CHAPTER I

INTRODUCTION

1.1 Research Background

The aviation industry in Indonesia has experienced rapid growth in recent years, driven by increased mobility, economic expansion, and the development of the tourism sector. Data from Badan Pusat Statistik (BPS) indicates a rising trend in the number of domestic and international air passengers, despite fluctuations by the COVID-19 pandemic. According to Apriliyeendy & Fakhrudin (2023), BPS noted that the number of airplane passengers in Indonesia reached 5.65 million people in July 2022 an increase of 3.63% from the previous month. Of these, 5.03 million were domestic passengers, and 621,276 were international. Cumulatively, the first half of 2022 saw 32.01 million passengers up 29.96% from 24.63 million in the previous year. This significant growth presents both opportunities and challenges for airlines, as they must strive to deliver high quality services to meet growing passengers expectations while contending with intensified competition.

Domestic & International Airline Passenggers Growth In Indonesia 2023/2024

Figure 1 Domestic & International Airline Passengers Growth 2023/2024

The data and chart presented show the number of domestic and international airline passengers in Indonesia during the years 2023 and 2024. Overall, there was an increase in passengers numbers from 2023 and 2024. In 2023, the total number of passengers reached 33,790,362 while in 2024, the number slightly increased to 33,882,122. This means there was an addition of around 91,790 passengers or an increase approximately 0,14% compared to previous year. The graph shows similar trend lines for both 2023 and 2024, indicating a seasonal pattern. Passengers number usually peak in the middle of the year (around July) and at the end of the year (December), which is closely related to holidays periods and major celebration. Meanwhile, the beginning of the year and some mid-year months tend to be more stable or slightly declining.

This growing demand has compelled airlines to enhance service quality, which plays a crucial role in influencing customer satisfaction and loyalty within Indonesia's aviation industry (Wilson, 2019). Between 2016 and 2018, the national air transportation sector law notable expansion in operational performance and passenger volume. Airlines responded by adopting strategies aimed at attracting and retaining customers, such as improving punctuality and upgrading onboard services. However, the industry's positive trajectory was disrupted by the COVID-19 pandemic in 2019 and 2020, which led to a sharp declined in air travel demand. Major airlines like Garuda Indonesia and Citilink experienced significant drop in key performance indicators, including passengers growth and load factors. As the industry began to recover in late 2021 with the easing of travel restriction and resumption of economic activity, optimism returned among aviation stakeholders and the government, who view the sector as critical to national connectivity and economic development. This renewed momentum created opportunities for various market segments to expand and innovate, particularly in meeting the growing demand for affordable travel.

One of the most significant developments during this period has been the rise of Low Cost Carrier (LCC) airlines, which have revolutionized air travel in Indonesia by making it more accessible to a broader segment population. Operating on cost efficient models, these carriers emphasize online sales, paid meals, reduced seat spacing, and baggage fees, enabling them to offer lower ticket prices without compromising safety. Originating with Southwest Airlines in the United States in 1967, the LCC model has been widely adopted across Europe, Australia , and Asia

3

(Gudmundsson, 2019). In Indonesia, LCCs such as Lion Air, Citilink, and Indonesia Air Asia have played a key role in democratizing air travel. This increased accessibility has also intensified competition among carriers, prompting innovations and forcing airlines to continually refine their marketing strategies and service quality in order to stand out in a crowded marketplace. In response to this competitive pressure, airlines are now focusing more than ever on enhancing the overall passenger experience. While affordability remains important, recent studies, such as those published in the Journal of Transport Geography, emphasize that factors like punctuality, comfort, and staff friendliness significantly influence customer satisfaction and loyalty (Van Lierop et al., 2018).

Super Air Jet is one of the LCC airline in Indonesia which is recent and notable entrant into this landscape, Founded in 2021, the airline specifically targets youngers travelers by offering a tech-savvy and entertainment rich flight experience. Through amenities such as complimentary onboard Wi-Fi, modern cabin design, and a robust mobile app, Super Air Jet differentiates itself by prioritizing digital engagement and customer convenience. This strategy has enabled the airline to grow rapidly, expanding both its route network and fleet size in a short time. Central to the success of Super Air Jet is perceived service quality how passengers evaluate the quality of service received compared to their expectation. According to Setiono & Hidayat (2022), perceived service quality consist of five main component; tangibles (such as aircraft cleanliness and staff appearance), reliability (consistency and punctuality of service), responsiveness (willingness to assist passengers), assurance (confidence instilled by

airline staff), and empathy (personalized attention and care). In the context of air travel, these elements shape the overall customer journey from ticket booking to post-flight impression. However, one of the biggest challenges is bridging the gap between customer expectation and actual service delivery. When there is a mismatch caused by unclear communication, overpromising marketing, or inconsistent service passengers may become dissatisfied, which reduces the likelihood of repeat business (Tani et al., 2021).

