

Analysis of Flight Ticket Prices and Service Quality on Lion Air Airlines

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Abstract: The purpose of this study is to obtain the results of SWOT analysis from companies engaged in the aviation industry in Indonesia, namely Lion Air Group. The results of the SWOT analysis stated that service improvement is a problem that must be immediately addressed by Lion Group in order to better maintain passenger trust not only in terms of low prices which are the advantages of Lion Group but still by paying attention to good service quality.

Keywords: Price, and Quality.

INTRODUCTION

Marketing management is the art of managing an organization both in terms of finance, human resources, and management of production resources that aim to control marketing activities effectively and efficiently, so that the goals planned by the organization can be achieved. By carefully carrying out a company's management process can lead a company to achieve its goals. To achieve success in the marketing process, companies need to be careful in setting prices and providing good service to consumers in order to compete with their competitors.

Price is a value for products and services that have a relative nature that is billed by producers to consumers in exchange for creating products to be consumed or used by consumers using money as a medium of exchange. With competitive prices can attract consumers to decide to choose the product or service.

In addition, the quality of service will also influence consumers to be able to decide to choose products or services offered by a company or producer considering that service quality is the ability of a company to meet consumer desires and expectations in the delivery

process of products or services that will be received by consumers both before, during, and after the product or service is used, So a company or producer needs to maintain and improve the quality of service so that customers or consumers can decide to be able to use services or make purchases of goods offered.

Lion Air is a subsidiary of PT. Langit Esa Oktagon (PT. LEO Group) which is part of the wider Lion Group. As a leading domestic airline and disciplined low-cost carrier, we offer flights to value-conscious customers who focus on price, frequency of flights, and an expansive route network across Indonesia. Since our first flight in 2000, Lion Air has grown rapidly to become Indonesia's preferred domestic airline. In 2018, we carried 36.8 million passengers – nearly 35% of all air travelers in the country – to the islands, cities and communities of the archipelago. Our business is also uniquely structured for growth as the only local carrier of air cargo between Indonesian destinations.

Our success in becoming the country's leading low-cost carrier has been built on delivering exceptional fare value to customers, ensuring convenient flight schedules and creating a route network vital to the interests of the 260 million people in Southeast Asia's most populous nation. IATA estimates that by 2037, Indonesia will be the fourth biggest aviation market in the world and Lion Air is proud to be playing a leading role in the country's development. Since 2018, we have strategically expanded our passenger services to select international markets including Singapore, Malaysia, Saudi Arabia and China. Our focus, however, has remained the same – cost-efficient operations and an absolute commitment to providing value-conscious passengers and cargo customers with the lowest cost option to all of our destinations.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Kotler and Armstrong (2019: 6) "marketing is a social and managerial process by which individuals or organizations obtain what they need and want through the creation and exchange of value with others".

Price. According to Kotler and Armstrong (2019:345) "in a narrow sense, price is the amount billed for a product or service. More broadly, price is the sum of all the value provided by a customer to benefit from owning or using a product or service."

Quality of Service. According to Lukman (2018:10) "Service quality is the service provided to customers in accordance with service standards that have been standardized as guidelines in service delivery. Service standards are measures that have been determined as a good service standard".

METHODS

The research method used in this study is qualitative using SWOT analysis. The SWOT method (Strengths, Weakness, Opportunities, & Threats) is a technique used to identify strengths, weaknesses, opportunities and threats that may occur.

Analysis SWOT Lion Air Group:

1. Strength:
 - a. Cheap Flight Ticket Prices (Low Cost): In every flight route Lion Air always provides prices that are always competitive with its competitors, evidenced by price comparison samples with other airlines):

