

HOW ATTITUDINAL AND BEHAVIOURAL LOYALTY IS FORMED? A CASE OF GARUDA INDONESIA'S CUSTOMER SATISFACTION

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Abstrak

Tujuan dari penelitian ini adalah untuk menguji *service quality* dan *perceived price fairness* di industry penerbangan dan menyelidiki bagaimana variabel tersebut mempengaruhi *customer satisfaction* dan *attitudinal and behavioural loyalty*. Penelitian ini berdasarkan 304 sampel pelanggan Garuda Indonesia yang telah mengisi kuesioner yang terdiri dari 37 butir pertanyaan. *Structural Equation Modeling* (SEM) digunakan dalam penelitian ini untuk menganalisa respons dari sampel. Di dalam penelitian ini ditemukan bahwa *tangibility*, *assurance*, dan *empathy* adalah faktor-faktor di dalam *service quality* yang secara signifikan mempengaruhi *customer satisfaction*. Selain itu, *customer satisfaction*, dan *perceived price fairness* mempengaruhi *attitudinal and behavioural loyalty*. Penelitian ini memiliki batasan dalam lingkup, yaitu pelanggan Garuda Indonesia yang merupakan warga Negara Indonesia. Maka dari itu, penelitian ini tidak bisa digeneralisasi untuk pelanggan atau penumpang maskapai lain, di Indonesia ataupun negara lainnya. Penelitian ini memberikan pandangan yang pertama tentang maskapai nasional Indonesia, yaitu Garuda Indonesia, khususnya dalam hal hubungan antar variabel *perceived price fairness*, *customer satisfaction*, and *attitudinal and behavioural loyalty*.

Kata kunci: Perceived price fairness, Service quality, Customer satisfaction, Customer loyalty, Garuda Indonesia

Abstract

The purpose of this research is to examine service quality and perceived price fairness in airline industry and how these variables influences customer satisfaction and attitudinal and behavioural loyalty. The research is based on the sample of 304 Garuda Indonesia's customers who have completed 37 questions questionnaire. This research uses Structural Equation Modelling (SEM) to analyse the responses. The research concludes that tangibility, assurance, and empathy are factors in service quality that significantly influence customer satisfaction. Furthermore, customer satisfaction and perceived price fairness also influence attitudinal and behavioural loyalty. This research is limited on the

evaluation of Garuda Indonesia airlines among Indonesian passengers. Thus, this research cannot be generalised to the other airline passengers, in Indonesia or other countries. This research provides the first insight of Indonesian national airline, Garuda Indonesia, especially in the terms and relationship of perceived price fairness, customer satisfaction, and attitudinal and behavioural loyalty.

***Keywords** Perceived price fairness, Service quality, Customer satisfaction, Customer loyalty, Garuda Indonesia*

Introduction

Indonesia, a country with more than 17,000 islands which spans around 5,200 KM, has a great business opportunity especially for transportation industry. This can be shown by the promising growth from the domestic flight alone, which is up around 18percent per annum (Indonesia Investment, 2016) and projected to be the sixth biggest market for aviation by 2034 (The International Air Transport Association, 2015). Due to the robust and steady growth of this industry, it adds contribution to the Indonesia's GDP by 2.7percent and creates a massive job creation of 190,000 vacancies in 2014 (Oxford Economics, 2017).

Aviation competition in Indonesia intensifies due to the implementation of the ASEAN Open Sky Policies or ASEAN Single Aviation Market which allows airline companies from 10 member countries of ASEAN to fly freely throughout the region. Garuda Indonesia as Indonesia's flag carrier, interestingly only half benefitted from the industry, by dominating only in the international flights among domestic market, but not in the domestic flight. This happens due to the rise of Low Cost Carrier which often causes price competition and influence customers' choice beside safety and flight frequency (Rukmasari, 2017). Nevertheless, most of the time as the prices get lower, unfortunately same thing happens to the service quality as well. Indonesia aviation business is still renowned for the safety issue with the 344 accidents since 1945 until 2015 (Materna, Mansfield, & Walton, 2015).