Table 1 Super Air Jet Airlines Quality Review

No.	Reviewer & Country	Date	Review Title	Route	Type of Traveller	Seat Type	Date Flown	Main Complaint Summary
1	A Laberedo (Andorra)	26 Aug 25	Completely unable to be on time	Denpasar → Jakarta	Couple Leisure	Economy Class	Aug 25	Repeated flight delays and cancellations, poor communication, and mismanagement causing travel disruptions.
2	M Maria (Australia)	25 Jun 25	A total waste of my time	Bali → Surabaya	Family Leisure	Economy Class	Jun 25	Long flight delays with no communication, passengers kept waiting without information or assistance.
3	N Keale (Australia)	16 Jun 25	3 days before flying flight cancelled	Medan → Banda Aceh	Couple Leisure	Economy Class	Jun 25	Flight repeatedly cancelled and rescheduled, poor customer service response, refund delays up to 60 days.

Source: Skytrax-airlinequality.com

Recent reviews from the Skytrax website highlight several concerning issues regarding Super Air Jet's service performance, revealing an urgent need for deeper investigation into customer perceptions and satisfaction. Passengers have reported repeated problems such as frequent flight delays, poor communication from airline

staff, and even last-minute flight cancellations that disrupt passengers' travel plans. Many travelers described their experiences as disappointing, with some giving extremely low ratings (only 1 out of 10) for aspects such as seat comfort, staff service, and value for money. For instance, reviewers mentioned being left uninformed during long delays, receiving minimal assistance from ground staff, and facing lengthy refund processes after cancellations. These recurring complaints suggest that passengers perceive inconsistencies between their expectations and the actual service provided.

Such negative service experiences may significantly affect satisfaction levels and reduce passengers' intentions to repurchase tickets in the future. Given these ongoing service issues, it becomes increasingly important to understand what drives passenger loyalty and continued usage, especially within the low-cost carrier segment. The negative reviews do not merely reflect individual dissatisfaction but signal a broader challenge in how service quality and value are managed in competitive airline markets. Addressing this gap requires not only identifying the weaknesses in service delivery but also analyzing how passengers evaluate and respond to those experiences in forming future purchase intentions.

Ultimately, in Indonesia's highly competitive aviation market, airlines must focus on delivering consistent service quality to enhance customer satisfaction and promote repeat purchase. For low-cost carriers like Super Air Jet, understanding the interplay between perceived service quality, service value, and customer satisfaction is essential. Service value defined as the perceived benefit relative to cost is a critical factor influencing passengers decision to fly with the same airlines again (Law et al.,

2022). When travelers believe they are receiving good value, they are more inclined to repurchase. Moreover satisfied customers tend to form emotional bond with the airlines, leading to the greater loyalty and reduced price sensitivity (Han et al., 2019). Empirical studies by Ravishankar & Christopher (2023) affirm that high satisfaction levels correlate with increased repurchase intentions, reinforcing the importance of exceeding passengers expectation. therefore, in the evolving landscape of low-cost aviation, continuous innovation in service delivery and attentiveness to passenger experience are indispensable for long term success.

Perceived service quality, service value, and passenger satisfaction have long been recognized as key drivers of customer loyalty and repurchase behaviour, especially in the airline industry. Previous studies by Chonsalasin et al. (2022); Shen & Yahya (2021) have shown that passengers evaluations of service experiences such as perceived quality, value for money, and satisfaction play a crucial role in influencing their intention to reuse airline services. In line with this, Huang (2023) emphasized the importance of service quality and perceived value in shaping passenger satisfaction in low-cost carriers.

