

Sky-High Expectations in Low-Cost Aviation: Investigating Lion Air Passenger Loyalty During Peak Travel Seasons in DKI Jakarta

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ABSTRACT

This quantitative study examines the impact of service quality and perceived price fairness on the loyalty of Lion Air passengers during peak travel seasons, with customer satisfaction acting as an intervening variable. Data collected from 140 respondents through purposive sampling were analysed using Partial Least Squares (PLS). The results indicate that service quality and perceived price fairness have a positive and significant effect on both customer satisfaction and customer loyalty. Furthermore, customer satisfaction is proven to have a positive influence on loyalty and partially mediates the relationship between the two independent variables and loyalty. These findings underscore the importance of consistent service quality and fair pricing policies in enhancing satisfaction and building long-term loyalty, particularly during peak seasons.

Keywords: *Service Quality; Price Fairness; Customer Satisfaction; Customer Loyalty; Lion Air During Peak Season.*

ABSTRAK

Penelitian kuantitatif ini menguji pengaruh kualitas layanan dan persepsi keadilan harga terhadap loyalitas penumpang Lion Air pada periode perjalanan puncak (*peak season*), dengan kepuasan pelanggan sebagai variabel intervening. Data dari 140 responden (*purposive sampling*) dianalisis menggunakan *Partial Least Squares* (PLS). Hasil penelitian menunjukkan bahwa kualitas layanan dan persepsi keadilan harga berpengaruh positif dan signifikan terhadap kepuasan serta loyalitas pelanggan. Selain itu, kepuasan pelanggan terbukti berpengaruh positif terhadap loyalitas dan mampu memediasi secara parsial hubungan kedua variabel independen tersebut terhadap loyalitas. Temuan ini menegaskan pentingnya konsistensi kualitas layanan dan kebijakan harga yang adil untuk meningkatkan kepuasan serta membangun loyalitas jangka panjang, khususnya pada musim puncak.

Kata Kunci: *Kualitas Pelayanan; Keadilan Harga; Kepuasan Pelanggan; Loyalitas Pelanggan; Lion Air Selama Musim Puncak.*

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INTRODUCTION

Indonesia's geographical location as a multi-island nation demands an effective and efficient transportation system. Therefore, air transportation services have become a primary need. The role of airlines is increasingly crucial in connecting various regions in Indonesia, for economic, social, and tourism purposes. The aviation sector is at the forefront of the transportation industry, crucial for supporting the movement of people and the country's economic growth. Over the past decade, air transportation in Indonesia has seen remarkable progress, as evidenced by the increasing number of passengers and domestic routes offered by various airlines (BPS, 2024). Increasing competition among airlines has pushed them to compete not only on price but also to maintain high service standards to achieve customer satisfaction and loyalty.

Lion Air is a national private airline from Indonesia, which was officially established on November 15, 1999, and began its maiden flight on June 30, 2000. Lion Air carries the motto "We Make People Fly". Lion Air strives to change the public's view that anyone can fly with Lion Air while still prioritizing safety, security, and flight quality. Lion Air's participation in the aviation industry is aimed at focusing on the lower-middle segment or *low-cost carrier* (LCC). This flight fleet provides services for domestic routes in Indonesia as well as international routes, including Singapore, Malaysia, Vietnam, and Saudi Arabia (Kurniawati, 2020).

Service quality in the aviation industry is a major factor determining customer satisfaction. Service quality is measured by a company's ability to meet or exceed customer expectations across five dimensions: reliability, responsiveness, assurance, empathy, and tangibles. In the context of Lion Air, service quality is reflected in flight punctuality, facility comfort, cabin crew attitude, and speed in handling customer complaints (Parasuraman et al., 1988). The phenomenon of low perceptions of service quality at Lion Air is reflected in consumer complaint data, which shows that 38% of complaints relate to unfriendly or unresponsive service, and 27% relate to delays and inconsistencies in information received by customers. These data indicate that the reliability and responsiveness aspects of service are still suboptimal, potentially reducing customer satisfaction levels. This condition indicates a gap between consumer expectations and the actual service provided by the company. In the context of the highly competitive aviation industry, service quality is a strategic factor in building customer trust, satisfaction, and loyalty. If service issues are not immediately addressed systematically, they can impact the company's image and the airline's continued competitiveness in the market.

In addition to service quality, price fairness is an important determinant of customer satisfaction in the LCC segment, as consumers assess the appropriateness of ticket prices to the service benefits received. Perceptions of unfair prices have the potential to reduce satisfaction and loyalty. This phenomenon is reinforced by the trend of an average increase in domestic airfares of 12.45% in 2024, compared to 2023 (BPS, 2024). Tariff adjustments made by Lion Air and Citilink due to fluctuations in aviation fuel and high demand have also contributed to the perception that domestic fares are increasingly expensive. Furthermore, a Katadata Insight Center survey (2023) showed that 67% of respondents considered domestic ticket prices unreasonable or too high compared to the service received.