Notwithstanding the remarkable world's class award achievement as well as the certification as 5 star airlines, Garuda Indonesia still has not been able to lead the market share in Indonesia, especially in domestic flight. In 2013, Garuda Indonesia was ranked at number 2 in passenger market share with only 22percent of the market share, which was only around half of the market leader, Lion Air, with 43percent of the share. This is quite concerning, since the number of route market share both Garuda Indonesia and Lion Air share the same number, at 16percent (OECD, 2014). Moreover, the number of fleet owned by Garuda, 150 fleets, is in fact way more than Lion's, at 112 units (Garuda Indonesia, 2015; Planespotters.net, 2017). One major difference between both airlines is the way

they compete in terms of price. Lion Air has been known as one of the biggest low cost carriers in Indonesia, and also the cheapest to fly per-kilometre (Rome2Rio, 2015). Meanwhile, Garuda Indonesia offers the full service and at the same time being the flag carrier. Another difference is the satisfaction level between these two airlines. Based on the research carried out in 2013 by Nusaresearch, Garuda Indonesia has the satisfaction mean value of 4.10 while Lion Air only scored 3.84 (Nusaresearch, 2013). All in all, after comparing these two giant Indonesian airlines, there is a possibility that price plays a role in the customer's choice and satisfaction.

Despite the high tense of competition among the airlines, Garuda Indonesia has successfully managed not to get dragged into the price war, and instead level up their game by giving a high-quality service. As the Indonesia's flag carrier airline which has been certified as a 5-star airline, Garuda Indonesia is well known for its outstanding performance. It has been awarded by multiple international organisations, namely Skytrax as the world's best cabin crew for three consecutive years (SKYTRAX, 2016), the world's most-loved airline in 2016 (Garuda Indonesia, 2016), and also by Tripadvisor as the top 10 airlines worldwide based on the airline quality and quantity ratings and reviews by travellers all over the world (Tripadvisor, 2017). All of the awards are in line with Garuda Indonesia's long term corporate plan with their slogan "Sky Beyond", which has the three key strategies: Excellent Indonesian Hospitality, Return Maximization, and Group Synergy (Garuda Indonesia, 2016).

Based on the explanation above, Garuda Indonesia has shown the strategic importance of maintaining service quality in the airline industry. In this regard, service quality has been confirmed in many studies as the most crucial aspect in a service industry, especially in the ever-competitive aviation industry. A study done in the United States demonstrates that airline service quality has a close relation to profitability, with the most important aspects of quality that include safety, appropriate baggage handling, and reasonable airfare (Min & Min, 2015). The same finding also happens in Uganda wherein airline service quality which emphasize on pre-flight, in flight, and post-flight services influence customer satisfaction and loyalty at the end (Namukasa, 2013). Several other studies which focus on the importance of service quality in the aviation industry also conducted in several other countries, for instance in Pakistan by Ali, Dey, & Filieri (2015), in Thailand by Saha & Theingi (2009), and Singh (2015) in India.

Based on the descriptions above, the research questions of this study are as follows: 1) Is there any relations between Perceived Price Fairness and Customer Satisfaction, Attitudinal Loyalty, and Behavioural Loyalty? 2) Is there any relations between Service Quality dimensions (tangibility, reliability,

responsiveness, assurance, and empathy) and Customer Satisfaction? 3) Is there any relations between Customer Satisfaction and Attitudinal and Behavioural Loyalty?

Literature Review

Perceived Price Fairness

Dissatisfaction can be caused by the unreasonable price and at the end trigger customer to do brand switching (Bassey, 2014). The standpoint of customers regarding the process of purchase and the end result which satisfied them due to the fairness and reasonable is defined as perceived price fairness (Bolton, Warlop, & Alba, 2003). Bolton et al (2003) stated there are various factors influencing the perceived price fairness, including past transaction price, competitor's price, and the perceived of goods sold. Similar argument also proposed by Daskalopoulou and Petrou (2006) that emphasised perceived price fairness as the viewpoint of fairness towards consumers' valuation of the products or services total price they experienced. In summary, perceived price fairness can be defined as the perception of customers as an outcome of evaluation of the result and value of money that they paid with the purpose of assess whether is fair or unfair.

Furthermore, perceived price fairness also influences the forecast of customers' response regarding firm's pricing strategy, thus the firm is able to assess the customer satisfaction. This statement is also supported by the finding of Cronin, Brady, and Hult (2000) that avowed perceived price fairness as a vital factor to influence the customer satisfaction. Moreover, Herman et al. (2007) argued that perceived price fairness can give a significant result if being used to predict the level of customer satisfaction on buying process. On the other hand, according to Nicholas (2014) customer satisfaction can be affected by several factors, and one of the main factors is price fairness. In conclusion, perceived price fairness should be one of the fundamental considerations for company to achieve the highest level of customer satisfaction. Studies done by Yieh, Chiao and Chiu (2007) and Molina, Consuegra, and Esteban (2007) confirmed that besides customer satisfaction, perceived price fairness also highly influence the customer loyalty. Additionally, perceived price fairness significantly influences attitudinal and behavioural loyalty as well (Brian, 2013).