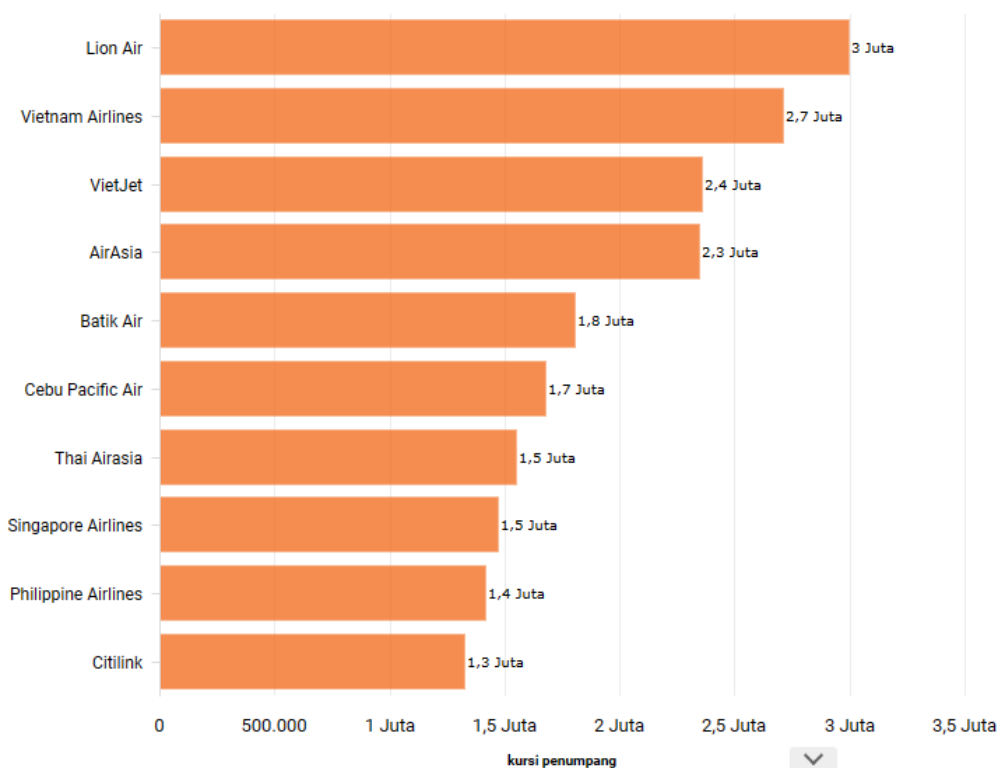


Jakarta (CGK)	Surakarta (SOC)
Jum, 17 Nov	Tanggal kepulangan
✓ Kelas ekonomi	✓ Sekali jalan
Nonstop	Lebih sedikit emisi
Lion	1 j, 20 mnt Nonstop mulai Rp 637.780
Citilink Indonesia	1 j, 0 mnt Nonstop mulai Rp 1.070.600
Batik Air	1 j, 15 mnt Nonstop mulai Rp 1.131.280
Garuda Indonesia	1 j, 15 mnt Nonstop mulai Rp 1.280.020

Source: google

From the data above, it can be proven that Lion Air flight ticket prices on the Jakarta (CGK) to Solo (SOC) route are cheaper when compared to Citilink Indonesia, Batik Air, and Garuda Indonesia.

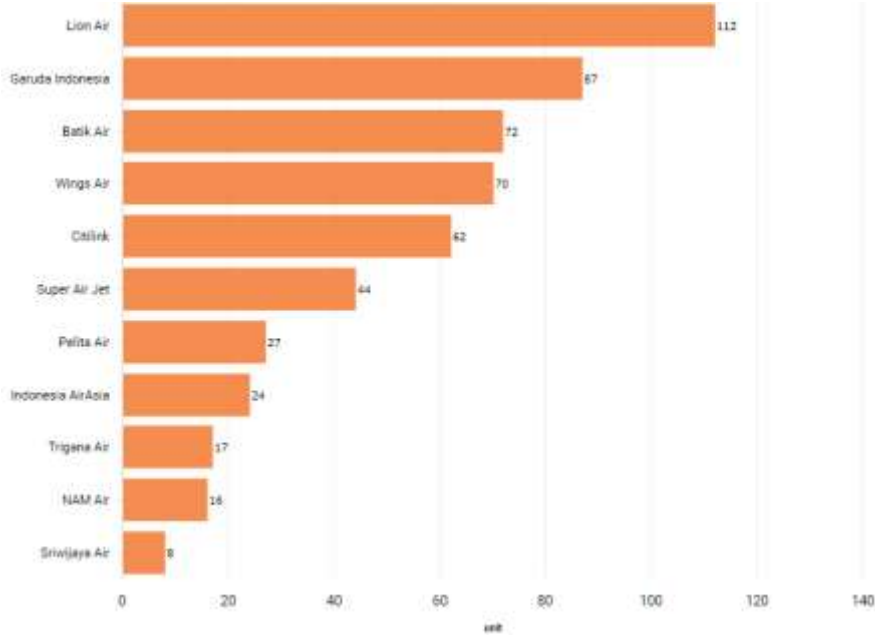
- b. More flight routes: Lion Air has far more flight routes than its competitors, with this Lion Air has the power to attract a wider range of customers, as evidenced by a survey where Lion Air became the airline with the most passengers in Southeast Asia:



Source: databoks.katadata.co.id

From the data above, it can be proven that Lion Air keeps the top position of the most passengers in Southeast Asia.