This phenomenon is related to Lion Air's operational characteristics as a low-cost carrier that focuses on cost efficiency to offer competitive fares (Soraya et al., 2023). However, during peak season periods when demand increases significantly, adjustments occur on the demand side and prices that impact market dynamics (Zachariah et al., 2023). Increased ticket prices accompanied by limited operational capacity have the potential to increase the risk of declining service quality, such as flight delays, long queues, and less-than-optimal service response (Zou et al., 2022).

Customer satisfaction plays a strategic role in modern marketing as a mediating variable linking service quality and price fairness to customer loyalty. Customers who perceive satisfactory service and assess the cost they incur as commensurate with the value they receive tend to demonstrate long-term engagement and recommend the service to others (Arnas & Wiyadi, 2024). Thus, the influence of service quality and price fairness on loyalty is generally indirect, occurring through increased customer satisfaction. Previous research on Lion Air has generally focused on the influence of service quality on customer satisfaction (Kurniawati, 2020). Meanwhile, the variables of price fairness and customer loyalty, particularly in the context of low-cost airlines, have been studied simultaneously. Studies that

integrate service quality and price fairness in predicting loyalty through the mediation of customer satisfaction are more common in the retail and online transportation sectors than in the aviation industry (Hapsari & Irawan, 2023).

This condition indicates a research gap in testing an integrated model involving service quality, price fairness, customer satisfaction, and customer loyalty, specifically at Lion Air (Kotler & Keller, 2016). Considering that customer loyalty is a determinant of business sustainability in the competitive service industry, and the characteristics of LCCs that make consumers more sensitive to service quality and perceptions of price fairness, especially during peak season periods (Soraya et al., 2023). This study is relevant to examine the role of customer satisfaction as a mediating variable in the relationship between these variables.

LITERATURE REVIEW

Theory

The theory underlying this research is the Expectancy Disconfirmation Theory (EDT) proposed by Oliver (1980) to explain the relationship between service quality, price fairness, customer satisfaction, and customer loyalty. This theory suggests that customer satisfaction is achieved through a comparison process between customer expectations and the actual service performance received (perceived performance). If the service performance perceived by the customer meets or even exceeds expectations, positive disconfirmation will occur, resulting in satisfaction. Conversely, if service performance falls below expectations, negative disconfirmation will occur, resulting in dissatisfaction. This theoretical model is a development of a previous theory called Cognitive Dissonance Theory (CDT), introduced by Leon Festinger in 1957. CDT is a theory that explains the discomfort individuals experience when their actions are inconsistent with their knowledge.

Quality of Service

Service quality is a type of activity provided to consumers, although the form of the product provided cannot be seen, what happens is the interaction between the service provider and the consumer (Teddy et al., 2020). Service quality can be defined as everything that focuses on efforts to fulfill the needs and desires of consumers, accompanied by accuracy in delivering them, so that a balanced match is created with consumer expectations (Sulistiyowati, 2018). Service quality is basically centered on efforts to fulfill customer needs and desires, and the accuracy of delivery to balance customer expectations. Service quality is basically centered on efforts to fulfill needs and desires, and what is provided (Indrasari, 2019).

Price Fairness

Price fairness is a consumer assessment of the fairness of the price offered by the company. This fairness can be related to the benefits of the product offered or similar products offered by other companies (Martono & Keni, 2023). Price fairness is a measure felt by customers based on a comparison of what is sacrificed to obtain a product or service with the benefits perceived from the goods or services (Prum et al., 2024). Price fairness refers to the views or assumptions of consumers regarding the price of a product (both goods and services) received, whether the price is appropriate and commensurate with the amount paid (Triandewo & Indarto, 2021).

Customer Satisfaction

Customer satisfaction is a positive feeling felt by customers towards a product or service purchased or used, namely, how well customer expectations match the performance of the product or service (Wardhana, 2024). Satisfaction is a positive emotion; a person feels satisfied because expectations and reality when using the service provided are met (Rifa'i, 2023). Customer satisfaction concerns the components of expectations and performance or perceived results. In general, customer expectations are estimates or beliefs of customers about what they will receive if they buy or consume a product (goods or services) (Harjadi & Arraniri, 2021).

Customer Loyalty

Customer loyalty can be interpreted as consumers making repeat purchases for (products) or repeat visits for (services) based on feelings of satisfaction in previous experiences after consuming and experiencing the product or service (Hermanto, 2019). Loyalty, consisting of dimensions of word of mouth, communication, future refurbishment intention, price sensitivity, and complaining behavior, is an action that is highly desired by companies providing goods and services. Customer loyalty is someone who has become accustomed to buying the products offered and often interacts (makes purchases) over a certain period of time, while remaining loyal to following all of the Company's offers.

Framework

Based on the theoretical basis, the conceptual framework of this research shows the relationship between the independent variable (H), the dependent variable (Y), and the intervening variable (Z). The independent variable is the influencing factor, the dependent variable is the variable that is influenced, while the intervening variable acts as a mediator that bridges the indirect influence between the independent variable and the dependent variable.