Service Quality

One of the most crucial elements of airlines business survival is the service quality (Chou, Liu, Huang, Yih, & Han, 2011). This statement is supported by the finding of Lerrthairakul and Panjakajornsok (2014) that stated extraordinary service for customer is highly needed in airlines industry due to the fierce competition faced by the airlines companies. Service quality can be defined as well-accommodated customers' needs and expectation done by the service

provider (Yunus, Bojei, & Rashid, 2013). Similar argument also expounded by Dukic & Kijevcanin (2012) regarding the service quality. They found that service quality happens when customer's needs, wants, and expectation is fulfilled through an exceptional level of service. Thus, it can be concluded that service quality is the situation when an outstanding service is provided by the service provider or seller to the customer and achieve the satisfaction of customer. Regardless the difference in the interpretation of service quality from each researcher, it is basically all founded from the perception from customers as the fundamental dimension of quality (Baker, 2013).

The concept of service quality was originally initiated by Gronroos (1988), Parasuraman, Zeithaml and Berry (1988). They declared that customer evaluation towards services as a whole will create either expectation confirmation or disconfirmation. Baker (2013) also mentioned if the service provided does not meet the expectation of customers, then it will create an outcome called disconfirmation.

Though it has been mentioned a lot of time about how important service quality is, Namukasa (2013) strengthen it by stating that the key of customer satisfaction in the hospitality industry is service quality. The company's image on the eyes of customers relies heavily on the frequent experiences the customer has underwent, thus company needs to ensure customer satisfaction through service quality (Namukasa, 2013). Moreover, service quality also in line with the customer satisfaction; the more positive the service the better level satisfaction will be achieved (Hong & Marimuthu, 2014).

Service quality in the airline service industry can be measured through several elements. Parasuraman, Zeithaml and Berry (1985) proposed the measurement of service quality through 10 dimensions, later on in 1988 they developed the idea and named it as SERVQUAL as the key dimension of service quality which simplified the dimension into only five dimensions. Those dimensions are tangibility, reliability, assurance, empathy, and responsiveness.

Kotler and Keller (2009) have explicated the five dimensions of SERVQUAL as follows:

Tangibility is the display of physical facilities, for instance parking area, building, tools, the appearance of staffs, and material of communication. Furthermore, cleanliness as well as the tidiness of the area also included.

Reliability defined as the effective capability own by the employee to fully understand the complexity of work procedure, mechanism, and able to overcome numerous inadequacy or irregularities by showing, guiding, and providing the correct and accurate guidance to customer.

Responsiveness is described as the employees' timeous response to assist customers and deliver the service. Those responses can be in the form of answering all matters related to customers; inquiries, recommendation, or anything related to the products or services the customer purchased.

Assurance is portrayed as the knowledge of the employee regarding the products or services, the hospitality quality, attention and good manners, information delivery skill, the capability to provide security, and the skill to encourage a feeling of trust and confidence.

Empathy is expressed as the attention given by the employee towards customers and the form can be in the communication skills. Caring and individualised attention to each customer by employee also included in empathy.

Customer Satisfaction

Customer satisfaction has been reviewed in a plenty of studies and proven its significance. Customer satisfaction is defined as the state of response from customer when the needs have been fulfilled (Wilson, Zeithaml, Bitner, & Gremler, 2012). The idea is supported by Nazwirman (2015) and Brian (2013), they defined satisfaction as an evaluation of product and services and its feature and at the end will fulfil customers' needs and create a level of enthusiasm. In conclusion, customer satisfaction is the state to whether or not the products or services achieve the customer's expectation. Thus, if the products or services given are lower or does not meet the expectation of customer, it will be dissatisfaction, or else if the performance delivered is beyond the expectation, then it will be a satisfaction. On other hand, Kotler and Keller (2009) identified customer satisfaction as a state when customer is comparing the products or services given and generate a feeling either satisfied or dissatisfied. The idea is supported by the finding of Agbor (2011) which confirmed the importance of customer satisfaction in the service industry. On other hand, Surjandari and Susetiana (2009) argued that there are three main elements to determine customer satisfaction, namely overall satisfaction, comparison to ideal, ad expectation fulfilment. Furthermore, Agbor (2011) also mentioned that company must comprehend the aspects that determine customer satisfaction, and one of them is service quality. Besides, perceived price fairness is also has been proven to be one of the key elements to measure customer satisfaction as well (Brian, 2013).

