

# **FINAL PAPER**

## **FACTORS THAT INFLUENCING SINGAPORE AIRLINES' CUSTOMER LOYALTY IN SURABAYA**

Written to fulfill academic requirements  
to obtain **Sarjana Ekonomi Strata Satu**

**By:**

**NAME : ANDRIAN HARTANTO**

**NPM : 00000027085**



**PROGRAM STUDI MANAJEMEN  
FAKULTAS EKONOMI  
UNIVERSITAS PELITA HARAPAN  
SURABAYA  
2018**



**UNIVERSITAS PELITA HARAPAN SURABAYA**  
**STATEMENT OF ORIGINALITY OF FINAL PAPER**

---

I am student from Management Department, Faculty of Economy, Universitas Pelita Harapan Surabaya,

Student name : Andrian Hartanto  
NPM : 00000027085  
Department : Management

Hereby declare that the work of the final paper that I created with the title of **“FACTORS THAT INFLUENCING SINGAPORE AIRLINES’ CUSTOMER LOYALTY IN SURABAYA”** is:

- 1) Written and completed by my own, by using the results of lectures, field reviews and books and journal references listed in the list of references at the end of my final paper.
- 2) Not a duplication of other papers that have been published or have ever been used to get a degree at another university, except in parts of the information sources listed by proper reference.
- 3) Not work of translated collections of references books or journals listed in the references at the end of my Final paper

If it is proved that I did not fulfill what has been stated above, the work of this final paper is invalid,

Surabaya, 01 October 2018

Declared by,



Andrian Hartanto



**UNIVERSITAS PELITA HARAPAN SURABAYA**  
**FACULTY OF ECONOMICS**

---

**AGREEMENT OF MENTORING GUIDANCE FOR FINAL PAPER**

**FACTORS THAT INFLUENCING SINGAPORE AIRLINES'  
CUSTOMER LOYALTY IN SURABAYA**

By:

**Name : Andrian Hartanto**  
**NPM : 00000027085**  
**Department : Manajemen**

Has been examined and approved for submission and defended in a comprehensive presentation in order to obtain a Bachelor Degree of Economy in Faculty of Economy, Universitas Pelita Harapan Surabaya.

**Surabaya, 01 October 2018**

**Approving;**

**Advisor**

**Dr. Oliandes Sondakh, S.E., M.M.**

**Co-Advisor**

**Hananiel M. Gunawan, BA, MBA.**

**Head of Management**

**Department**

**Dr. Amelia, S.E., RFP-I. M.M.**

**Executive Director**

**Dr. Ronald, S.T., M.M.**






**AGREEMENT OF PANELIST APPROVAL FOR FINAL PAPER**

On 17<sup>th</sup> September 2018, has been held a comprehensive presentation in order to fulfil academic requirement to obtain Bachelor Degree of Economy in Faculty of Economy Universitas Pelita Harapan Surabaya on the behalf of:

**Name : Andrian Hartanto**  
**NPM : 00000027085**  
**Department : Management**

Including Final paper comprehensive test by the title of “**FACTORS THAT INFLUENCING SINGAPORE AIRLINES’ CUSTOMER LOYALTY IN SURABAYA**” panelist team consisting of:

<b>Board of Panelist</b>	<b>Status</b>	<b>Signature</b>
1. Dr. Oliandes Sondakh, S.E., M.M.	as the Head of Commite and Thesis Advisor	
2. William Santoso, S.E., M.Ak	as member of the commite	
3. Yanuar Dananjaya, B.Sc., M.M.	as member of the commite	

## ABSTRACT

**Andrian Hartanto (00000027085)**

### **FACTORS THAT INFLUENCING SINGAPORE AIRLINES CUSTOMER LOYALTY IN SURABAYA**

**(XVIII + 102 pages + 35 tables + 24 figures + 4 appendices)**

The aviation industry in Asia-Pacific region has been growing remarkably in the 21<sup>st</sup> century, driven by liberalization and globalization. Indonesia is amongst countries that has a rapid growth in air travel industry as the household's fast-rising incomes effect. One of the carrier in Asia-Pacific that serves Indonesia is Singapore Airlines. The trend to travel in Indonesia is increasing, Singapore Airlines eyeing Indonesia as a very potential market. Hence, the researcher has planned to analyze the factors that influencing Singapore Airlines Customer Loyalty in Surabaya.