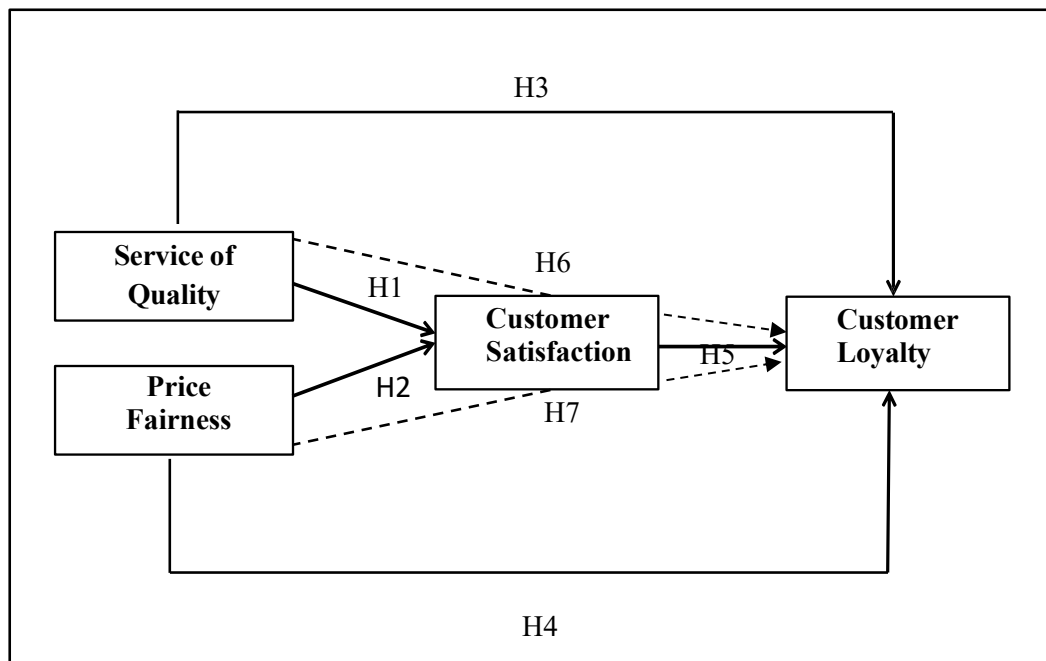


Figure 1. Conceptual Framework

Source: Processed by the author based on previous literature, 2025

Research Hypothesis

Service Quality and Customer Satisfaction

According to Expectancy Disconfirmation Theory (EDT), customers assess their level of satisfaction by comparing their initial expectations of a service with their perceived service performance. The higher the service quality (reliability, responsiveness, assurance, empathy, and tangibles), the greater the likelihood of positive disconfirmation, which in turn increases satisfaction (Oliver, 1980). Higher service quality correlates with higher levels of customer satisfaction (Islami et al., 2023). This indicates that, on average, customers feel happy and helped by the services offered by the company. If customers feel that the service they receive meets or even exceeds their expectations, they will be satisfied with the company. Conversely, if the service experience falls below their expectations, customer satisfaction will decrease (Bitrián et al., 2023).

This relates to previous research. Research by Dewi et al. (2021), Hameed et al. (2024) and Uzir et al. (2025) indicates that service quality has a positive and significant impact on customer satisfaction. Therefore, the following hypotheses can be concluded in this study.

H1: Service quality has a positive effect on customer satisfaction.

Price Fairness and Customer Satisfaction

In EDT, price perception creates expectations about the value to be obtained. When customers perceive prices as fair, equal, and appropriate to the benefits they receive, these perceptions result in positive disconfirmation, which ultimately increases customer satisfaction levels (Shukla, A., Mishra, A. & Dwivedi, 2025). Price fairness refers to the extent to which consumers perceive the costs they incur to be commensurate and appropriate to the value or benefits they receive. Price fairness is actually recognized as one of the main indicators for improving customer satisfaction. This shows that price fairness has a beneficial impact on customer satisfaction, dissatisfaction, and unfavorable word-of-mouth (WOM), which are crucial to service quality (Sochenda, 2022). Customers agree that price fairness refers to things with acceptable prices, good value for money, and a comprehensive customer experience. Therefore, customer satisfaction with the company increases along with the level of customer confidence in fair prices.

This statement aligns with research conducted by Pahrudin et al. (Pahrudin et al., 2023) Ansah (Ansah, 2021) and Sochenda (2022) which showed that price fairness has a positive and significant impact on customer satisfaction. Based on the explanation above, the following hypothesis can be formulated in this study.

H2: Price fairness has a positive effect on customer satisfaction.

Service Quality and Customer Loyalty

Based on EDT, perceived good service quality can directly influence loyalty through positive disconfirmation, although mediation has greater power. If service performance consistently exceeds expectations, this creates long-lasting loyalty (Schiebler et al., 2024). In research conducted (Omorieg et al., 2020), it states that service quality is able to create customer loyalty to the services provided by the company. The quality carried out by the company has succeeded in creating customer satisfaction in getting the convenience of the services provided well, and is able to understand the needs of customers who feel they have received convenience with the services provided. If the service quality is better, customers will tend to come back, so customer loyalty will increase (Perwira & Setiawan, 2021).