Customer satisfaction is important for the business survival due to the effect that it can create, which is customer repurchase the products or services (Garga & Bambale, 2016). In addition, customer satisfaction also generates more profits by reason of continuous relation with customer (Hafeez & Muhammad, 2012). This theory has been strengthened by Angelova and Zekiri (2011) that emphasised the increment of frequency to use the same product or service by a satisfied customer

causing a powerful repurchase intention and eagerness to promote it to their surroundings. Another supporting statement is coming from Cheng (2011) that underlined the significant influence of customer satisfaction to the attitudinal and behavioural loyalty.

Customer Loyalty

According to Tjiptono (2012) customer loyalty is a continuous repurchases that indicates a positive attitude which generate commitment from customer to a specific brand. Customer loyalty also can be described as the intensity of relationship between customer's attitude and repurchase behaviour (Srivastava, 2015) or customer's real experience from repurchases the product or service and learning process at recent time period (Kusumawati, 2011). Thus it can be concluded that customer loyalty is the response from customers in which shaped as a commitment to constantly perform repetitive purchase the same product or service in the future due to the fulfilment of customers expectation.

Consistent with the Swani and Yoo (2010) statement regarding the relationship between satisfactions of customer and the loyalty to the brand, Shvydenko (2011) also mentioned that company must take customer loyalty into their main consideration since it is one of the key factors to survive in business competition. Additionally, Aditya (2004) specified that in order to measure customer loyalty, two factors should be involved, namely attitudinal loyalty and behavioural loyalty.

Attitudinal Loyalty

According to Taghipourian and Bakhsh (2015) attitudinal loyalty is identified as customer's psychological propensity to do repeat purchase of product or service from a specific company. Similar statement also affirmed by Chen et al. (2009) that emphasised attitudinal loyalty as a positive reflection towards particular product or service and customer shows commitment to it. Moreover, Bloemer and de Ruyter (1998) highlighted the effort of customers to repurchase from the same product or service provider, and give positive word of mouth to their surrounding is distinguished as attitudinal loyalty. On other hand, customer satisfaction towards a product or service is the determinant of attitudinal loyalty (Swani & Yoo, 2010).

Brian (2013) stated that attitudinal loyalty indicate the specific psychology and emotion of customer towards faithfulness to a certain brand. This statement is comparable with the finding from Nurchayo (2016) which defined loyalty as the effect of satisfied customer. Customer who is the most loyal one usually has a constructive attitude (Magatef & Tomalieh, 2015).

Behavioural Loyalty

As stated by Liang and Chen (2009), repurchase action in future, purchasing frequency, and brand-switching are the factors determining behavioural loyalty. Moreover, Chen et al. (2009) also mentioned that the customers with behavioural loyalty are customer who consistently repurchases the product of services from the same company. In addition, Gomez, Arranz, and Cillan (2006) explained that overall expenditures expended for a certain brand by customers can be used to determine the behavioural loyalty. Furthermore, the higher the expenditures, the more infrequent the customer purchase from another seller. Magatef and Tomalieh (2015) also cited that to raise the sales and revenue, a company need to take behavioural loyalty into account due to the fact that it is one of the substantial results of customer and company's relationship.

This research aims to investigate the influence of SERVQUAL model developed by Parasuraman, Zeithaml, and Berry (1988) to measure influence the attitudinal and behaviour loyalty of Garuda Indonesia passengers, with the mediating variable of customer satisfaction. In addition, it also used perceived price fairness as independent variable to find out its influence toward attitudinal and behavioural loyalty. Based on the literature review explained previously, the following hypotheses are created to be tested in this research:

- H1.* Perceived price fairness will have a significant effect on customer satisfaction.
- H2.* Perceived price fairness will have a significant effect on attitudinal loyalty.
- H3.* Perceived price fairness will have a significant effect on behavioural loyalty.
- H4.* Tangible will have a significant effect on customer satisfaction.
- H5.* Reliability will have a significant effect on customer satisfaction.
- H6.* Responsiveness will have a significant effect on customer satisfaction.
- H7.* Assurance will have a significant effect on customer satisfaction.
- H8.* Empathy will have a significant effect on customer satisfaction.
- H9.* Customer Satisfaction will have a significant effect on attitudinal loyalty.
- H10.* Customer Satisfaction will have a significant effect on behavioural loyalty.