The data used in this test were collected from 100 respondents. Six-point Likert type was used to obtain respondent's level of agreement. The study revealed that Convenience, Corporate Brand Image and Customer Perceived Value has a significant effect on Customer Satisfaction. furthermore, Customer Satisfaction has significant effect on Customer Loyalty. While Corporate Brand Image significantly affect Customer Perceived Value. Meanwhile, Corporate Brand Image and Customer Perceived Value insignificantly affect Customer Loyalty. This research used descriptive analysis, simple and multiple linear regression analysis with SPSS to test the relationship among variables.

The recommendation for future researchers is to add or change the variables in this study to see from different perspectives and gain new insight. For Singapore Airlines, this study can be used for evaluation purposes to further improve their Customer Loyalty.

Keywords : Singapore Airlines, Aviation, Convenience, Corporate Brand Image, , Customer Perceived Value, Customer Satisfaction and Customer Loyalty.

References : 169 (1958-2017)

## **ABSTRAK**

**Andrian Hartanto (00000027085)**

### **FAKTOR-FAKTOR YANG MEMPENGARUHI LOYALITAS PELANGGAN 'SINGAPORE AIRLINES' DI SURABAYA**

**(XVIII + 102 halaman + 35 tabel + 24 gambar + 4 lampiran)**

Industri penerbangan di kawasan Asia-Pasifik telah berkembang pesat di abad 21, didorong oleh liberalisasi dan globalisasi. Indonesia di antara negara-negara yang memiliki pertumbuhan pesat dalam industri perjalanan udara karena pendapatan rumah tangga yang meningkat cepat. Salah satu maskapai Asia-Pasifik yang melayani Indonesia adalah Singapore Airlines. Tren perjalanan di Indonesia semakin meningkat, Singapore Airlines mengincar Indonesia sebagai pasar yang potensial. Oleh karena itu, peneliti telah merencanakan untuk menganalisis faktor-faktor yang mempengaruhi Loyalitas Pelanggan Singapore Airlines di Surabaya.

Data yang digunakan dalam tes ini dikumpulkan dari 100 responden. Enam likert poin digunakan untuk mendapatkan tingkat kesetujuan responden. Penelitian ini mengungkapkan bahwa Kenyamanan, Citra Merek Perusahaan dan Nilai yang Dirasakan Pelanggan memiliki pengaruh yang signifikan terhadap Kepuasan Pelanggan. Selanjutnya, Kepuasan Pelanggan berpengaruh signifikan terhadap Loyalitas Pelanggan. Sedangkan Citra Merek Perusahaan berpengaruh signifikan terhadap Nilai Persepsi Pelanggan. Sementara itu, Citra Merek Perusahaan dan Nilai Yang Dirasakan Pelanggan tidak signifikan mempengaruhi Loyalitas Pelanggan. Penelitian ini menggunakan analisis deskriptif, analisis regresi linier sederhana dan berganda dengan SPSS untuk menguji hubungan antar variabel.

Rekomendasi untuk peneliti selanjutnya adalah menambahkan variabel dalam penelitian ini untuk dilihat dari perspektif yang berbeda dan mendapatkan wawasan baru. Untuk Singapore Airlines, studi ini dapat digunakan untuk tujuan evaluasi untuk lebih meningkatkan Loyalitas Pelanggan mereka.

Kata kunci : Singapore Airlines, Penerbangan, Kenyamanan, Citra Merek Korporat, Nilai Persepsi Pelanggan, Kepuasan Pelanggan dan Loyalitas Pelanggan.  
Referensi : 169 (1958-2017)

## ACKNOWLEDGEMENT

First of all, the author would like to express gratitude to Father in Heaven for the opportunity to be one of the student in Universitas Pelita Harapan Surabaya. It is all because of His tremendous blessing that has never come to an end that makes the author capable to finished the last leg in the International Business Management Program. Only by His guidance, strength, blessing, kindness and capability to pass the study process, especially in the finished research paper entitled “FACTORS THAT INFLUENCING SINGAPORE AIRLINES’ CUSTOMER LOYALTY IN SURABAYA” as a requirement to achieve a Bachelor’s degree in Economy majoring in International Business Management in the Faculty of Business School of Universitas Pelita Harapan Surabaya.

