THE IMPACT OF SERVICE QUALITY, CUSTOMER PERCEIVED VALUE, AND BRAND EXPERIENCE ON LOYALTY WITH CUSTOMER SATISFACTION AS INTERVENING VARIABLE  
(A Study on Lion Air Customers in Java)

Avianto Dimas Praditya, Sri Rahayu Tri Astuti ¹

Management Department Faculty of Economics and Business Diponegoro University  
Jl. Prof. Soedharto SH Tembalang, Semarang 50239, Phone: +622476486851

ABSTRACT

Customer Loyalty is an asset that must be maintained by the company. If a customer has a high degree of loyalty, then the customer is more likely to use the service of the company again in the future. Lion Air is one of the largest airlines in Indonesia. However, Lion Air faced many problems such as the lack of punctuality and unsatisfactory service. This study purpose is to analyze the impact of Service Quality, Customer Perceived Value, and Brand Experience on Loyalty with Customer Satisfaction as intervening.

Data collection technique used in this study is non-probability sampling technique using purposive sampling with criteria Lion Air customer in Java Island who have used Lion Air service for at least twice in the past year. The number of sample collected were 168 respondents. To analyze the impact of independent variable on intervening variable and intervening variable to dependent variable, multi linear regression analysis was used.

The result of this study showed that Service Quality have positive impact on Customer satisfaction (first hypothesis supported). Second hypothesis which state that Customer Perceived Value have positive impact on Customer Satisfaction is accepted as well. The third hypothesis which state that Brand Experience have positive impact on Customer Satisfaction is accepted. The coefficient of determination test result stated that all three variables have an impact of 88.9% on intervening variable. The fourth hypothesis which state that intervening variable Customer Satisfaction have positive impact on dependent variable Loyalty is accepted. The coefficient determination test result stated that intervening variable have an impact of 85.4% on dependent variable. Lion Airlines are recommended to develop their service, appearance, promotion, and punctuality.

Keywords: Service Quality, Customer Perceived Value, Brand Experience, Customer Satisfaction, Loyalty

INTRODUCTION

A company needs to understand the current competition and what customers want, because living to customers’ expectation is the core key to take a lead in the market. This could be achieved by satisfying the customers with pleasant services and affordable price. Through fulfilling customers’ needs hence the customers would be satisfied and loyal to the company. Loyalty is defined as customers commitment towards a brand positively in long-term period (Tjiptono. 2000). If the customer has high loyalty, the customer will likely to use services provided by the company in the future. The loyal customer would also help the company in promoting the services to their colleagues.

To increase customer’s loyalty, the company have to satisfy the customer’s needs. Kotler (2009) stated that customer’s satisfaction is a feeling that costumers get after comparing expectation and reality of goods and services. In service industry, the benefit of a product directly perceived by the customers, therefore if there is any inconvenience experienced by the customers, it will affect

¹ Corresponding author
customer’s satisfaction. The company have to pay attention to every aspect that affect customer’s satisfaction.

Lion Air is one of the biggest airlines company in Indonesia with the highest number of passenger in 2016. Since 2000, Lion Air has developed and dominating most of the domestic flights market. One of the reasons Lion Air is attracting a lot of passengers is because of its affordable price. Lion Air is carrying Low Cost Carrier flights, where the services given to the customers are reduced. The customers will not receive food and beverages nor entertainment on board.

Even though Lion Air has achieved a lot, it also well-known that Lion Air’s flights are often delayed and the services are unsatisfying. Based on the data collected from public complain site (lapor.go.id and rumahpengaduan.com), from 2012-2017 there are 166 complaints toward Lion Air about delays, security, and service. On August 11th 2017, viva.co.id reported that at least 120 Lion Air passengers are unable to check in due to the system failure at Juwata International Airport, Tarakan. In this case, most of the passengers are at loss and unsatisfied.