Research Methodology

This research analyses the service quality as well as perceived price fairness and investigate the influence of customer satisfaction, and customer loyalty in the

form of behavioural loyalty and attitudinal loyalty among Garuda Indonesia's customer. The model that is used is competing model in order to discover the differences between each variables.

Conceptual Models & Research Instrument

This study is quantitative research which creates numerical data due to the research aim which is to investigate the relationship amongst variables in the research questions. In contemplation of achieving research objective, this research used questionnaire as instrument. Furthermore, this study also used Structural Equation Modelling (SEM) and AMOS 20.0 to analyse the data and also verify the model.

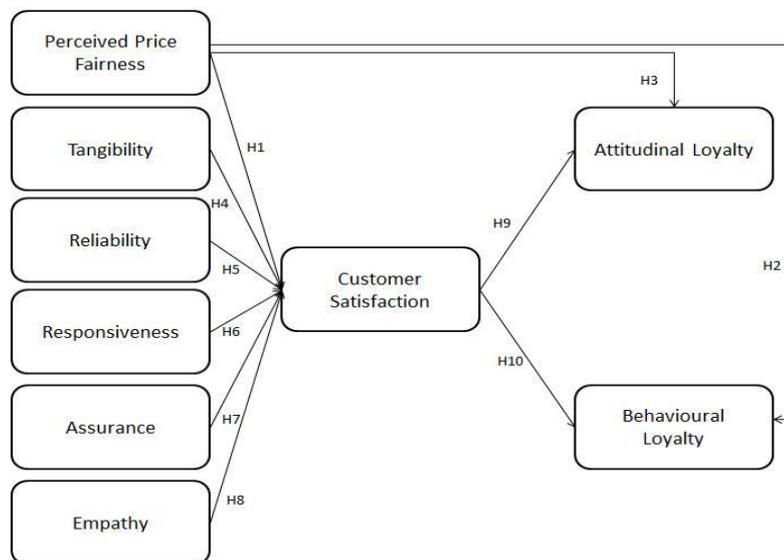


Figure 1 - Research Framework

A set of questionnaire consisting two parts is prepared. Firstly to determine the respondent profile, includes gender, age, residence place, and educational level,. Second part is a set of 37 items comprising four items for perceived price fairness (PPF), in total 21 items for service quality (five items for tangibility (T), four items for reliability (RL), five items for responsiveness (RES), three items for assurance (AS), and four items for empathy (EM)), and customer satisfaction (CS) is measured by four indicators proposed by Shrestha (2014). Whereas for attitudinal loyalty (AL) there are three items as suggested by Taylor, Celuch, and Goodwin (2004) and behavioural loyalty (BL) there are five items as propositioned by Taylor, Celuch, and Goodwin (2004), and Dai (2010). A seven-point Likert scale was used to exemplify the agreement or disagreement level of each statement regarding the object, as suggested by Malhotra (2010).

Sample Design and Data Collection

The aim of this study is to measure passengers' assessment of the attitudinal and behavioural loyalty of Garuda Indonesia, concentrating on Indonesian citizen. This study employs purposive sampling technique in which samples were decided with specific considerations and conditions, so that a more representative data is obtained (Sugiyono, 2007). For the sake of attaining the research aim, the target population for this research was all passenger having flown with Garuda Indonesia at least twice in the past two years and age range from 15 until 64 years old due to the concern of productive age. The survey was conducted through online spreading method using Google form and distributed through social media and instant messaging. A total of 304 questionnaires were calculated.