The author would like to convey an immeasurable appreciation and deepest gratitude for the help and support are extended to the following persons/institutions who in one way or another have contributed in making this study possible.

1. Dr. Ronald S., S.T., M.M. as Vice Rector, Dean. Thank you for the support, encouragement, and guidance throughout the study and the years spent at UPH.
2. Dr. Oliandes Sondakh, S.E., M.M. as the First Thesis Advisor. Thank you for your patient and time throughout the process of making my final paper. I appreciate every single help you have done despite your busy schedule. Also, thank you for being a very great lecture for more than 3 years.
3. Hananiel M. Gunawan, B.A., MBA as the Second Thesis Advisor. Thank you for your guidance, attentiveness and precision. You are the one who have the best sense of humor amongst all. Literally so grateful to have you as my Academic Advisor.

4. William Santoso, S.E., M.Ak. as one of the panelists. Thank you for being such a great lecture for me during my study at this university. Also, thank you for the critical questions.
5. Yanuar Dananjaya, B.Sc., M.M. as one of the panelist. Thank you for every single help you have done. I do really appreciate your patient and effort in teaching us throughout these years.
6. Dr. Amelia, S.E., RFP-I. M.M. as the Head of Program. Thank you for your help during the process of creating the final paper. Thank you for providing us time to teach us about how to use the SPSS software with patience.
7. To all the lectures at the Pelita Harapan University Surabaya. Thank you for the devotion to teach us lots of things, all the lectures are unsung heroes.
8. To all the staffs at the Pelita Harapan University Surabaya. Thank you for helping me with the complex administration of final paper, handling our paperwork and dealing with students in general.
9. To all of my family members. Thank you for the support and endless motivation that has always been strengthening me.
10. To all the students of International Business Management batch 08 (2015). We have always been supporting each other during our tough times in completing our thesis. Thank you for these 3 years!
11. To all the students of Management batch 08 (2015).
12. To all of my friends from outside Pelita Harapan University.
13. To all of my Mawar Sharon's Amazing Voltage Sore mates. Thank you for every single one of you that I cannot mention one by one. Thank you for the prayers, supports and encouragements! that means a lot to me!
14. To the best neighbor ever, Corine Stefanie. Thank you for always motivating me in my thesis progress and to get an A for my final defense, and eventually I passed that ultimate battle with an A! It was not merely because of my effort and prayers alone, yet also your support! You have my endless gratitude!



15. To my Mawar Sharon Church's friends and fellow God's servant apart of Voltage Sore: Alice Esmeralda, Fenny Santoso, Mark Sebastian, Mona Yunita, Tifani Chandra, Alexandra Belinda S. and all of the other Eaglekidz family.
16. To my Ciputra University mates batch 15: Stefani Jenny Rajarjo, Marcella Diana Dewi and Regina Abigail. We have always been encouraging each other in completing our thesis until the final process.
17. To Elbert Sastrodikoro, who has always been becoming my companion in playing games and gym when I need to get some refreshment.
18. Everyone else I forgot to mention. I do really apologize sincerely.