This statement aligns with research conducted by Surapati et al. (2020), Abigail et al. (2024) and Perwira and Setiawan (Perwira & Setiawan, 2021) which found that service quality has a positive and significant influence on customer loyalty. The hypotheses in this study can be summarized as follows.

H3: Service quality has a positive effect on customer loyalty.

Price Fairness and Customer Loyalty

From the EDT perspective, fair pricing not only improves satisfaction levels but also directly builds loyalty. This occurs because realistic price perceptions foster customer confidence in service providers (Shukla, A., Mishra, A. & Dwivedi, 2025). Chituru & C. Elvis (2022) stated that price fairness is an important factor that influences customer loyalty. If customers have a good experience and are satisfied with a product, consumers will continue to spread positive word of mouth to other potential customers to stimulate their intention to visit the company. Consequently, when prices are fair, this can make customers have good feelings and moods to buy the product in question. This will help create good relationships and emotional bonds between customers and the company (Chairuddin et al., 2022).

The results of research conducted by Chairuddin et al. (2022), Hutagalung and Hutabarat (2024) and Atmaja and Yasa (2020) align with the statement above, showing that price fairness has a positive and significant influence on customer loyalty. Therefore, the following hypotheses can be concluded in this study.

H4: Price fairness has a positive effect on customer loyalty.

Customer Satisfaction and Customer Loyalty

Schiebler et al. (2024) EDT, satisfaction is created by disconfirmation, and this satisfaction results in long-term loyalty. Positive disconfirmation increases the level of satisfaction, which encourages customers to remain loyal (e.g., repeat purchases or provide recommendations). Negative disconfirmation reduces satisfaction, thereby decreasing the level of loyalty. Uzir et al. (2025) states that customer satisfaction plays an important role in building customer loyalty. When customers are satisfied

with their experience, both in terms of the service received, they tend to develop strong emotional bonds. This increases the likelihood of customers remaining loyal and making repeat purchases. So, ensuring customer satisfaction is not only about meeting momentary expectations, but also about building ongoing relationships that can strengthen customer loyalty consistently (González-Viralta et al., 2023).

This statement aligns with the research findings of Prasetyo et al. (2025), Abigail et al. (2024) and Gazi et al. (2024) which found that customer satisfaction has a positive and significant influence on customer loyalty. Based on the explanation above, the following hypothesis can be formulated in this study.

H5: Customer satisfaction has a positive effect on customer loyalty.

The Influence of Service Quality on Customer Loyalty through Customer Satisfaction

According to EDT, service quality creates disconfirmation, which then builds satisfaction. Once satisfaction is achieved, loyalty is formed. In other words, satisfaction acts as a mediating variable between service quality and loyalty. Fatima et al. (2018) revealed that positive service quality not only strengthens the relationship between customers and the company but can also encourage customer loyalty and increase their likelihood of returning or recommending the place to others. Therefore, good service quality is a key factor in building and maintaining sustainable customer satisfaction. According to Perwira & Setiawan (2021), the better the quality of service a company has, the more satisfied customers will be, which can increase customer satisfaction. This means that by prioritizing customer satisfaction and aligning services with customer needs and expectations, companies can strengthen long-term relationships and foster customer loyalty.

This statement aligns with the research findings of Sani et al. (2024), Al-slehat (2021) and Christanto and Santoso (2022) which shows that customer satisfaction can mediate the effect of service quality on customer loyalty. Based on the explanation above, it can be concluded that the hypothesis in this study is formulated as follows.

H6: Customer satisfaction mediates the effect of service quality on customer loyalty.

The Influence of Price Fairness on Customer Loyalty through Customer Satisfaction

EDT also states that price fairness influences loyalty through the formation of satisfaction. Fair prices result in good judgment, which then results in long-term loyalty. In addition, the perception of fair prices increases customer confidence that the value they receive is commensurate with the sacrifices made, thus further strengthening the loyalty relationship. Pinaraswati et al. (2024) stated that price fairness has an important role in forming positive customer perceptions. When customers perceive that prices and services are set fairly and commensurate with the benefits received, customers feel a higher level of satisfaction with the customer experience. Although fair prices can directly influence loyalty, the strongest influence still occurs when customers feel satisfied first. Opata et al. (2021) revealed that when prices are given fairly to customers, it increases customer satisfaction and builds customers who use the service again in the future.

This aligns with research conducted by Hameed et al. (2024), Junaedi et al. (2022), and Prum et al. (2024) which showed that customer satisfaction can mediate the effect of price fairness on customer loyalty. Therefore, the following hypothesis can be concluded in this study.

H7: Customer satisfaction mediates the effect of price fairness on customer loyalty.

METHOD

This study employed an explanatory quantitative research design to examine the relationships among the proposed variables. Primary data were collected through a questionnaire administered to Lion Air customers in DKI Jakarta. The target population comprised Lion Air customers in DKI Jakarta, with the population size unknown. Based on the sample size calculation following the guideline proposed by Hair et al. (2021), the minimum sample size was determined based on the number of indicators in the research model. With a total of 28 items, multiplying the number of indicators by 5 results in a minimum sample size of 140 respondents. This approach was adopted to ensure that the sample size was adequate to meet the methodological requirements and research criteria established for the study.