Based on the explanation, the problem faced by Lion Air is the lack of customer’s satisfaction that caused by their poor services and many other factors. The earlier researches have suggested some factors that might affect customer’s satisfaction, among them are Service Quality (Sureschandar, et al., 2012; Chen, et al., 2011; Sivadas and Baker-Prewitt, 2000), Customer Perceived Value (Hussein, et al., 2014; Yu, et al., 2014; Bajs, 2013), and Brand Experience (Kwong and Candinegara, 2014; Ha and Perks, 2005; Walter, et al., 2013).

The purpose of this study is to identify whether Service Quality, Customer Perceived Value, and Brand Experience have an impact on Customer Loyalty with Customer Satisfaction as the intervening variable on Lion Air customers in Java. For this study, the data is collected from 168 Lion Air customers in Java.

THEORITICAL FRAMEWORK AND RESEARCH HYPOTHESES

Customer Satisfaction
Rice (2011) stated that customers always seek for satisfaction. When the customer is not satisfied by certain product by a company, they will search for satisfaction to other company products. Zeithaml, et al., (2013) defined customer satisfaction as a customer’s response towards the comparison between expectation and reality. If the reality is higher or meet the expectation, customer will be satisfied and vice versa. Kotler and Keller (2009) said that customer’s expectation is formed by past purchasing experiences, advices from colleagues, and company’s words.

This research uses customer’s pleasant feelings, no-complaints, and matching the expectation as indicators to describe customer satisfaction (Zeithaml, et al., 2009).

Service Quality
Tjiptono (2006) stated that service quality is used to measure how good the service provided by a company to achieve customer satisfaction. Service quality is the gap between customer’s expectation and the performance of the service perceived by customer (Parasuraman, et al., 1985).

Of the two definitions, it can be concluded that the quality of service is the overall value of a product given to customers to meet the expectations envisaged by customers. With a good service quality, then the competitiveness of the company will also increase as customer will always choose a satisfactory product

Service Quality and Customer Satisfaction
Study conducted by Sureshchandar, et al.(2002) shows a significant positive relation between service quality and customer satisfaction. Another study conducted by Sivadas and Prewitt (2000) tried to analyze the impact of service quality to customer satisfaction. The Result of the analysis said that service quality has a positive impact on customer satisfaction.

Study conducted by Chen, et al.(2011) that tried to find the connection between service quality and customer satisfaction which was done to visitors of Kinmen National Park in Taiwan showed that service quality has a positive impact on customer satisfaction as well.

Based on the explanation, then the hypothesis can be concluded as:
H1: Service Quality has a positive impact on Customer Satisfaction.
Customer Perceived Value

Kotler and Keller (2009) defined customer perceived value as the comparison between the customer’s assessment of all the benefits gained and the costs necessary to get those benefits. Customer perceived value is based on the difference between what a customer gets from an offer, what the market provides, and what the customer is paying for benefits.

Customer Perceived Value and Customer Satisfaction

Customer perceived value is one of the other factors that affect customer satisfaction. Hussein, et al. (2015) analyzed the relationship between customer perceived value and customer satisfaction at Dubai International Airport Terminal 3. The result of this research explain that customer perceived value has positive effect to customer satisfaction.

A study conducted by Yu, et al. was held at a sport center in Seoul, South Korea. The results of the analysis say that customer perceived value affects customer satisfaction significantly. The research conducted by Bajs (2013) in Dubrovnik also said that perceived value positively impacts customer satisfaction.

Based on the explanation, then the hypothesis can be concluded as:

H2: Customer Perceived Value has a positive impact on Customer Satisfaction.

Brand Experience

According to Brakus, et al. (2009) brand experience is defined as subjective, internal consumer responses (sensations, feelings, and cognitions) and behavioral responses evoked by brand-related stimuli that are part of brand’s design and identity, packaging, communications, and environments. Gentille, et al. (2007) defined brand experience as customer experience with the product or company formed through customer personal relationships with the product or company itself.