Surabaya, 01 October 2018

**Andrian Hartanto**

## TABLE OF CONTENTS

<b>COVER</b> .....	<b>i</b>
<b>STATEMENT OF ORIGINALITY OF FINAL PAPER</b> .....	<b>ii</b>
<b>AGREEMENT OF MENTORING GUIDANCE FOR FINAL PAPER</b> ..	<b>iii</b>
<b>FINAL PAPER EXAMINATION COMMITTEE</b> .....	<b>iv</b>
<b>ABSTRACT</b> .....	<b>v</b>
<b>ACKNOWLEDGEMENT</b> .....	<b>vi</b>
<b>TABLE OF CONTENTS</b> .....	<b>ix</b>
<b>LIST OF TABLES</b> .....	<b>xiv</b>
<b>LIST OF FIGURES</b> .....	<b>xvi</b>
<b>LIST OF APPENDICES</b> .....	<b>xvii</b>
<b>CHAPTER I INTRODUCTION</b> .....	<b>1</b>
1.1. Background of the study .....	1
1.2. Research Problem .....	12
1.3. Research Objective .....	13
1.4. Research Contribution .....	13
1.5. Research Limitation .....	14
1.6. Research Outline .....	14
<b>CHAPTER II REVIEW OF RELATED LITERATURE</b> .....	<b>16</b>
2.1. Convenience .....	16
2.1.1. Decision Convenience .....	18
2.1.2. Access Convenience .....	18
2.1.3. Transaction Convenience .....	19
2.1.4. Benefit Convenience .....	20
2.2. Corporate Brand Image .....	21
2.3. Customer Perceived Value .....	23
2.4. Customer Satisfaction .....	24
2.5. Customer Loyalty .....	26
2.6. Relation Among Variable .....	27
2.6.1. The Effect of Convenience on Customer Satisfaction .....	27
2.6.2. The Effect of Corporate Brand Image on Customer Perceived Value .....	28

2.6.3. The Effect of Corporate Brand Image on Customer Satisfaction	29
2.6.4. The Effect of Corporate Brand Image on Customer Loyalty	29
2.6.5. The Effect of Customer Perceived Value on Customer Satisfaction	29
2.6.6. The Effect of Customer Perceived Value on Customer Loyalty	30
2.6.7. The Effect of Customer Satisfaction on Customer Loyalty	30
2.7. Theoretical Framework	31
2.8. Operational Framework	33
2.9. Hypothesis	34
<b>CHAPTER III RESEARCH METHODOLOGY</b>	<b>35</b>
3.1. Research Design	35
3.2. Research Variables	35
3.2.1. Operational Definition	35
3.2.2. Variable to be Tested	37
3.2.3. Levels of Measurement and Scaling Techniques	37
3.3. Method of Data Collection	38
3.3.1. Source of Data	38
3.3.2. Sample and Sampling Plan	38
3.3.3. Research Instrument	40
3.4. Method of Data Analysis	40
3.4.1. Validity Test	40
3.4.2. Reliability Test	40
3.4.3. Classical Assumption Test	41
3.4.3.1. Normality Test	41
3.4.3.2. Homoscedasticity Test	41
3.4.3.3. Linearity Test	41
3.4.3.4. Multicollinearity Test	41
3.4.4. Linear Regression Analysis	42
3.4.4.1. Simple Linear Regression Analysis	42
3.4.4.2. Multiple Linear Regression Analysis	42
3.4.4.3. Coefficient of Correlation $R$	44
3.4.4.4. Coefficient of Determination ( $R^2/Adj.R2$ )	44

3.4.4.5. Hypothesis Testing .....	44
<b>CHAPTER IV RESULT AND DISCUSSION .....</b>	<b>46</b>
4.1. Description of Singapore Airlines .....	46
4.2. Data Analysis .....	48
4.2.1. Descriptive Statistic of Respondents Profiles.....	48
4.2.1.1. Descriptive Statistic of Respondents Gender .....	48
4.2.1.2. Descriptive Statistic of Respondents Age.....	49
4.2.2. Descriptive Statistic of Respondents Perceptions.....	50
4.2.2.1. Descriptive Statistic of Decision Convenience .....	50
4.2.2.2. Descriptive Statistic of Access Convenience .....	52
4.2.2.3. Descriptive Statistic of Transaction Convenience .....	53
4.2.2.4. Descriptive Statistic of Benefit Convenience .....	54
4.2.2.5. Descriptive Statistic of Corporate Brand Image.....	55
4.2.2.6. Descriptive Statistic of Customer Perceived Value.....	57
4.2.2.7. Descriptive Statistic of Customer Satisfaction .....	59
4.2.2.8. Descriptive Statistic of Customer Loyalty .....	60
4.3. Hypothesis Testing .....	62
4.3.1. Validity Test .....	62
4.3.2. Reliability Test.....	63
4.3.3. Classical Assumption Test of Normality .....	64
4.3.4. Classical Assumption Test of Homocedasticity .....	66
4.3.5. Classical Assumption Test of Linearity .....	68
4.3.6. Classical Assumption Test of Multicolonearity .....	68
4.3.7. Linear Regression Analysis .....	68
4.3.7.1. Simple Linear Regression Analysis of Corporate Brand Image on Customer Perceived Value .....	68
4.3.7.2. Multiple Linear Regression Analysis of Convenience, Corporate Brand Image and Customer Perceived Value on Customer Satisfaction .....	69
4.3.7.3. Multiple Linear Regression Analysis of Corporate Brand Image, Customer Perceived Value and Customer Satisfaction on Customer Loyalty .....	70