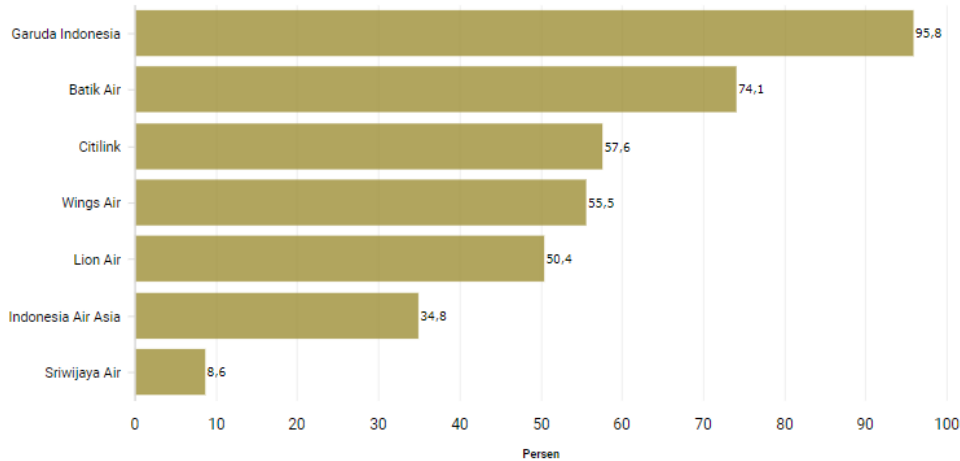
- c. Number of fleets: Lion Air has a fleet compared to its competitor airlines in Indonesia, as evidenced by data on the number of aircraft owned by airlines in Indonesia:



Source: databoks.katadata.co.id

2. Weakness:

Lion Air has a drawback, namely with an inherent image that is delay, this is a weakness point that must be corrected. This should be the focus of Lion Air management. Directly proportional to the data that shows the OTP of all airlines in Indonesia:



Source: databoks.katadata.co.id

3. Opportunities:

- a. Domestic route expansion: Lion Air has a very big opportunity to expand domestic routes, due to its large fleet and increasing fleet. Moreover, other airline competitors do not increase the aircraft, so the opportunity for competitors to expand new domestic routes will be difficult.
- b. International route expansion: Lion Air also has a very big opportunity to expand international routes, because after the Covid-19 pandemic many airlines both in Indonesia and abroad experienced financial difficulties and inversely compared to Lion Air which actually added fleets. This is a great opportunity because Indonesia is a country with the beauty of tourism, many people from various countries want to vacation in Indonesia.

4. Threat:

- a. Fierce market competition: Companies engaged in aviation are increasing. Of course, this is a tight competitor for Lion Air, especially airlines that implement Low Cost as well. If Lion Air does not try to improve its quality then this will be a serious threat. Lion Air customers may turn to other low cost airlines.
- b. Inflation due to war: The effects of the war in Ukraine and in the Arab lands are causing fuel prices to rise, this will certainly pose a threat not only to Lion Air but also to all airlines in the world. When fuel prices rise, airlines must increase the price of airline tickets. Of course, this is a threat when ticket purchasing power decreases, the flight will be quiet.

It is important for Lion Airlines to capitalize on its strengths and opportunities, while overcoming weaknesses and confronting existing threats. Developing innovative marketing strategies, improving services, and maintaining the quality of the fleet used will help the company to remain competitive and grow in this industry.

RESULT AND DISCUSSION

SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis shows that PT Lion Mentari Airlines has strengths in low cost ticket sales, wide route coverage, and flexible flight schedules. However, the company also has weaknesses in service or service that has not been maximized. The opportunity lies in the expansion of routes throughout Indonesia (Domestic) where no other airline has opened the route, and also Foreign (International) routes which are very good opportunities because Indonesia is a country with very famous tourism. While the threat is fuel prices that soar high due to inflation due to the current war.

CONCLUSIONS

SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis shows that PT Lion Mentari Airlines has strengths in low cost ticket sales, wide route coverage, and flexible flight schedules. However, the company also has weaknesses in service or service that has not been maximized. The opportunity lies in the expansion of routes throughout Indonesia (Domestic) where no other airline has opened the route, and also Foreign (International) routes which are very good opportunities because Indonesia is a country with very famous tourism. While the threat is fuel prices that soar high due to inflation due to the current war.

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