Brand Experience and Customer Satisfaction

Research conducted by Ha and Perks (2005) tried to show the relationship between brand experience and customer satisfaction. The results of the analysis said that brand experience has a positive effect on customer satisfaction. Research conducted by Kwong and Candinegara (2014) said that brand experience has a positive impact on customer satisfaction.

Another study by Walter, et al. (2013) trying to prove the relationship between brand experience and customer satisfaction. The results of the analysis say that brand experience has a positive effect on customer satisfaction.

Based on the explanation, then the hypothesis can be concluded as:

H3: Brand Experience Value has a positive impact on Customer Satisfaction.

Loyalty

Tjiptono (2000) said loyalty is defined as customers commitment towards a brand, store, or supplier positively in long-term period. Griffin (2003) defined loyalty based on the customer’s behavior. A loyal customer described as a customer who repurchase regularly, referencing to other people, and not easily attracted by competitor’s offerings. With loyal customers, the company’s sustainability is also guaranteed.

This research uses desire to recommend, desire to keep using a product from a company, and preferred preference as indicators to describe loyalty (Sondoh, et al., 2007).

Customer Satisfaction and Loyalty

Customer satisfaction is what affects the customers level of loyalty to the company. Research conducted by Akbar and Parvez (2009) tried to prove it. This study analyzed the relationship between customer satisfaction and loyalty on private telecommunication providers in Bangladesh. The results of the analysis indicate that customer satisfaction has a positive effect on loyalty. Another study conducted by Kim, et al. (2007) also analyzed the relationship between customer satisfaction and loyalty on telecommunication companies in South Korea. The result of SEM analysis proved that customer satisfaction has a positive effect on loyalty.
Another study conducted by Kim, et al. (2015) attempted to analyze the relationship between customer satisfaction with two types of loyalty i.e. cognitive loyalty and affective loyalty and the results of the study showed that both were influenced by customer satisfaction.

Based on the explanation, then the hypothesis can be concluded as:

**H4: Customer Satisfaction has a positive impact on Loyalty.**

![Theoretical Framework](image)


H3: Kwong and Candinegra (2014); Ha and Perks (2005); Walter, et al. (2013)

H4: Homburg and Giering (2001); Kim, et al. (2007); Akbar and Parvez (2009)

**RESEARCH METHODOLOGY**

**Research Variables**

This study used three kinds of variables, namely independent variables, intervening variables, and dependent variables. The independent variables in this research are Service Quality, Customer Perceived Value, and Brand Experience. Intervening variable in this research is Customer Satisfaction and dependent variable in this research is Loyalty.

**Table 1**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Definition</th>
<th>Indicator</th>
</tr>
</thead>
</table>
| Loyalty (Y2) | Loyalty is a customer's long-term commitment to a brand, store, or supplier based on positive traits (Tjiptono, 2000) | 1. Desire to recommend
2. The desire to keep using the company’s product
3. Personal preference |
| Customer Satisfaction (Y1) | Customer satisfaction is the customer's response to the comparison between expectation and reality (Zeithaml, et al., 2013) | 1. Customer’s pleasant feeling
2. No-complaints
3. Matching the expectation |
| Service Quality (X1) | Service Quality is the overall customer's impression of excellence as well as lack of service (Zeithaml, et al., 2013) | 1. Reliable
2. Responsive
3. Assurance
4. Tangibles of service |
| Customer Perceived Values (X2) | Customer perceived values is a comparison between a customer's assessment of all the benefits gained and the costs necessary to get those benefits (Kotler and Keller, 2009) | 1. Quality value
2. Emotional value
3. Social value
4. Value of money |
Brand Experience (X3) | Brand Experience is defined as subjective, internal consumer responses (sensations, feelings, and cognitions) and behavioral responses evoked by brand-related stimuli that are part of brand’s design and identity, packaging, communications, and environments. (Brakus, et al., 2009).

| 1. Strong impression |
| 2. Emotional bond |
| 3. Stimulates behavior |

**Population and Sample**

The population in this research is Lion Air airline customers in Java Island who have used Lion Air flight service at least twice in the last year and minimum age of 17 years old. Of the 171 answers collected, 168 questionnaires met the requirements and can be processed. The research data was taken by spreading the questionnaire online and offline.