Primary data were collected using a structured questionnaire administered both online (Google Forms) and offline at the airport to Lion Air customers. This combined approach enhanced respondent coverage and data representativeness. Data were analyzed using descriptive statistics in SPSS to summarize respondent characteristics and Partial Least Squares Structural Equation Modelling (PLS-SEM) to examine the relationships among the study constructs (Ghozali & Kusumadewi, 2023).

Demographics Respondents

Table 1. Demographic Respondents

Respondent Characteristics	Item	Frequency	Percent%
Gender	Woman	103	73,6
	Man	37	26,4
Age	17 – 20 years	13	9,3
	21 – 25 years	116	82,9
	26 – 30 years	10	7,1
	30 – 35 years	1	7
Occupation	Employee	52	37,1
	Students	57	40,7
	Businessman	5	3,6
	Other	26	18,6
Monthly Income	< Rp. 500.000	19	13,6
	Rp. 500.000 - Rp. 1.000.000	21	15,0
	Rp. 1.000.000 - Rp. 5.000.000	61	43,6
	Rp. 5.000.000 - Rp. 10.000.000	34	24,3
	>Rp. 10.000.000	5	3,6
	West Jakarta	29	20,7
Domicile	Centre Jakarta	17	12,1
	South Jakarta	31	22,1
	East Jakarta	33	23,6
	North Jakarta	28	20,0
	Kepulauan Seribu	2	1,4

Source: Primary data processed based on research results, 2026

Based on the data presented in Table 4.1, all respondents had previously used Lion Air, totalling 140 individuals (100%). It was also found that all respondents had flown with Lion Air at least twice during peak season periods, indicating that they can be considered loyal customers of the airline's services. In terms of gender, the majority of respondents were female, accounting for 103 individuals (73.6%), while 37 respondents (26.4%) were male. These findings indicate that female passengers dominated the population of Lion Air users in this study.

Most respondents were aged 21–25 years (82.9%), followed by 17–20 years (9.3%), 26–30 years (7.1%), and 30–35 years (0.7%). In terms of occupation, respondents were primarily students (40.7%) and employees (37.1%), with smaller proportions of entrepreneurs (3.6%) and other occupations (18.6%). Overall, the sample was dominated by young adults, mainly students and employees, who are likely to consider both ticket affordability and service quality when choosing an airline during peak seasons.

Most respondents had a monthly income of IDR 1,000,000–5,000,000 (43.6%), followed by IDR 5,000,000–10,000,000 (24.3%), IDR 500,000–1,000,000 (15.0%), less than IDR 500,000 (13.6%), and more than IDR 10,000,000 (3.6%). Overall, the sample was dominated by lower-middle to middle-income respondents, indicating that affordability and perceived price fairness are important considerations in choosing Lion Air. Respondents were distributed across all administrative areas of DKI Jakarta, with the largest proportions residing in East Jakarta (23.6%), South Jakarta (22.1%), West Jakarta (20.7%), North Jakarta (20.0%), Central Jakarta (12.1%), and the Kepulauan Seribu (1.4%). This distribution reflects a geographically diverse sample and supports its representativeness in capturing customer perceptions of Lion Air during the peak season.

Validity and Reliability Test

Table 2. Convergent Validity and Reliability Result

Variable	Item	Loading Factor	Average Variance Extracted (AVE)	Composite Reliability	Cronbach Alpha
Service Quality	X1_1	0,809	0,768	0,984	0.938
	X1_2	0,901			
	X1_3	0,881			
	X1_4	0,875			
	X1_5	0,875			
	X1_6	0,873			
	X1_7	0,906			
	X1_8	0,798			
	X1_9	0,861			
	X1_10	0,878			
	X1_11	0,879			
	X1_12	0,860			
	X1_13	0,904			
	X1_14	0,919			
	X1_15	0,893			
	X1_16	0,848			
	X1_17	0,878			
	X1_18	0,879			
	X1_19	0,918			
Price Fairness	X2_1	0,895	0.748	0.922	0.7
	X2_2	0,729			
	X2_3	0,920			
	X2_4	0,903			
Customer Satisfaction	Z_1	0,878	0.792	0.95	0.934
	Z_2	0,895			
	Z_3	0,912			
	Z_4	0,904			
	Z_5	0,859			
Customer Loyalty	Y_1	0,966	0.901	0.973	0.963
	Y_2	0,957			
	Y_3	0,921			
	Y_4	0,952			

Source: Primary data processed based on research results, 2026

As shown in Table 2, all constructs satisfied the validity and reliability criteria. Loading factors exceeded the 0.70 threshold, AVE values exceeded the 0.50 threshold, confirming convergent validity, while composite reliability values ranged from 0.922 to 0.984, exceeding the recommended minimum of 0.70. These results indicate that all constructs are valid, reliable, and appropriate for further analysis.