The sample consists of 54.28 per cent females and 45.72 per cent males. In terms of age groups, 67.11 per cent were between 15 and 24 years of age; 20.07 per cent were between 25 and 34 years of age; 7.98 per cent were between 35 and 44 years of age; 2.30 per cent were between 45 and 54 years of age, while 2.63 per cent were between 55 and 64 years of age, which reflects that the most of travellers are between 15 and 24 years of age. The passenger profiles are portrayed in Table I. There were 74 per cent airline passengers are travelling with the purpose of leisure, while the second biggest purpose to travel was business reason with 20%, and the rest was the combination of leisure and business, education, and back to hometown. The frequency of flight showed there were 46.71 per cent passengers travelled twice by Garuda Indonesia in the past two years, 32.57 per cent were three to four times, and 20.72 per cent were more than four times. This study also showed that 57.89 per cent primarily were in the domestic flight, 35.53 per cent were the combination of domestic and international, while only 6.58 per cent were for the international flight route.

Table I - Passenger Profiles

ATTRIBUTES	DISTRIBUTION	FREQUENCY	PERCENTAGE
GENDER	Male	139	45.72
	Female	165	54.28
AGE	15 – 24 years	204	67.11
	25 – 34 years	61	20.07
	35 – 44 years	24	7.89
	45 – 54 years	7	2.3
	55 – 64 years	8	2.63
DOMICILE	Central Jakarta	51	16.78
	East Jakarta	55	18.09
	South Jakarta	59	19.41
	West Jakarta	105	34.54
	North Jakarta	34	11.18
EDUCATION LEVEL	School	8	2.63

	Bachelor's Degree	247	81.25
	Master's Degree	20	6.58
	Others	29	9.54
TRAVEL PURPOSE	Leisure and business	9	2.96
	Leisure	224	74.34
	Business	61	20.07
	Education	3	0.99
	Back to hometown	5	2.96
FLIGHT FREQUENCY	2 times	142	46.71
	3 – 4 times	99	32.57
	More than 4 times	63	20.72

Analytical Methods

Data collected was analysed using SPSS Statistic2 20 and AMOS 20. In order to assess the measurement model and data quality testing, a confirmatory factor analysis (CFA) was utilised as suggested by Anderson and Gerbing (1988) to ensure the reliability and validity. Furthermore, to assess the overall fit of the model and also test the hypotheses, Structural Equation Modelling (SEM) was performed.

Data Analysis

The collected data was analysed regarding variables descriptively through Microsoft Excel by discovering the average of each variable item question. This is done with the intention to check the validity of each variable, so that there were some criteria need to be passed, namely Kaiser Mayer Olkin (KMO) must be greater than or equal to 0.5; Bartlett' test must be less than 0.5 to find the significant value; communalities table value needs to be greater than 0.5; total variance explained the cumulative value must be greater than 60 per cent; rotated component matrix factor must be greater than 0.44 to have more significant influence; lastly, Cronbach Alpha must be greater than 0.6 as suggested by Malhotra (2010). Moreover, Structural Equation Modelling was used for inferential analysis. In order to analyse all hypotheses, there are several criteria must be met for instance, regression weight with P value less than 0.005; The Squared Multiple Correlation must be greater than 7 percent (Hair Jr., Black, Babin, & Anderson, 2009). However, before testing the hypotheses, the model must pass the goodness of fit with criteria; the detail can be seen in table VI.

Validity and Reliability Test

A series of test have been conducted to measure the validity of each variables used in this study, namely KMO, Bartlett's, Communalities, Total variance, and also

Rotated Component Matrix. Furthermore, Cronbach's Alpha was also utilised to measure the reliability of each variables. The results of KMO and Bartlett's test for independent, mediating, and dependent variables are presented in Table II, III, and IV consecutively.

Table II - KMO and Bartlett's test of Independent Variables

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.923
Bartlett's test of sphericity	
Approx. Chi-Square	8376.692
df	300
Sig.	0.000

Table III - KMO and Bartlett's test of Mediating Variables

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.806
Bartlett's test of sphericity	
Approx. Chi-Square	948.109
df	6
Sig.	0.000

Table IV - KMO and Bartlett's test of Dependent Variables

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.920
Bartlett's test of sphericity	
Approx. Chi-Square	2300.570
df	28
Sig.	0.000

Table V - Cronbach's α Result

Variables	Indicator	Statements	Cronbach's α
Perceived Price Fairness	Fair	I paid the fair price	0.731
	Reasonable	I paid the honest price	0.788

