Improving Behavior Loyalty: The Importance of Communication Media Selection in Addressing Service Failure and Service Recovery in Indonesian Airlines

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ABSTRACT

This study explores the utilization of social media platforms, with a specific focus on Instagram, in the aviation business. Through an analysis of industry trends and user behavior, this research aims to understand the reasons behind Instagram's popularity and its effectiveness as a social media tool for aviation businesses. This research begins with investigating the effect of Delivery Failure and Personal Response Failure on Apology and Compensation, so that appropriate advice can be given regarding the optimal use of social media for creating Behavior Loyalty. The sample of this study has 110 respondents. This study's six hypotheses are all accepted. According to this study, Instagram is popular due to its visually-centric platform, broad user base, social interaction and engagement features, content variety, influencer culture, discoverability and exploration, constant innovation, mobile-first experience, and advertising and monetization opportunities.

Keywords: Delivery Failure, Personal Respond Failure, Apology, Compensation, Behavior Loyalty.

1. INTRODUCTION

Indonesia is a potential market for the aviation industry because it has a large population and a vast territory consisting of both land and sea. Air transportation provides a solution for people who require fast and efficient services, both for intercity and inter-island travel. The air transportation sector plays an important role, especially for countries like Indonesia, which is an archipelago, thereby increasing the demand for inter-island

transportation. The potential and bright prospects in the aviation industry in Indonesia are evident from the large number of airlines operating in the country. The Minister of Industry (Menperin) has also stated that Indonesia will be the fastest-growing aviation market among all countries, with a growth rate of approximately 14.9 percent over the next 20 years (www.bisnis.liputan6.com, accessed March 31, 2016).

Lion Air is a low-cost airline based in Jakarta, Indonesia. Founded on October 19, 1999, Lion Air is the largest private airline in Indonesia and commenced operations on June 30, 2000. According to a survey conducted by MRI among 529 passengers from Jakarta, Bandung, Semarang, Surabaya, Medan, and Makassar between March and June 2010, Garuda is still the most remembered brand (top of mind) with a share of 38%, followed by Lion Air (22%), Mandala (9%), Merpati (7%), and Batavia Air (7%). The survey also revealed that Garuda had a brand share of 28%, followed by Lion Air (23%). Comparing Garuda and Lion Air is indeed interesting (Bakti and Harun, 2011). Therefore, these companies need to innovate and develop new products to increase market share (Amelia et al., 2024).

Amelia et al. (2022) provided a focus on business research intended to give an in-depth study regarding the use of information technology. Flight delays have become synonymous with Lion Air. In fact, Lion Air has received numerous complaints from passengers regarding this issue. Supporting this statement, there are plenty of online media sources showing the dissatisfaction of Lion Air passengers due to frequent delays. These delays are a manifestation of their failure to provide professional service to passengers. However, despite this, Lion Air remains one of the airlines with a high occupancy rate or load factor, reaching 85-90 percent based on airline data at the end of 2014 (Praditya, 2015).

Flight delays are a persistent concern for many airlines, and Lion Air is no exception. The reasons behind the delays experienced by Lion Air can be attributed to various factors within the airline's operations and the aviation industry as a whole. Understanding these factors is crucial for comprehending the challenges faced by the airline and their impact on passenger experiences. One significant factor contributing to Lion Air's delays is operational issues. Technical problems with aircraft, maintenance requirements, or ground handling issues can cause unexpected delays, as these issues need to be addressed before the flight can proceed safely. Such operational challenges are common in the aviation industry and can occur across different airlines. Additionally, air traffic congestion plays a role in Lion Air's delays. Airports with high traffic volumes and congested airspace can lead to extended waiting times for take-off or landing clearance. This is especially prominent during peak travel seasons or in regions with limited airport infrastructure.

Weather conditions also have a substantial impact on Lion Air's punctuality. Adverse weather phenomena such as thunderstorms, heavy fog, or strong winds can disrupt flight schedules and lead to delays for safety reasons. These weather-related delays are beyond the airline's control and can affect flights throughout the industry.

In the rapidly evolving digital age, social media has emerged as a powerful platform for information dissemination across various industries. The aviation business, with its global reach and constant connectivity, has recognized the immense potential of social media in effectively delivering information to a wide audience. With millions of users actively engaging on platforms such as Twitter, Facebook, Instagram, and YouTube, social media enables airlines to establish direct and interactive communication channels with their customers. It allows for real-time updates on flight schedules, travel advisories, promotions, and news, ensuring passengers are well-informed and connected throughout their journey. Moreover, social media platforms provide a space for airlines to showcase

their brand identity, engage with passengers through meaningful content, and address customer queries or concerns promptly. By fostering a sense of community and open dialogue, airlines can build trust, loyalty, and a positive brand image among their target audience.