Table 3. Discriminant Validity

	X1	X2	Z	Y
X1_1	0.809	0.676	0.360	0.462
X1_2	0.901	0.108	0.507	0.507
X1_3	0.881	0.157	0.496	0.547
X1_4	0.875	0.085	0.478	0.454
X1_5	0.875	0.075	0.437	0.460
X1_6	0.873	0.135	0.474	0.503
X1_7	0.906	0.077	0.421	0.431
X1_8	0.798	0.094	0.476	0.521
X1_9	0.861	0.212	0.503	0.564
X1_10	0.878	0.130	0.471	0.469
X1_11	0.879	0.115	0.455	0.506
X1_12	0.860	0.145	0.432	0.469
X1_13	0.904	0.154	0.527	0.550
X1_14	0.919	0.151	0.544	0.526
X1_15	0.893	0.209	0.542	0.578
X1_16	0.848	0.109	0.425	0.495
X1_17	0.878	0.171	0.556	0.573
X1_18	0.879	0.090	0.461	0.479
X1_19	0.918	0.110	0.504	0.544
X2_1	0.095	0.895	0.511	0.467
X2_2	0.060	0.729	0.345	0.372
X2_3	0.173	0.920	0.516	0.492
X2_4	0.164	0.903	0.497	0.539
Z_1	0.456	0.556	0.878	0.700
Z_2	0.491	0.439	0.895	0.638
Z_3	0.502	0.466	0.912	0.634
Z_4	0.526	0.465	0.904	0.702
Z_5	0.468	0.498	0.859	0.710
Y_1	0.585	0.490	0.740	0.966
Y_2	0.551	0.533	0.722	0.957
Y_3	0.519	0.573	0.714	0.921
Y_4	0.556	0.475	0.719	0.952

Source: Primary data processed based on research results, 2026

Based on the cross-loading results presented in Table 3, it is evident that each indicator exhibits the highest loading value on its intended variable compared to other variables. This demonstrates that each indicator clearly distinguishes the variable it measures; thus, it can be concluded that all indicators meet the discriminant validity criteria for the formation of each variable.

Structural Model Evaluation

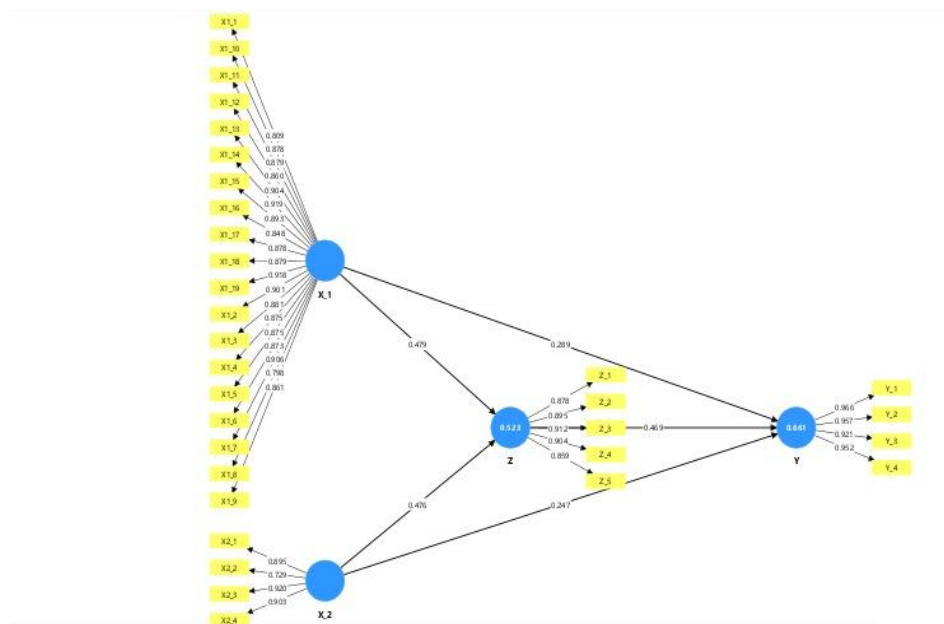
Table 4. Structural Model Evaluation

Evaluation measures	Criteria Rules	Model Test Results
R2 or adjusted R2	Strong model ≥ 0.70	R2 (customer satisfaction) =
	Moderate ≥ 0.50	0.523
	Moderate weak ≤ 0.25	R2 (customer loyalty) = 0.661
Q2 predictive relevance	Q2 > zero has good predictive	Q2 (customer satisfaction) =

	relevance	0.502
	Q2 < zero has poor predictive relevance	Q2 (customer loyalty) = 0.534
<i>Tenenhaus Goodness of Fit (GoF)</i>	GoF Small ≥ 0.1 Medium GoF ≥ 0.25 GoF Large ≥ 0.36	GoF = 0.689