4.4. Discussion .....	72
4.4.1. Variable Analysis .....	72
4.4.1.1. Analysis of Decision Convenience .....	72
4.4.1.2. Analysis of Access Convenience.....	73
4.4.1.3. Analysis of Transaction Convenience .....	74
4.4.1.4. Analysis of Benefit Convenience .....	75
4.4.1.5. Analysis of Corporate Brand Image .....	76
4.4.1.6. Analysis of Customer Perceived Value .....	77
4.4.1.7. Analysis of Customer Satisfaction.....	79
4.4.1.8. Analysis of Customer Loyalty .....	80
4.4.2. Hypothesis Analysis .....	82
4.4.2.1. Analysis Convenience on Customer Satisfaction .....	82
4.4.2.2. Analysis of Corporate Brand Image on Customer Perceived Value.....	82
4.4.2.3. Analysis of Corporate Brand Image on Customer Satisfaction .....	83
4.4.2.4. Analysis of Corporate Brand Image on Customer Loyalty....	83
4.4.2.5. Analysis of Customer Perceived Value on Customer Satisfaction.....	84
4.4.2.6. Analysis of Customer Perceived Value on Customer Loyalty .....	85
4.4.2.7. Analysis of Customer Satisfaction on Customer Loyalty .....	86
4.4.3. Overall Model Analysis.....	87
<b>CHAPTER V SUMMARY, CONCLUSION AND RECOMMENDATION .....</b>	<b>91</b>
5.1. Summary .....	91
5.1.1. Summary of Hypothesis .....	92
5.1.1.1. The effect of Convenience towards Customer Satisfaction ..	92
5.1.1.2. The effect of Corporate Brand Image towards Customer Perceived Value .....	92
5.1.1.3. The effect of Corporate Brand Image towards Customer Satisfaction .....	92

5.1.1.4. The effect of Corporate Brand Image towards Customer Loyalty .....	93
5.1.1.5. The effect of Customer Perceived Value towards Customer Satisfaction .....	93
5.1.1.6. The effect of Customer Perceived Value towards Customer Loyalty .....	94
5.1.1.7. The effect of Customer Satisfaction towards Customer Loyalty .....	94
5.2. Conclusion .....	94
5.2.1. Theoretical Implication .....	95
5.2.2. Managerial Implication .....	96
5.3. Recommendation .....	98
<b>REFERENCES</b> .....	100
<b>APPENDICES</b>	