The purpose of this research is to provide comprehensive knowledge on the utilization of information technology in the aviation business, specifically focusing on the case of Lion Air. By embracing technology in their business operations, Lion Air can communicate better with its passengers.

2. LITERATURE REVIEW AND HYPOTHESES

2.1 Behavior Loyalty

Behavioral loyalty, or loyal behavior, occurs when consumers repurchase a product or service, but it does not necessarily require having a favorable attitude towards the brand. The behavioral perspective focuses on purchase loyalty, examining repeat purchase behavior based on a customer's purchase history. This perspective emphasizes past purchases rather than future ones (Ekowati, 2012). Customer loyalty behavior is an early approach to measuring loyalty, often based on actual purchasing behavior or buying behavior (Radji, 2008). In the context of customer loyalty behavior, it can be indicated by four main measurements: 1) positive word of mouth, 2) intention to stay within the organization, 3) employee sensitivity behavior, and 4) complaint behavior (Muafi, 2012). Meanwhile, in Chou's study (2015), loyalty behavior is measured using two indicators:

1. First choice
2. Reuse of services

2.2 Delivery Failure

Hu *et al*. (2013) explained that the occurrence of service failures during the service delivery process is very common in many service industries. Meanwhile, according to Skaalsvik (2013), the failure of the delivery service system is related to the failure of services in the company's core offerings. Delivery failure arises when service performance does not meet customer expectations and can be classified as a component related to results or processes. Process failure occurs when core services are performed in a flawed or incomplete manner, so that customers cannot benefit from the service perfectly. Conversely, failure results when certain features of the main service are not performed, resulting in the reduction of customers' economic resources such as money and time (Othman, et al., 2013). From these statements, we hypothesize that:

H_1: Delivery Failure has a positive significant effect on Compensation.
H_2: Delivery Failure has a positive significant effect on Apology.

2.3 Personal Respond Failure

Skaalsvik (2013) explains that personal response failure is a form of service failure related to employee responses to customer needs and requests. Hu, et al. (2013) explained that the personal response failure is related to the failure of employees to respond to requests from customers; this includes the occurrence of excess baggage and special needs for seats that are not met. From these statements, we hypothesize that:

H_3: Personal Respond Failure has a positive significant effect on Compensation.
H_4: Personal Respond Failure has a positive significant effect on Apology.

2.4 Apology

An apology is a high-value gesture used to reward someone in an exchange relationship. It is submitted by the company to consumers in the event of a service failure, typically expressed through hospitality, care, and politeness (Khoiri, 2015). A self-initiated apology demonstrates that the individual is aware of the social infraction and genuinely desires to repent (Fehr & Gelfand, 2010). From these statements, we hypothesize that:

   H5: Apology has a positive significant effect on Behavior Loyalty

2.5 Compensation

Compensation is a form of reimbursement provided to consumers for losses suffered, typically in the form of discounts, coupons, or refunds. It is related to the allocation of costs and benefits in achieving a balanced exchange relationship related to service recovery. This compensation aims to provide satisfaction or justice to consumers, both in terms of the amount provided and the ease of procedures to obtain it (Khoiri, 2015). From these statements, we hypothesize that:

   H3: Compensation has a positive significant effect on Behavior Loyalty

3. RESEARCH ISSUE AND METHODOLOGY

3.1 Research Issue

This research adopts a causal research approach as it builds upon previous research models to address existing problems. Utilizing quantitative methods, the study gathers data through questionnaires distributed to Lion Air passengers. The research methodology involves concurrent analysis processes facilitated by references and employs SPSS software version 22.0 for quantitative analysis. The study focuses on Lion Air passengers as the population of interest. It encompasses two types of research: qualitative, involving data reduction, use, and explanation, and quantitative. Given the inability to identify the entire population, a non-probability sampling technique, specifically purposive sampling, is employed. The study involves 110 respondents from among Lion Air passengers.
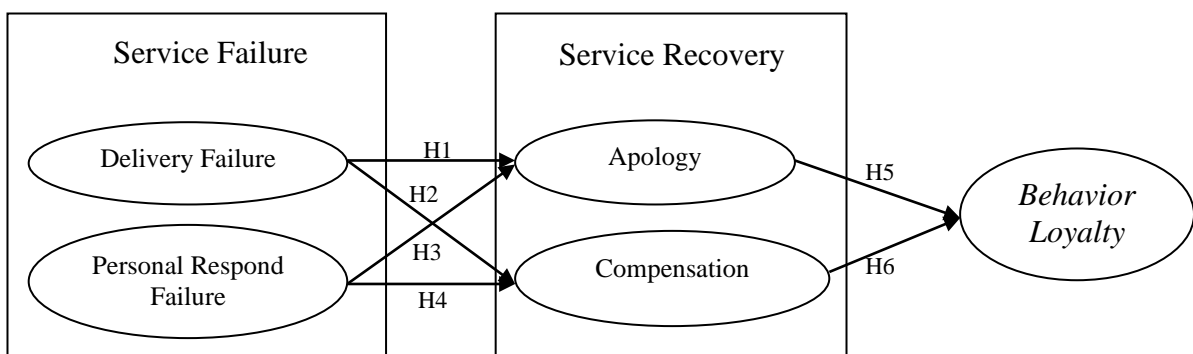

Figure 1. Research Model

4. FINDINGS AND DISCUSSION

4.1.   Findings

This study utilized Multiple Regression analysis with SPSS version 22.0 to test the variables. The statistical tool employed to address the research problem was SPSS. Data processing commenced with the examination of control variables. The findings revealed that the majority of respondents were women (60%), indicating that women tend to

exhibit resilience despite repeated service failures by airlines, provided there is adequate service recovery. Additionally, the age distribution of respondents was as follows: 20-40 years (70%), 41-60 years (20%), and >60 years (10%). The predominant age group of 20-40 years signifies the productive age for travel, encompassing educational, work, and leisure purposes. Therefore, service recovery strategies can be tailored to target this demographic. Furthermore, regarding the frequency of purchasing airline tickets, the majority of respondents bought tickets 3-6 times per year. This indicates a moderate level of mobility among respondents, highlighting the importance of mitigating service failures to prevent their persistence in the long-term memory of respondents.

4.1.1. Validity Test Result, Mean and Standard Deviation

Table 4.1 demonstrates that all indicators used to estimate each variable are valid, as indicated by factor loadings exceeding 0.187 (critical r) for every question. The validity test was conducted using data from 100 respondents in Surabaya.

Table 4.1 Validity Test

Indicator		Indicator		Indicator		Indicator		Indicator	
DF		PRF		AP		CO		BL	
DF1	.834	PRF1	.543	AP1	.543	CO1	.543	BL1	.756
DF2	.665	PRF2	.765	AP2	.432	CO2	.876	BL2	.543
DF3	.787	PRF3	.876	AP3	.543	CO3	.867	BL3	.654
		PRF4	.876						
		PRF5	.564						

4.1.2 Reliability Test

The results of the reliability test are as follows:

Table 4.2 Reliability Test

Variable	Cronbach's Alpha
DF	.855
PRF	.765
AP	.782
CO	.768
BL	.876

Table 4.2 shows that all regressions have Cronbach's Alpha values higher than 0.5. This indicates that the statements used to develop the variables are consistent and reliable, suitable for further analysis. The reliability test utilized data from 110 respondents in Surabaya.

4.1.3 Normality Test

The following results depict the p-plot of the normality test. Figures 2 and 3 indicate that the variables exhibit a normal distribution, as evidenced by the data closely aligning with the diagonal line. The normality test utilized data from 110 respondents in Surabaya.
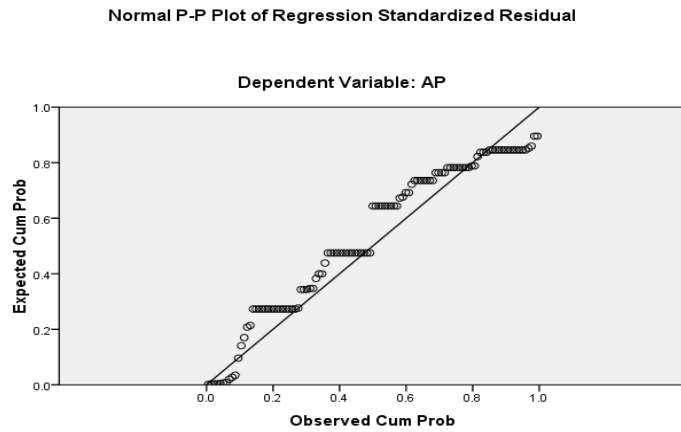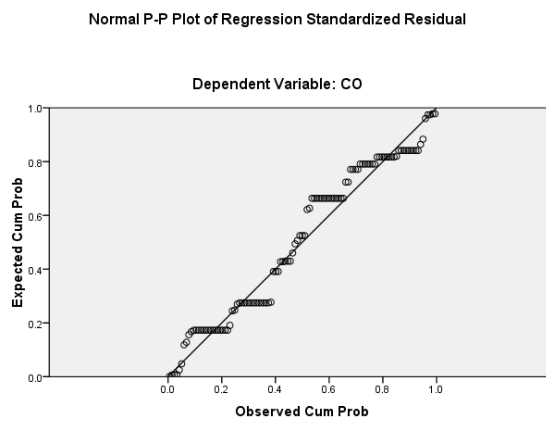
Figure 2 P-Plot for Apology Normality Test