Source: Primary data processed based on research results, 2026

Based on the structural model evaluation, an R^2 value of 0.661 was obtained for the customer loyalty variable and 0.523 for the customer satisfaction variable, indicating that the model has moderate explanatory power. Service quality, price fairness, and customer satisfaction can explain 66.1% of the variation in customer loyalty, while 52.3% of the variation in customer satisfaction is explained by service quality and price fairness. In addition, the Q^2 values of 0.502 and 0.534 indicate that the model has good predictive relevance, as both values are substantially greater than zero. This finding suggests that the exogenous constructs in the model have sufficient predictive capability to explain the endogenous constructs. Specifically, the Q^2 values indicate that the model can predict the observed values of the endogenous variables beyond what would be expected by chance. Therefore, the results provide evidence that the structural model demonstrates meaningful predictive relevance and is suitable for explaining and predicting the studied relationships. The Goodness of Fit (GoF) value of 0.689 also indicates a high level of model suitability. Testing was conducted using SmartPLS 4.0 and visualized in the path diagram in Figure 2.



Source: Primary data processed based on research results (2026)

Figure 2. Path Diagram Between Research Variables

Hypothesis Testing

Table 5. Hypothesis Test Results

Hypothesis	Original Sample (O)	Standard Deviation (STDEV)	T statistics (O/STDEV)	P Values	Information
Quality of Service →Customer Satisfaction	0.479	0.062	7,731	0,000	Accepted
Price Justice →Customer Satisfaction	0.476	0.067	7,159	0,000	Accepted

Quality of Service → Customer Loyalty	0.289	0.083	3,482	0.001	Accepted
Price Justice → Customer Loyalty	0.247	0.063	3,899	0,000	Accepted
Customer satisfaction → Customer Loyalty	0.469	0.094	4,970	0,000	Accepted
Quality of Service → Customer Satisfaction → Loyalty Customer	0.225	0.053	4,214	0,000	Partial mediation
Price Justice → Customer Satisfaction → Loyalty Customer	0.223	0.057	3,902	0,000	Partial mediation

Source: Primary data processed based on research results, 2026

Discussion

Service Quality and Customer Satisfaction

The hypothesis testing results demonstrate that service quality has a positive and significant effect on customer satisfaction ($\beta = 0.479$, $t = 7.731$, $p < 0.001$). This finding is consistent with Expectancy Disconfirmation Theory, which suggests that customer satisfaction emerges when actual service performance meets or exceeds customers' prior expectations. In the context of Lion Air, passengers are more likely to experience satisfaction when the services they receive are perceived as reliable and consistent with their expectations. This result is in line with the findings of Agarwal & Dhingra (2023), which also indicate that service quality is an important determinant of customer satisfaction in the airline industry. Specifically, the findings suggest that improvements in service-related aspects, such as punctuality, clarity of information, staff responsiveness and friendliness, and passenger comfort, contribute to higher levels of customer satisfaction because these service attributes reflect the extent to which passengers' expectations are fulfilled during their travel experience. Therefore, the practical implication is that Lion Air should consistently improve service performance across key passenger touchpoints to ensure the services provided meet or exceed customer expectations, thereby strengthening overall customer satisfaction.

Price Fairness and Customer Satisfaction

The hypothesis testing results indicate that price fairness has a positive and significant effect on customer satisfaction ($\beta = 0.476$, $t = 7.159$, $p < 0.001$). Applying Expectancy Disconfirmation Theory, this result shows that customer satisfaction stems from comparing initial expectations with perceived service performance. For Lion Air specifically, passengers who view ticket prices as fair are primed to recognize higher overall value, driving greater satisfaction whenever the airline successfully matches or surpasses their performance expectations. This finding is consistent with previous studies by Ansah (2021) and Atmaja & Yasa (2020), which demonstrate that price fairness is an important determinant of customer satisfaction. The result suggests that fair and transparent pricing helps passengers establish reasonable expectations regarding the service they will receive, particularly in the context of a low-cost airline. When the actual service performance is perceived as consistent with the price paid, passengers experience confirmation of their expectations, leading to greater satisfaction. Therefore, Lion Air should maintain transparent and reasonable pricing practices and ensure that the quality of service delivered remains consistent with passengers' perceptions of the value they receive.

Service Quality and Customer Loyalty

The hypothesis testing results demonstrate that service quality has a positive and significant effect on customer loyalty ($\beta = 0.289$, $t = 3.482$, $p = 0.001$). This finding can be interpreted through the lens of Expectancy Disconfirmation Theory, which explains that customers' subsequent behavioral responses are influenced by the extent to which the actual service performance confirms or exceeds their initial expectations. In the context of Lion Air, higher perceived service quality indicates that the services received by passengers meet their expectations, thereby contributing to stronger loyalty toward the airline. This finding is consistent with previous research by Al-slehat (2021) and Perwira & Setiawan (2021), which found that service quality is an important determinant of customer loyalty. The result suggests that reliable service performance, responsive staff, clear information, and passenger comfort can encourage customers to maintain a positive relationship with the airline and increase their intention to reuse its services. Therefore, Lion Air should consistently maintain and improve service quality across key customer touchpoints, as the fulfillment of passenger expectations can contribute not only to customer satisfaction but also to the development of long-term customer loyalty.