**Data Analysis Method**

This study uses questionnaires as an instrument of data collection. The data obtained is processed by using various analytical methods, including descriptive analysis and other analysis. The analysis method used is multiple linear regression analysis with SPSS version 23 program.

**RESULTS AND DISCUSSION**

The research data was taken by spreading the questionnaires online and offline. Of the 171 answers collected, 168 questionnaires met the requirements and can be processed. Validity and reliability test is used to see if the questionnaire used is valid and reliable. The questionnaire is valid if the r value is greater than r table and positive, and the questionnaire is said to be reliable if the Cronbach Alpha value is greater than 0.60. The results of validity and reliability test show that the questionnaire used is valid and reliable.

<table>
<thead>
<tr>
<th>No.</th>
<th>Variable</th>
<th>Item</th>
<th>Nilai Corrected Item-Total Correlation</th>
<th>r Value from Table</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Service Quality</td>
<td>X1.1</td>
<td>0.855</td>
<td>0.127</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td></td>
<td>X1.2</td>
<td>0.849</td>
<td>0.127</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td></td>
<td>X1.3</td>
<td>0.858</td>
<td>0.127</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td></td>
<td>X1.4</td>
<td>0.710</td>
<td>0.127</td>
<td>Valid</td>
</tr>
<tr>
<td>2.</td>
<td>Customer Perceived Value</td>
<td>X2.1</td>
<td>0.817</td>
<td>0.127</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td></td>
<td>X2.2</td>
<td>0.798</td>
<td>0.127</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td></td>
<td>X2.3</td>
<td>0.707</td>
<td>0.127</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td></td>
<td>X2.4</td>
<td>0.471</td>
<td>0.127</td>
<td>Valid</td>
</tr>
<tr>
<td>3.</td>
<td>Brand Experience</td>
<td>X3.1</td>
<td>0.848</td>
<td>0.127</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td></td>
<td>X3.2</td>
<td>0.879</td>
<td>0.127</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td></td>
<td>X3.3</td>
<td>0.804</td>
<td>0.127</td>
<td>Valid</td>
</tr>
<tr>
<td>4.</td>
<td>Customer Satisfaction</td>
<td>Y1.1</td>
<td>0.878</td>
<td>0.127</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Y1.2</td>
<td>0.887</td>
<td>0.127</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Y1.3</td>
<td>0.899</td>
<td>0.127</td>
<td>Valid</td>
</tr>
<tr>
<td>5.</td>
<td>Loyalty</td>
<td>Y2.1</td>
<td>0.883</td>
<td>0.127</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Y2.2</td>
<td>0.857</td>
<td>0.127</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Y2.3</td>
<td>0.771</td>
<td>0.127</td>
<td>Valid</td>
</tr>
</tbody>
</table>

Source: Processed primary data, 2017
### Table 3
Reliability Test Results

<table>
<thead>
<tr>
<th>No.</th>
<th>Variable</th>
<th>Reliability Standard</th>
<th>Cronbach’s Alpha</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Service Quality</td>
<td>0.60</td>
<td>0.915</td>
<td>Reliable</td>
</tr>
<tr>
<td>2.</td>
<td>Customer Perceived Value</td>
<td>0.60</td>
<td>0.851</td>
<td>Reliable</td>
</tr>
<tr>
<td>3.</td>
<td>Brand Experience</td>
<td>0.60</td>
<td>0.922</td>
<td>Reliable</td>
</tr>
<tr>
<td>4.</td>
<td>Customer Satisfaction</td>
<td>0.60</td>
<td>0.947</td>
<td>Reliable</td>
</tr>
<tr>
<td>5.</td>
<td>Loyalty</td>
<td>0.60</td>
<td>0.919</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

Source: Processed primary data, 2017

In this study a classical assumption test is also conducted to see whether the distribute normally and meet the classical and multicollinearity assumptions. The results of the classic assumption test indicate that all data are normally distributed and meet the assumptions of multicollinearity and heteroscedasticity.

