will keep using LCC in the future	0.745	
3.1 will still use LCC as a partner for travel	0,772	
<ol> <li>I would recommend and convey positive things about this LCC to friends, family, and others</li> </ol>	0.831	

From goodnesss of fit model test results, some test criteria meet the value of the required cut-off value (p-value = 0.073; GFI = Goodness-of-Fit statistic = 0.961; RMSEA = Root Mean Square Error of Approximation = 0.079; NFI = Normed Fit Index = 0.918; CFI =

Comparative Fit Index = 0.908; CMIN / DF = 1.171), so it can be said that the fit model conform to the data collected, and the proposed hypothesis testing can be proceeded.

#### RESULTS AND DISCUSSION

The results of hypothesis testing proposed in this research paper can be noticed in Table 2. The study found positive influence of each service quality toward customer satisfaction ( $\beta = 0.772$ , p-value = 0.000), corporate image toward customer satisfaction ( $\beta = 0.873$ , p-value = 0.000), price fairness toward customer satisfaction ( $\beta = 0.629$ , p-value = 0.025), and airlines safety toward customer satisfaction ( $\beta = 0.754$ , p-value = 0.000). Furthermore it was also found the positive influence of customer satisfaction toward brand loyalty ( $\beta = 0.826$ , p-value = 0.000).

Table 2. Hypothesis Testing Results

Hypothesis	Coefficient (B)	p- value	Conclusion	Decision
H <sub>1</sub> There is a positive effect of service quality toward customer satisfaction	0.772	0.000	10 H <sub>0</sub> rejected	H <sub>2</sub> Supported
H <sub>2</sub> There is a positive effect of corporate image toward customer satisfaction	0.873	0.000	H <sub>0</sub> rejected	H <sub>2</sub> Supported
H <sub>3</sub> There is a positive effect of price fairness toward customer satisfaction	0.629	0.025	H <sub>6</sub> rejected	H <sub>2</sub> Supported
H <sub>4</sub> There is a positive influence of airline safety toward customer satisfaction	0.754	0.000	H <sub>0</sub> rejected	H <sub>4</sub> Supported
H <sub>3</sub> : There is a positive influence of customer satisfaction toward brand loyalty	0.826	0.000	Ho rejected	H <sub>2</sub> Supported

Based on hypothesis testing results, it can be viewed that all hypotheses are supported. This explains that service quality, corporate image, price fairness, and airlines safety are stimulus of Low Cost Carrier / LCC customer satisfaction that will give consequences to brand loyalty. The first hypothesis explains that the higher the consumer grading the service delivered prior to, throughout and subsequentto the airline usage, the overall consumer feels more satisfied with the LCC being used. This result is consistent with the research of Hussain (2016). Many airlines have realized that improving sustainable quality services is a long-term investment that can generate higher profits, since creating, delivering, and maintaining better service quality than competitors will have an influence on customer satisfaction (Hussain et al., 2015). Customer satisfaction has now become the key to success for every organization as it turns out to be the standard of excellence and performance standard for every organization (Munusamy and Chelliah, 2011; Climis, 2016).

In the second hypothesis, it is discovered that airline companies in consumer perception increasingly generate good impression and better image, so consumers experience more satisfied with LCC used. The results are consistent with the research of Abd-El-Salam et al., (2013) and Hussain (2016). Corporate image is an accumulation of personal experience from consumers and the experience of others (Hu and Huang, 2011). Corporate image can provide an idea of what consumers accept prior to buying the product, thereby minimizing the risk of purchase (Robertson and Gatignon, 1986). The lower the risk perceived by consumers before purchasing the goods, the higher expectations the consumers have to obtain the satisfaction (Hu and Huang, 2011). Corporate image is a marketing strategy to attract and retain consumers. Companies with good image are more competent to survive in the competition, because it can create differentiation with competitors and create customer retention and trial users (Park et al., 2005). The study observes that corporate image is the most powerful stimulus affecting LCC customer satisfaction.