Price Fairness and Customer Loyalty

The hypothesis testing results indicate that price fairness has a positive and significant effect on customer loyalty ($\beta = 0.247$, $t = 3.899$, $p < 0.001$). The descriptive analysis also shows that price fairness was assessed positively, indicating that Lion Air passengers perceived the ticket prices as reasonable and commensurate with the benefits and services received. This finding can be interpreted through Expectancy Disconfirmation Theory, which suggests that customers evaluate their experiences by comparing actual performance with their prior expectations. In this context, a perception of fair pricing may contribute to reasonable expectations regarding the service received, and when the actual service performance meets these expectations, passengers are more likely to develop a favorable evaluation of the airline and maintain their loyalty. This finding is consistent with previous studies by Hutagalung & Hutabarat (2024) and Prum et al. (2024), which suggest that perceptions of fair pricing are associated with stronger customer loyalty. Therefore, price fairness can be considered an important factor in building long-term customer relationships, as transparent and reasonable pricing practices may encourage passengers to maintain their preference for and continue using Lion Air's services.

Customer Satisfaction and Customer Loyalty

The hypothesis testing results demonstrate that customer satisfaction has a positive and significant effect on customer loyalty ($\beta = 0.469$, $t = 4.970$, $p < 0.001$). Higher passenger satisfaction with Lion Air directly correlates with increased customer loyalty, a dynamic best understood through Expectancy Disconfirmation Theory. According to this framework, satisfaction arises when service performance meets or exceeds a customer's prior expectations. For Lion Air passengers, this positive evaluation stems from core travel factors like service quality, on-time performance, clear communication, comfort, and value for money. Achieving or surpassing expectations on these fronts creates confirmation or positive disconfirmation, ultimately securing a favourable view of the airline.

This finding is consistent with previous research by Prasetyo et al. (2025) and Abigail et al. (2024), which found that customer satisfaction is an important determinant of customer loyalty. The results suggest that satisfied passengers are more likely to maintain a positive relationship with Lion Air and demonstrate loyalty through their intention to continue using its services. Therefore, the practical implication for Lion Air is the need to consistently maintain service performance that meets or exceeds passenger expectations, as sustained customer satisfaction can contribute to the development of long-term customer loyalty.

Customer Satisfaction, Service Quality, and Customer Loyalty

Customer satisfaction mediates the effect of service quality on customer loyalty, as demonstrated by the significant indirect effect ($\beta = 0.225$, $STDEV = 0.053$, $t = 4.214$, $p < 0.001$). The mediation is classified as partial, indicating that service quality influences customer loyalty both directly and indirectly through customer satisfaction. This finding can be explained through Expectation–Disconfirmation Theory, which suggests that satisfaction results from the comparison

between customers' expectations and their actual service experiences. When Lion Air's service quality meets or exceeds passengers' expectations, positive disconfirmation generates satisfaction, which subsequently strengthens their loyalty. Thus, customer satisfaction serves as an important psychological mechanism that converts positive service experiences into continued loyalty. The finding is consistent with Al-slehat (2021) and Amiruddin et al. (2023), confirming that service quality is more effective in developing customer loyalty when it first generates customer satisfaction.

Customer Satisfaction, Price Fairness, and Customer Loyalty

The results indicate that customer satisfaction significantly mediates the effect of price fairness on customer loyalty, with a positive indirect effect ($\beta = 0.223$, $STDEV = 0.057$, $t = 3.902$, $p < 0.001$). The mediation is classified as partial, indicating that price fairness influences customer loyalty both directly and indirectly through customer satisfaction. This finding can be explained through Expectation–Disconfirmation Theory, whereby passengers compare their expectations with the actual value received for the price paid. When the price is perceived as reasonable and appropriate for the service received, passengers experience positive disconfirmation, which increases satisfaction and subsequently strengthens loyalty. Thus, customer satisfaction serves as an important mechanism through which perceptions of price fairness are translated into repeat purchase intentions, resistance to negative information, and positive recommendations. The finding is consistent with Prum et al. (2024) and Pinaraswati et al. (2024), confirming that fair pricing becomes more effective in fostering customer loyalty when it generates higher customer satisfaction.

Conclusions and Recommendations

The study confirms that service quality and price fairness are the primary drivers of passenger satisfaction and long-term loyalty for Lion Air during peak seasons. Because satisfaction acts as a vital bridge between the airline's performance and repeat business, management must prioritize consistent service delivery and transparent pricing. Specifically, focusing on staff professionalism and facility comfort will ensure that higher demand does not erode the customer experience.

The airline must ensure that increased passenger volume does not lead to a drop in standards. To increase frontline staffing levels during holidays to maintain service accuracy and reduce wait times. During peak periods, ticket prices naturally rise, which can lead to perceptions of unfairness. The airline uses value-add bundles during peak times (e.g., including a meal or extra baggage at a bundled rate) so that the higher fare feels justified by higher tangible value, to maintain the fairness perception even when market rates are at their highest. Then, facility comfort plays a significant role in the satisfaction to loyalty loop to ensure the physical environment of the aircraft matches the price fairness expectations of a passenger paying peak-season fares.

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