Table 2 Pre-Survey Data of Super Air Jet Passengers in Padang City

No.	Question	Answer	Respondent	%
1.	Have you ever flown with Super Air Jet Airlines?	Yes	25	100%
2.	Do you know about the service features offered by Super Air Jet?	Yes, I know	25	100%
3.		1x in 6 months	13	52%

No.	Question	Answer	Respondent	%
	How often do you fly with Super Air Jet?	More than 2x in 6 months	12	48%
4.	How would you rate the service quality of Super Air Jet?	Dissatisfied	5	20%
		Neutral	7	28%
		Quite satisfied	7	28%
		Satisfied	4	16%
		Very satisfied	2	8%
5.	Do you feel that the ticket price is worth the service you received?	Yes	13	52%
		No	12	48%
6.	Would you recommend Super Air Jet to others?	Yes	11	44%
		No	14	56%
7.	Do you plan to fly with Super Air Jet in the future?	Yes	12	48%
		No	13	52%

Source: Researcher's Pre-Survey Data of Super Air jet Passengers in Padang City

To support the relevance of this research, the researcher conducted a pre-survey with 25 respondents who had flown with Super Air Jet. The purpose of this pre- survey was to gain an early understanding of how passengers perceive the airline's service, value, and satisfaction levels. The results of this pre-survey present a balanced picture of passenger perceptions. In terms of service quality, response were varied: 20% of passengers reported being dissatisfied, while 24% expressed satisfaction at higher levels. This indicates that while some passengers have positive experiences, a considerable portion still perceives areas that require improvement. The perception of ticket prices in relation to the quality of service was almost evenly split, with 52% agreeing that the price was reasonable and 48% disagreeing. Similarly, recommendation intentions showed a close distribution, where 44% respondent would

recommend Super Air Jet to others, while 56% percent would not. Repurchase intention reflected the same trend, with 48% planning to fly again in the future and 52% deciding otherwise.

These findings suggest that passenger opinion toward Super Air Jet are neither overwhelmingly positive nor negative. This balanced perception provides an important starting point for examining how perceived service quality, service value, and passengers satisfaction influence repurchase intention, allowing the study to capture a nuanced understanding of the factors shaping consumer decisions in the airline industry. Building on this foundation, the researcher intends to conduct a study titled **"The Influence of Perceived Service Quality, Service Value, and Satisfaction on Repurchase Intention of Super Air Jet Airline's Passengers"**.

1.2 Problem Statement

1. How does Perceived Service Quality influence Service Value among passenger of Super Air Jet Airlines.

2. How does Perceived Service Quality influence Passenger Satisfaction among passenger of Super Air Jet Airlines.

3. How does Service Value influence Passenger Satisfaction among passenger of Super Air Jet Airlines.

4. How does Service Value influence Repurchase Intention among passenger of Super Air Jet Airlines.

5. How does Passenger Satisfaction influence Repurchase Intention among passengers of Super Air Jet Airlines.

1.3 Research Objective

1. To determine the influence Perceived Service Quality on Service Value among passengers of Super Air Jet Airlines.

2. To determine the influence of Perceived Service Quality on Passenger Satisfaction among passengers of Super Air Jet Airlines.

3. To determine the influence of Service Value on Passenger Satisfaction among passengers of Super Air Jet Airlines.

4. To determine the influence of Service Value on Repurchase Intention among passengers of Super Air Jet Airlines.

5. To determine the influence Passenger Satisfaction on Repurchase Intention among passengers of Super Air Jet Airlines.

1.4 Research Contribution

This study aims to analyze the influence of perceived service quality, service value, and passenger satisfaction on repurchase intention among passengers of Super Air Jet Airlines. This research treats all three variables as independent factors that directly affect repurchase behaviour. The result are expected to contribute the development of knowledge in airline service marketing, while providing practical insights for airline companies in improving service quality and customer value to enhance passenger loyalty in a competitive aviation industry.

1.5 Scope of Research

The main focus of this study is passengers who have flown with Super Air Jet Airlines on domestic flight. The independent variables in this research are perceived

service quality, service value, and passenger satisfaction, while the dependent variable is repurchase intention.

1.6 Outline of Research

This research contains of five chapters and each chapters contains of subsections with the following systematizing of writing:

CHAPTER I: Introduction

Comprising the research context, problem definition, research objectives, research advantages, research limitation, and systematic writing.

CHAPTER II: Literature Review

This section provides a structured and conceptual explanation of variables, along with the hypotheses supporting each variable employed in the analysis, framework for constructing research questions.

CHAPTER III: Research Methods

This section provide conceptual and systematic description of the variables, and the hypotheses that support each variable used for the analysis and framework for developing research questions.

CHAPTER IV: Results and Discussion

This chapter describes the results of the analysis consisting of the characteristics of respondents, descriptions of research variables, data testing, and also discussion and research results to answer research problems.

CHAPTER V: Closing

       This section will explain the conclusion of the study, implications of the research, limitation of the research, and suggestions that can be concluded from this study.