## LIST OF TABLES

TABLE 1	Variables and Definition .....	35
TABLE 2	Variables and Indicators.....	36
TABLE 3	Likert Points and Representation .....	38
TABLE 4	The value of r .....	44
TABLE 5	Interpretation of r-value .....	44
TABLE 6	Respondents Gender Percentage.....	48
TABLE 7	Respondents Age Percentage.....	49
TABLE 8	Description of Mean Rating Index.....	50
TABLE 9	Descriptive Statistic of Decision Convenience.....	50
TABLE 10	Descriptive Statistic of Access Convenience.....	52
TABLE 11	Descriptive Statistic of Transaction Convenience .....	53
TABLE 12	Descriptive Statistic of Benefit Convenience .....	54
TABLE 13	Descriptive Statistic of Corporate Brand Image .....	55
TABLE 14	Descriptive Statistic of Customer Perceived Value.....	57
TABLE 15	Descriptive Statistic of Customer Satisfaction.....	59
TABLE 16	Descriptive Statistic of Customer Loyalty.....	60
TABLE 17	Validity Test Results.....	62
TABLE 18	Reliability Test Results .....	63
TABLE 19	Normality Test of Kolomogorov Smirnov Result.....	65
TABLE 20	Homocedasticity Test of Spearman Rho Result .....	67
TABLE 21	Linearity Test Result.....	68
TABLE 22	Results of Multicollinearity Test.....	68
TABLE 23	Simple Linear Regression of Corporate Brand Image on Customer Perceived Value .....	68
TABLE 24	Multiple Linear Regression Analysis of Convenience, Corporate Brand Image, and Customer Perceived Value on Customer Satisfaction.....	69
TABLE 25	Multiple Linear Regression Analysis of Corporate Brand Image, Customer Perceived Value and Customer Satisfaction on Customer Loyalty .....	70
TABLE 26	Mean and r Statistics of Decision Convenience’s Indicators.....	72
TABLE 27	Mean and r Statistics of Access Convenience’s Indicators.....	73



TABLE 28	Mean and r Statistics of Transaction Convenience's Indicators .....	74
TABLE 29	Mean and r Statistics of Benefit Convenience's Indicators .....	75
TABLE 30	Mean and r Statistics of Corporate Brand Image's Indicators .....	76
TABLE 31	Mean and r Statistics of Customer Perceived Value's Indicators.....	77
TABLE 32	Mean and r Statistics of Customer Satisfaction's Indicators .....	79
TABLE 33	Mean and r Statistics of Customer Loyalty's Indicators.....	80
TABLE 34	Previous Research, Current Research and Theoretical Implication.....	95
TABLE 35	Current Research and Managerial Implication .....	100

## LIST OF FIGURES

FIGURE 1	Number of Air Passengers in Indonesia 2011-2015.....	3
FIGURE 2	Number of Air Passengers in Indonesia January – May 2016 .....	3
FIGURE 3	Singapore Airlines Flight Attendants .....	5
FIGURE 4	Singapore Airlines Special Fares.....	7
FIGURE 5	Singapore Airlines Newsletter.....	7
FIGURE 6	Singapore Airlines Office in Surabaya.....	8
FIGURE 7	Singapore Airlines Transaction Steps .....	9
FIGURE 8	Singapore Airlines Solved the Passengers Problem.....	10
FIGURE 9	Singapore Airlines Review by Customer .....	12
FIGURE 10	Theoretical Framework 1 .....	31
FIGURE 11	Theoretical Framework 2 .....	32
FIGURE 12	Operational Framework.....	33
FIGURE 13	Singapore Airlines Logo.....	46
FIGURE 14	Singapore Airlines Route Network .....	47
FIGURE 15	The World’s first Boeing 787-10 .....	48
FIGURE 16	Descriptive Statistics for Respondents Gender .....	48
FIGURE 17	Descriptive Statistics for Respondents Age .....	49
FIGURE 18	Normal Probability Plot Corporate Brand Image * Customer Perceived Value .....	64
FIGURE 19	Normal Probability Plot Convenience, Corporate Brand Image, Customer Perceived Value * Customer Satisfaction .....	64
FIGURE 20	Normal Probability Plot Corporate Brand Image, Customer Perceived Value, Customer Satisfaction * Customer Loyalty.....	65
FIGURE 21	Scatterplot Corporate Brand Image * Customer Perceived Value .....	66
FIGURE 22	Scatterplot Convenience, Corporate Brand Image, Customer Perceived Value * Customer Satisfaction.....	66
FIGURE 23	Scatterplot Corporate Brand Image, Customer Perceived Value, Customer Satisfaction * Customer Loyalty .....	67
FIGURE 24	Overall Model Analysis.....	87

## LIST OF APPENDICES

APPENDIX A	English Research Questionnaire.....	A-1
APPENDIX B	Indonesian Research Questionnaire .....	B-1
APPENDIX C	Result of SPSS.....	C-1
APPENDIX D	Questionnaire Results Recap.....	D-1