Figure 3.1 P-Plot for Consumption Normality Test
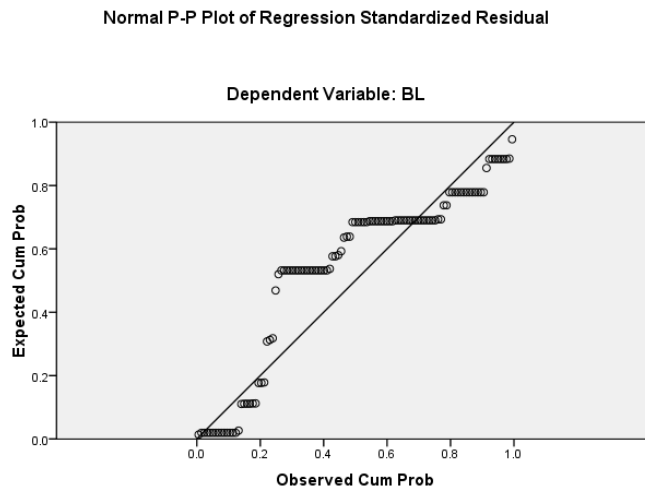

Figure 3.2 P-Plot for Behavior Loyalty Normality Test

4.1.4   Heteroskedasticity Test

The following results depict the scatterplot of the heteroskedasticity test. Figures 4, 5, and 6 show the analysis of the heteroskedasticity test, where the absence of a clear pattern and points spreading evenly above and below the Y axis at 0 indicate no heteroskedasticity. The heteroskedasticity test utilized data from 110 respondents in Surabaya.
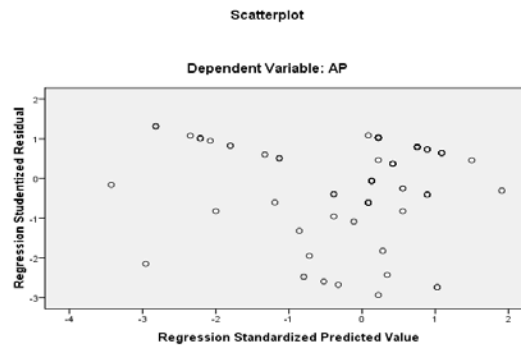
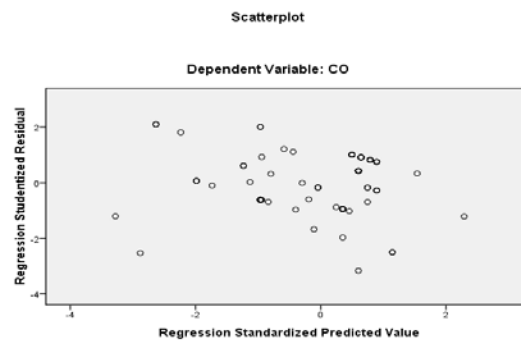**Figure 4 Scatterplot for Apology heteroskedasticity test**

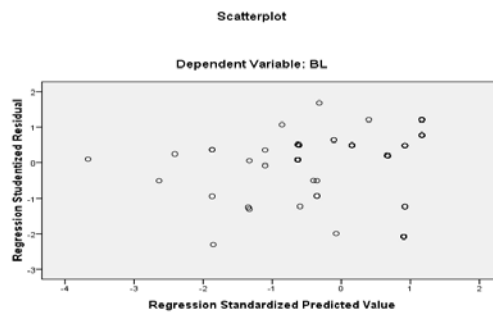**Figure 5 Scatterplot for Compensation heteroskedasticity test**

Figure 6 Scatterplot for Behavior Loyalty heteroskedasticity test

4.1.5   Multicollinearity Test

Table 4.3 indicates that there is no correlation among the independent variables, as the tolerance values are higher than 0.1 and the VIF values are less than 10. The multicollinearity test utilized data from 110 respondents in Surabaya.