		I paid the justified price	0.739
	Acceptable	I paid the worth price	0.730
SERVQUAL	Tangibility	The seat in the aircraft is clean and comfortable	0.693
		The appearance of Garuda Indonesia's employee is neat	0.704
		Garuda Indonesia provides a good quality food and beverage	0.740
		The toilet in Garuda Indonesia is clean	0.659
		Garuda Indonesia has entertaining in-flight entertainment service (newspaper, magazine, LCD TV)	0.787
		Garuda Indonesia always provide convenient flight schedule	0.790
	Reliability	Garuda Indonesia always has on-time performance	0.745
		Garuda Indonesia is safe	0.813
		The website of Garuda Indonesia is always updated	0.701
		Garuda Indonesia handles delay flight properly	0.657
	Responsiveness	Garuda Indonesia has efficient check in and baggage handling services	0.691
		Garuda Indonesia's employees always have willingness to help	0.686
		Garuda Indonesia's employees speed in handling request/complaint is	0.652

		good	
		The reservation services of Garuda Indonesia have a good quality	0.672
	Assurance	Garuda Indonesia has a good company image	0.894
		Garuda Indonesia's employee can communicate effectively due to the language proficiency	0.854
		Garuda Indonesia's employees are knowledgeable (in terms of providing the best customer service)	0.819
	Empathy	Garuda Indonesia's employees' behaviour to delayed passenger is appropriate	0.601
		Garuda Indonesia's employees always have individual attention to passengers	0.687
		Garuda Indonesia's employees always understand passengers' specific needs	0.712
		The courtesy of Garuda Indonesia's employees is good	0.625
Customer Satisfaction	Overall Satisfaction	Garuda Indonesia provided experiences which made me satisfied	0.856
	Fulfilment of Expectation	My general expectation is lifted up by Garuda Indonesia	0.938
	Comparison to ideal	Garuda Indonesia is a perfect airline that represents my ideal	0.904
	Overall Satisfaction	After experienced Garuda Indonesia, I trust the airline	0.877

Behavioural Loyalty		I will always fly with Garuda Indonesia	0.718
		I won't switch to another airline, even if I had a problem with Garuda Indonesia	0.888
		I will fly with Garuda Indonesia in the future	0.691
Attitudinal Loyalty		I will fly with Garuda Indonesia since it is the best choice	0.834
		I consider myself as a loyal customer of Garuda Indonesia	0.829
		I have a commitment towards Garuda Indonesia	0.794
		I say positive things about Garuda Indonesia to other people	0.856
		I recommend Garuda Indonesia to someone who as my advice for experiencing best flight.	0.845

Furthermore, the communalities results are all in the acceptable condition; independent variable at 0.720 - 0.963; mediating variable at 0.733 – 0.880; and dependent variable at 0.940-0.990. In addition, the total variance results also all accepted; independent variable at 81.98 per cent; mediating variable at 79.99 per cent; and dependent variable at 81.82 per cent. There was no discriminant problem detected since there was no difference at factor loading. Table V shows the Cronbach's α value. In conclusion, these results confirmed strong indication of the uni-dimensionality, validity, and reliability of each variable.

Inferential Analysis – Structural Model

To evaluate the parameters, a structural model of attitudinal and behavioural loyalty, customer satisfaction, service quality dimensions, and perceived price fairness was created. The objective of creating a structural model was to analyse whether the seven variables of service quality dimensions, perceived price fairness, and customer satisfaction have significant influence over attitudinal and behavioural loyalty. Therefore, in performing SEM analysis, researcher drew a diagram path and analyse the results as presented in Table VI.

Table VI - Model Fit Structural Equation Modelling Result

Indicator	Cut-Off Value	Result	Evaluation
X2-Chi Square	$P \leq 0.05$	.001	Accepted
CMIN/DF	$0.05 \leq \text{CMIN/DF} \leq 5$	2.362	Good-fit
RMSEA	$0.05 \leq \text{RMSEA} \leq 0.08$	.067	Good-fit
GFI	$0.80 \leq \text{GFI} \leq 0.90$	.811	Good-fit
TLI	$\text{TLI} \geq 0.90$	.928	Good-fit
CFI	$\text{CFI} \geq 0.90$	.935	Good-fit
IFI	$\text{IFI} \geq 0.90$	.935	Good-fit

This research has exogenous variable which is the independent variables; perceived price fairness, tangibility, reliability, responsiveness, assurance, and empathy. Whereas the mediating and dependent variables are the endogenous variable; customer satisfaction, attitudinal loyalty, and behavioural loyalty. The endogenous variable reliability is depicted by Squared Multiple Correlations, and the mediating variable is reliable with amount 0.783, the same goes with the dependent variable 0.616 and 0.764.