The data was processed using SPSS version 23 using multiple linear regression analysis to test the influence between Service Quality, Customer Perceived Value, and Brand Experience to Customer Satisfaction and relationship between Customer Satisfaction and Loyalty. Here are the results of the analysis obtained:

### Table 4
Multiple Linear Regression Analysis Results
**First Regression**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>-2.378</td>
<td>0.687</td>
<td>-3.464</td>
<td>0.001</td>
</tr>
<tr>
<td>Service Quality</td>
<td>0.249</td>
<td>0.048</td>
<td>0.276</td>
<td>5.164</td>
</tr>
<tr>
<td>Customer Perceived Value</td>
<td>0.119</td>
<td>0.056</td>
<td>0.129</td>
<td>2.117</td>
</tr>
<tr>
<td>Brand Experience</td>
<td>0.602</td>
<td>0.053</td>
<td>0.588</td>
<td>11.460</td>
</tr>
</tbody>
</table>

Source: Processed primary data, 2017

### Table 5
Multiple Linear Regression Analysis Results
**Second Regression**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.157</td>
<td>0.595</td>
<td>1.943</td>
<td>0.054</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>0.926</td>
<td>0.030</td>
<td>0.925</td>
<td>31.302</td>
</tr>
</tbody>
</table>

Source: Processed primary data, 2017

The result of multiple linear regression analysis in both regression showed that the three independent variables, Service Quality, Customer Perceived Value, and Brand Experience had positive influence on intervening variable, namely Customer Satisfaction with beta coefficient value of 0.276, 0.129, and 0.588. Interval variable in this research that is Customer Satisfaction also have positive effect to dependent variable that is Loyalty with beta coefficient value equal to 0.925. The test of coefficient of determination ($R^2$) shows that the three independent variables, Service Quality, Customer Perceived Value, and Brand Experience can explain 88.9% of the intervening variable that is Customer Satisfaction and intervening variable can explain 85.4% of the dependent variable that is Loyalty. In addition, the F statistical test results also showed significant results for both models that is less than 0.05. Based on the explanation, it can be said that all independent variables worthy to be used to explain intervening variables and intervening variables worthy of explaining the dependent variable.
Respondents’ Answers Index Analysis

Service Quality

Service Quality variable in this study is measured by four question that represent the indicators used. The result of respondents’ answers to Service Quality variables are described in the following table:

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Score 1</th>
<th>Score 2</th>
<th>Score 3</th>
<th>Score 4</th>
<th>Score 5</th>
<th>Score 6</th>
<th>Score 7</th>
<th>Score 8</th>
<th>Score 9</th>
<th>Score 10</th>
<th>Index</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1.1</td>
<td>4</td>
<td>4</td>
<td>10</td>
<td>14</td>
<td>20</td>
<td>17</td>
<td>41</td>
<td>42</td>
<td>12</td>
<td>4</td>
<td>63.75</td>
<td>Medium</td>
</tr>
<tr>
<td>X1.2</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>12</td>
<td>19</td>
<td>19</td>
<td>33</td>
<td>47</td>
<td>20</td>
<td>5</td>
<td>66.61</td>
<td>Medium</td>
</tr>
<tr>
<td>X1.3</td>
<td>3</td>
<td>2</td>
<td>5</td>
<td>5</td>
<td>16</td>
<td>25</td>
<td>47</td>
<td>47</td>
<td>15</td>
<td>3</td>
<td>67.98</td>
<td>Medium</td>
</tr>
<tr>
<td>X1.4</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>5</td>
<td>5</td>
<td>14</td>
<td>34</td>
<td>43</td>
<td>51</td>
<td>13</td>
<td>77.74</td>
<td>High</td>
</tr>
</tbody>
</table>

Total                267.07
Average             69.02 Medium

Source: Processed primary data, 2017

Based on the table above, it can be concluded that the average index value of Service Quality is in the medium category with an average value of 69.02. This shows that Lion Air Airline is able to apply Service Quality principle but it is still not optimized yet.