Furthermore, hypothesis 3 generates findings that are consistent with studies from Martin-Consuegra et al., (2007) and Al-Msallam (2015), where it is learned that in the perception of consumers if the fairer the price of the tickets they pay, the more satisfied they are by using the related airline. The level of customer satisfaction depends on the price of the product (Bei and Chaio, 2001). Price is the amount of money that must be sacrificed by consumers to get service (Bei and Chaio, 2006). Consumers tend to consider fair prices that match their expectations of the services they want to purchase (Hermann et al., 2007). If consumers feel that the benefits offered by the service are in balance with the sacrifices they spend, they feel that the price is fair and the consumer will be satisfied (Chapuis, 2012).

Hypothesis 4 also supports research from Climis (2016), where the higher the management commitment to passenger safety, the overall passengers will be satisfied with the aircraft they will use. The security and safety dimension can serve as an important predictor for measuring service quality, since once customers opt for aviation industry services, they recognize safety factors as critically important (Clemes et al., 2008). Research of Ringle et al., (2011) examined customer satisfaction of passengers with airline service and familiarized perceived safety and the aim of travel as satisfaction triggers. Finally, the proposed and tested hypothesis 5 finds that brand loyalty is a consequence of customer satisfaction, where the more consumers feel satisfied with the LCC flight services, the more loyal consumers are to the company's brand. Customer satisfaction is the prime mover of brand-loyal customers (Bloemer and Odekerken-Schroder, 2002). The airline company will gain a number of benefits with the creation of customer satisfaction, namely: (a) strong relationships between the company and its passengers, (b) consumer opportunity to repurchase, (c) passenger loyalty, (d) word of mouth about airlines, (e) good corporate reputation, and (f) profit for airline companies (Park et al., 2005).

#### CONCLUSIONS

Low cost airline is a phenomenon of air transportation in many developing countries and will increasingly be in demand by domestic and regional markets. In an aviation service business, creating customer satisfaction becomes an absolute demand in order to survive in intense competition. Therefore, it is important to identify the factors that become the stimulus of customer satisfaction and its consequences. The study includes price fairness

and airlines safety as a stimulus to customer satisfaction, and found that Low Cost Carrier / LCC's customer satisfaction stimulus is service quality, corporate image, price fairness, and airlines safety. In addition, corporate image is the strongest stimulus factor for creating LCC customer satisfaction. Furthermore, customer satisfaction is also found to provide consequences for airline brand loyalty.

The results obtained provide some managerial implications. Firstly, to improve service quality, the LCC must be certified to ensure that the services provided presentinternational quality, such as the ISO 9001: 2015 Quality Management system certificate in the case of delayed flight management procedures or delay management. Delay management is the airline's main attribute in meeting customer satisfaction that ultimately affects customer credibility and trust. Second, to enhance corporate image, the LCC can demonstrate its social responsibility, which is a commitment of the company or the business world to contribute to sustainable economic development by focusing on the balance among the attention toward economic, social and environmental aspects. Third, the LCC marketing manager must constantly conduct market research to get information on competitors' ticket prices and consumer expectations prior to, throughout and subsequent to an ever-changing flight. Based on the information obtained, managers must be able to set a fair price by considering other factors as well. Fourth, marketing managers must provide regular training to all employees concerned to increase knowledge and number of employees who master passenger safety techniques.

The limitation of this study is that research is only conducted on air transport services, especially the LCC. Furthermore, the respondents surveyed were LCC passengers who flew through Sukarno Hatta Airport, Jakarta as the state capital, and did not examine service value as a stimulus for customer satisfaction. For further research, it is advisable to apply to full fare airlines and / or other types of transportation (land or sea) so as to generalize the transportation services industry. Furthermore, it is suggested that the respondents surveyed from various LCC flight destinations at each airport, and suggested to add customer value as a stimulus of customer satisfaction

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