Critical Ratio (C.R.) of each variable are all accepted since it passed the standard prerequisite, more than 1.96. However, there are several variables that has CR values less than 1.96 and P is more than 0.05; PPF towards CS, RES towards CS, and RL towards CS.

Discussion, Implications, and Future Research

On previous researches, it has been proven that perceived price fairness has a significant effect towards customer satisfaction (Bassegy, 2014; Yieh, Chiao & Chiu, 2007; Molina, Consuegra, & Esteban, 2007). Nevertheless, this research indicated the contradictory, which explained that the price was considered unfair by customer, but it does not mean that they are not satisfied. This is due to the fact that Garuda Indonesia has successfully built a good reputation and corporate image, which is resulting people do not have any concern regarding to the price (Rizan, 2010). In addition, the result also found that perceived price fairness has a significant effect to attitudinal and behavioural loyalty without the role of

customer satisfaction. This result is also supported by Bei and Chiao (2001), Molina, Consuegra, and Esteban (2007), and Bassey (2014) regarding the perceived price as the trigger to do repurchase in future as the form of behaviour loyalty, while attitudinal loyalty is represented by the positive word of mouth.

The result also showed that customer satisfaction has a significant effect to attitudinal loyalty. This outcome is coherent with the finding of Ostrowski, O'Brien & Gordon (1993), and Cheng (2011) that confirmed the higher the level of customer satisfaction, the more chance customer will have a commitment to a specific brand and spread the good words to others. Moreover, customer satisfaction also has significant effect to behavioural loyalty. The same result also found in other researches by Srivastava (2015) and Cheng (2011) which stated that customer will do a repurchase in future if they are satisfied.

On the service quality dimensions, there are only three hypotheses accepted, while responsiveness and reliability hypotheses were rejected. The result is comparable with the study by Paramarta (2008), Rahmawati and Suminar (2014), and Aprilya (2013) regarding to the insignificant effect of responsiveness to customer satisfaction. Reliability was also rejected in this study, and the finding from Paramarta (2008), and Aprilya (2013) also supported this. In this case, the customers of Garuda Indonesia are not presuming that good responsiveness and reliability will improve the satisfaction level. Moreover, Garuda Indonesia is reflected as the best airlines in Indonesia (W&S Market Research, 2016), thus although people are finding issues with Garuda Indonesia's responsiveness and reliability, they will still have the belief that Garuda Indonesia is still much better than any other airlines in Indonesia (Munir, Prasetyo, & Kurnia, 2011). This belief is supported by the fact that Garuda Indonesia did not have as many incidents as other airlines in Indonesia due to its exceptional flight safety and a rare case of delay (Rizan, 2010).

On the contrary, tangibility, assurance, and empathy have significant effect to customer satisfaction. These results are corroborated by Khair and Silvianita (2016), Kalaiarasan, Appannan and Doraisamy (2015), and Minh, Ha and Matsui (2015). Furthermore, these results are supported by the fact that the tangibility Garuda Indonesia has; aircraft oldest age is no more than 7 years, relaxing waiting room, comfortable seat, clean cabin, high quality food and beverages, and up-to-date entertaining in-flight entertainment (Munir, Prasetyo, & Kurnia, 2011). Besides, awarded as the "World's Best Cabin Crew" for three times in a row by Skytrax in 2016 symbolizes the assurance and empathy Garuda Indonesia has (Butarbutar, 2016).

In regards of future research, researcher would like to suggest adding more related variables to assess the customer satisfaction, attitudinal and behavioural loyalty, for instance product innovation, image of corporate, switching cost, and service

recovery. Furthermore, expanding the industry type also should be expanded. Last but not least, future research can enlarge the number of respondents and population to have a more representable data.

In terms of practical implication, this study aims to deliver suggestion and recommendation for Garuda Indonesia to improve its service quality and take perceived price fairness into consideration. Based on the finding of this study, perceived price fairness has a significant effect to customer loyalty, both attitudinal and behavioural. Therefore, Garuda Indonesia must have an excellent pricing strategy to achieve the customers' perceived price fairness by preserving the quality of service on ground and in-flight to match the price given. Several improvements on service can be done, for instance by providing an organised check-in and luggage handling process, refining the quality of F&B, on time performance, enhancing the skills of the employees, and maintaining the condition of the fleet.

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