Customer Perceived Value

Customer Perceived Value variable in this study is measured by four question that represent the indicators used. The result of respondents’ answers to Customer Perceived Value variables are described in the following table:

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Score 1</th>
<th>Score 2</th>
<th>Score 3</th>
<th>Score 4</th>
<th>Score 5</th>
<th>Score 6</th>
<th>Score 7</th>
<th>Score 8</th>
<th>Score 9</th>
<th>Score 10</th>
<th>Index</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>X2.1</td>
<td>3</td>
<td>3</td>
<td>7</td>
<td>13</td>
<td>23</td>
<td>24</td>
<td>30</td>
<td>44</td>
<td>14</td>
<td>7</td>
<td>65.42</td>
<td>Medium</td>
</tr>
<tr>
<td>X2.2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>21</td>
<td>18</td>
<td>50</td>
<td>39</td>
<td>17</td>
<td>5</td>
<td>67.14</td>
<td>Medium</td>
</tr>
<tr>
<td>X2.3</td>
<td>10</td>
<td>7</td>
<td>12</td>
<td>17</td>
<td>27</td>
<td>33</td>
<td>38</td>
<td>16</td>
<td>6</td>
<td>2</td>
<td>55.30</td>
<td>Medium</td>
</tr>
<tr>
<td>X2.4</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>15</td>
<td>9</td>
<td>19</td>
<td>44</td>
<td>42</td>
<td>31</td>
<td>78.75</td>
<td>High</td>
</tr>
</tbody>
</table>

Total                266.61
Average             66.65 Medium

Source: Processed primary data, 2017

Based on the table above, it can be concluded that the average index value of Customer Perceived Value is in the medium category with an average value of 66.65. This shows that Lion Air Airline is still unable to give valuable offering to the customers.

Brand Experience

Brand Experience variable in this study is measured by three question that represent the indicators used. The result of respondents’ answers to Brand Experience variables are described in the following table:

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Score 1</th>
<th>Score 2</th>
<th>Score 3</th>
<th>Score 4</th>
<th>Score 5</th>
<th>Score 6</th>
<th>Score 7</th>
<th>Score 8</th>
<th>Score 9</th>
<th>Score 10</th>
<th>Index</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>X3.1</td>
<td>2</td>
<td>9</td>
<td>4</td>
<td>13</td>
<td>22</td>
<td>30</td>
<td>24</td>
<td>46</td>
<td>15</td>
<td>3</td>
<td>63.99</td>
<td>Medium</td>
</tr>
<tr>
<td>X3.2</td>
<td>7</td>
<td>2</td>
<td>7</td>
<td>7</td>
<td>16</td>
<td>22</td>
<td>34</td>
<td>46</td>
<td>21</td>
<td>6</td>
<td>67.08</td>
<td>Medium</td>
</tr>
<tr>
<td>X3.3</td>
<td>11</td>
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<td>5</td>
<td>13</td>
<td>21</td>
<td>24</td>
<td>42</td>
<td>32</td>
<td>12</td>
<td>3</td>
<td>61.01</td>
<td>Medium</td>
</tr>
</tbody>
</table>

Total                192.08
Average             64.03 Medium

Based on the table above, it can be concluded that Lion Air Airline has limited ability to stimulate customer response. This is indicated by the average Brand Experience Index Value fall into the medium category with a value of 64.03

Customer Satisfaction
Customer Satisfaction variable in this study is measured by three question that represent the indicators used. The result of respondents’ answers to Customer Satisfaction variables are described in the following table:

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Score</th>
<th>Index</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y1.1</td>
<td>1 2 3 4 5 6 7 8 9 10</td>
<td>65.18</td>
<td>Medium</td>
</tr>
<tr>
<td>Y1.2</td>
<td>6 5 4 12 20 24 31 44 20 2</td>
<td>64.82</td>
<td>Medium</td>
</tr>
<tr>
<td>Y1.3</td>
<td>8 3 8 12 27 27 26 38 15 4</td>
<td>62.14</td>
<td>Medium</td>
</tr>
</tbody>
</table>


Based on the table above, it can be concluded that Lion Air Airline is still lacking in customer satisfaction. This is indicated by the average index value for customer satisfaction variables fall into the medium category with a value of 64.05.