Table 4.3 Multicollinearity Test

Regression	Tolerance	VIF
Delivery Failure	.887	1.071
Personal Respond Failure	.887	1.071
Apology	.612	1.889
Compensation	.612	1.889

4.1.6   Results of Coefficient Determination

Table 4.4 shows that the coefficient of determination (R-squared) for Model 1 is 0.224, indicating that perceived usefulness, perceived ease of use, and compatibility can explain 22.4% of the variation in perceived value. The remaining 77.6% is attributed to other unobserved variables. The validity test utilized data from 110 respondents in Surabaya.

Table 4.4 Coefficient Determination

	R	*Adjusted R Square*
DF, PRF*AP	0.552	0.224
DF, PRF*CO	0.678	0.487
AP, CO*BL	0.657	0.342

4.1.7   Results of Multiple Regression

From Table 4.5, the regression equation can be written as follows:

Model 1:

AP= - b1.DF - b2.PRF

AP= - 0.453DF – 0.188PRF

Model 2:

CO= -b3.DF – b4.PRF

CO= -0.198DF – 0.567PRF

Model 3:

BL= -b5.AP – b6.CO

BL= -0.411AP – 0.345CO

Based on Table 4.5, all independent variables show a positive influence on the dependent variable. PRF exhibits the highest regression coefficients compared to other variables, with values of 0.188 for Apology and 0.567 for Compensation. Meanwhile, DF has the smallest influence on Apology and Compensation, with coefficients of 0.453 and 0.198, respectively. CO shows a stronger regression compared to AP in influencing Behavioral Loyalty. The multiple regression test utilized data from 110 respondents in Surabaya.

Table 4.5 Multiple Regression

Regression	**Standardized Coefficients Beta**
DF*CO	-0.198
PRF*CO	-0.567
DF*AP	-0.453
PRF*AP	-0.188
AP*BL	0.345
CO*BL	0.411

4.1.8   F-Test

The F-test was conducted using data from 110 respondents in Surabaya. The significance value obtained from SPSS calculation is 0.000, indicating rejection of the null hypothesis (H0). Therefore, it can be concluded that Delivery Failure (DF) and Personal Response Failure (PRF) significantly influence Apology (AP) and Compensation (CO). This

confirms the acceptance of the hypothesis stating that Delivery Failure (DF) and Personal Response Failure (PRF) influence Apology (AP) and Compensation (CO).

4.1.9   T-Test

The T-test was employed to assess whether the independent variables of perceived usefulness, perceived ease of use, compatibility, and perceived value have a significant influence on actual usage individually. A significance level below 0.05 indicates a significant influence of the independent variable on the dependent variable. The T-test utilized data from 110 respondents in Surabaya.

From Table 4.6, it is evident that Delivery Failure (DF) and Personal Response Failure (PRF) positively and significantly influence Apology (AP) and Compensation (CO). This finding is consistent with the results presented in Table 4.6, indicating that Delivery Failure (DF) and Personal Response Failure (PRF) have a positive and significant impact on Apology (AP) and Compensation (CO). Consequently, all six hypotheses were accepted.

Table 4.6 Result of *T*-Test

Regression	Sig.	Note
DF → AP	0.001	Significant
PRF → AP	0.024	Significant
DF → CO	0.023	Significant
PRF → CO	0.000	Significant
AP → BL	0.015	Significant
CO → BL	0.039	Significant

4.1.10 Indirect Effect

To determine whether the variable significantly mediates between the independent and dependent variables, Sobel testing is utilized.

Table 4.7 Result of Sobel Test

Regression	Sig.	Note
DF → AP → BL	0.085	Insignificant
PRF → AP → BL	0.149	Insignificant
DF → CO → BL	0.098	Insignificant
PRF → CO→ BL	0.021	Significant

Table 4.7 indicates that among the four equations studied for mediation variables using the Sobel Test, three variables did not show significant mediation, while one variable emerged as a significant mediator. Specifically, Personal Response Failure significantly mediates the effect of Compensation on Behavior Loyalty.