Loyalty
Loyalty variable in this study is measured by three question that represent the indicators used. The result of respondents’ answers to Loyalty variables are described in the following table:

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Score</th>
<th>Index</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y2.1</td>
<td>7 7 4 10 12 28 40 42 16 2</td>
<td>64.35</td>
<td>Medium</td>
</tr>
<tr>
<td>Y2.2</td>
<td>7 5 8 13 24 36 41 28 1 1</td>
<td>66.37</td>
<td>Medium</td>
</tr>
<tr>
<td>Y2.3</td>
<td>9 9 8 14 31 18 28 36 13 3</td>
<td>59.58</td>
<td>Medium</td>
</tr>
</tbody>
</table>


Based on the table above, it can be concluded that the average index value of Loyalty variable is in the medium category with a value of 63.43. This means that Lion Air Airline is still lacking in customer loyalty.

CONCLUSION
The conclusions of this study are as follows:
1. The results of this study indicate that Brand Experience has positive effect and is the most influencing variable on Customer Satisfaction with beta coefficient value 0.588. Thus, if Lion Air Airline improves Brand Experience, Customer Satisfaction will also increase.
2. The results of this study show that Service Quality has positive effect on Customer Satisfaction and the second biggest influence after Brand Experience with beta coefficient value 0.276. Thus, if Lion Air Airline improve Service Quality, then Customer Satisfaction will also increase.
3. The results of the study indicate that Customer Perceived Value positively affects Customer Satisfaction. This variable is the lease influencing variable on Customer Satisfaction with beta coefficient value 0.129. Thus, if Lion Air Airline increases Customer Perceived Value, then Customer Satisfaction will also increase.
4. Result of research indicate that Customer Satisfaction have positive effect to Loyalty with beta coefficient value 0.925. Thus, if Lion Air Airline increase their Customer Satisfaction, the Loyalty will also increase.

Managerial Implications
The results of this study indicate that Brand Experience is the most influencing variable on Customer Satisfaction, therefore Lion Air Airline should increase their emotional bond with its customer by increasing the attractiveness of the company. Lion Air Airline also need to beautify the appearance of both cabin crew and the airplane itself, thus increasing the impression to customers that Lion Air Airline is an airline that uphold professionalism.

In addition to improve Customer Satisfaction, Lion Air Airline also need to intensify the promotion to customers so that customers get more interesting offering such as tour packages or round-trip ticket price promotion so that customers receive more valuable offering.

Finally, Lion Air Airline need to improve their on-time performance in order to increase customer satisfaction so that customers still use the services offered by the company and not choosing other competitors.

Limitations
This study has some limitations, among them are the respondents do not understand the purpose of the question posed so that some respondents’ answers are less in accordance with what is expected. In addition, Service Quality, Customer Perceived Value, and Brand Experience variables can only explain 88.9% of Customer Satisfaction and Customer Satisfaction variables can only explain 85.4% of Loyalty variable.

Suggestion for Further Research
Some suggestions given for future research are to conduct a similar study with different research objects from this study with a broader range of respondents. In addition, it is also recommended to conduct research on loyalty with other dependent variables such as brand image (Martensen, 2007), price perception (Han and Ryu, 2009), and other or another intervening variable such as brand evaluation (Veloutsou, 2015), repurchase intention (Yi and La, 2004), and other so that it can give more idea about loyalty.

REFERENCE