4.2 Discussion

The results of this study indicate that Delivery Failure (DF) and Personal Response Failure (PRF) have a positive and significant effect on Apology (AP) and Compensation (CO). Additionally, Apology (AP) and Compensation (CO) demonstrate a positive and significant effect on Behavior Loyalty (BL). Consequently, all six proposed hypotheses are accepted.

From the results of the research, it's evident that Personal Response Failure (PRF) has the most significant influence on creating Apology and Compensation, with

coefficients of 0.188 and 0.567, respectively. This highlights the pivotal role of employee behavior in initiating apologies. PRF, a form of service failure related to employee response to customer needs and requests, underscores the importance of employees' responsiveness in service interactions.

Furthermore, PRF significantly affects Compensation, as customers appreciate the airline's commitment to rectify service discrepancies. This satisfaction stems from various forms of compensation offered by the airline, including material incentives such as ticket vouchers, refunds, and souvenirs, as well as psychological compensation through apologies delivered via phone calls, emails, or letters. Additionally, Delivery Failure emerges as the second most important variable in creating Apology and Compensation. This underscores the criticality of addressing service failures promptly and effectively to maintain customer satisfaction and loyalty.

The most influential variable in creating Behavior Loyalty is Compensation, with a coefficient of 0.345. The study reveals that customers are highly satisfied with the airline's commitment to offering compensation for flight service discrepancies. This satisfaction extends to the airline's provision of psychological compensation through apologies delivered via phone calls, emails, or letters, as well as material compensation in the form of ticket vouchers, refunds, and souvenirs. These gestures contribute to increased Behavior Loyalty among customers.

Additionally, Apology emerges as another significant factor in creating Behavior Loyalty. Customers express satisfaction with direct apologies from airline employees following flight service discrepancies. They also appreciate the airline's prompt response and actions to address such situations, including service improvements. This positive response further enhances Behavior Loyalty, leading customers to choose the airline as their preferred option for flight services and recommend it to friends.

Airlines, such as Lion Air, can benefit from implementing transparent and fair compensation guidelines. These guidelines should cover various scenarios, including flight delays, cancellations, lost baggage, and other service failures. By offering clear instructions and appropriate compensation options, airlines can demonstrate their commitment to resolving customer issues and regaining their trust. In addition, timely and proactive communication is essential. Airlines should keep customers informed about the issue, its cause, and the steps being taken to rectify it. Regular updates can help manage customer expectations and minimize frustration. Overall, these strategies can contribute to improved customer satisfaction and loyalty, enhancing the airline's reputation and competitiveness in the industry.

5. CONCLUSION

According to this study, the most used social media by the respondents are Instagram, TikTok, and Facebook. Instagram reels and stories have immensed popularity among the respondents as the trend towards video content and shorter information format are increasing. Instagram is popular due to its visual-centric platform, broad user base, social interaction and engagement features, content variety, influencer culture, discoverability and exploration, constant innovation, mobile-first experience, and advertising and monetization opportunities. These factors collectively make Instagram an appealing platform for individuals, brands, businesses, and content creators, fostering creativity, connection, and engagement among its users.

Managerial implications of this finding can be based on the theory that has been developed as follows:

First, Compensation is an important element for visitors as a process to improve Lion Air customer loyalty behavior in Surabaya. This can be achieved by providing souvenirs and free food as a form of apology to consumers for service discrepancies. It should be consistent with what is promised to passengers for compensation caused by the airline, such as immediately resolving disruptions even though passengers have already received compensation, and distributing discount vouchers.

Second, Apology is an important element for consumers as a process to improve Lion Air's Loyalty Behavior. This can be accomplished by increasing speed when there is a disruption, improving the quality control system on all services, and conducting training for all Lion Air employees to always apply the right service standards to customers. They should listen to what passengers complain about, immediately solve the problem, and apologize if something goes wrong.

Third, Delivery Failure is an important element for customers as a process to improve Apology and Compensation. By always paying attention to every schedule change, adding employees who specifically handle changes to handle schedules, and providing understanding to passengers that these changes are based on mutual safety, so that passengers can better understand the reasons for the flight information change.

Fourth, Personal Response Failure is an important element for customers as a process to improve Apology and Compensation. Conducting training for employees on how to explain aircraft delays, such as training on the emotional level of employees to serve customers politely even when customers are angry, can help improve the handling of Apology and Compensation.

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