

Passenger Perception on Baggage Fees in Indonesia's Domestic Flight Air Routes (Case Study on Lion Air Airline)

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Abstract. Beginning in early 2019, Indonesian domestic flight charge an additional fee for baggage fees. Although the main reason for baggage fees is to intensify incomes for airlines, baggage fees also have an impact on airline operations. The purpose of this paper to find out the perceptions of passengers after the existence of a paid baggage policy based on their personal experience. The research explores more deeply the perceptions of passengers with in-depth interviews. Results of this study suggest an amount of advantages for separating baggage costs with additional services and products from major products for airlines in terms of generating revenue and maintaining market share.

1. Introduction

On January 8, 2019, Lion Air, one of the low cost carrier airlines, announced that it had changed the airline's policy to eliminate free baggage allowance (FBA) on all domestic flights. Lion Air is the first airline in Indonesia to charge baggage fees. Then followed by another low cost carrier airline, Citilink airline on February 8, 2019. Based on Lion Air's official website, the variety of baggage fees is according to the chosen route and selected luggage package (prepaid baggage), with a range of 155,000 Rupiah/5kg. [1] Argues that in some of the additional costs charged by airlines in the international world, the second largest income comes from baggage fees, approximately 25 percent of the total additional income.

The reason for airlines to eliminate free baggage fees is the government policy to reduce low-cost carrier ticket prices on all domestic flights. On the other hand, low cost carrier has the right to eliminate free baggage fees as in [2] Article 22 of the Minister of Transportation Regulation Number PM 185 of 2015:

"Registered baggage as referred to in Article 21, is the availability of checked baggage for all service groups with the following conditions: a. full-service group, at most 20 kg without being charged; b. medium service group, at most 15 kg without being charged; and c. no-frills, can be charged."

Charging baggage fees to passengers will have an impact on Lion Air's revenue, but this is not the focus of this research. The goal is to find out the perceptions of passengers after the existence of a paid baggage policy based on their personal experience. Passengers know positive or negative about this paid baggage. When a lot of airline passengers believe that the cabin above dominates the cabin below, this is due to their experience, they see increasing luggage of passengers but they do not usually observe what will happen under the cabin [3]. Therefore, in particular we find out the opinions of passengers for advice that benefits the airline.

If there is a paid baggage affecting passengers cannot always check the existence of their bags, then passengers must be associated with fewer reports of baggage being mismanaged. Paid baggage policies can also affect the percentage of flights that are delayed. Loading, unloading and transfer from one flight to another from register baggage requires more time to operate and can cause delays in departure. [4] States that there are inherent delays in airline operations because of the causes of stochastic delays, such as passenger relationships and late baggage packing. Many passengers also forced to carry excess luggage so that when they were found by officers to carry too much luggage, officers needed additional time to send baggage to cargo storage.

To examine how the actual perceptions of passengers, we explore with data from in-depth interviews with passengers who have experienced this paid baggage policy for themselves. We observed the opinions of passengers on the first airline to impose paid baggage, Lion Air. Our

results indicate that the existence of a paid baggage policy will create a new perception of the airline.

2. Literature Review

Paid baggage policies become a new thing, especially in Indonesia. Therefore, there will be new perceptions of the policy. Perception is an assessment of a thing that has been experienced by the giver of perception. The perception of continuous service quality with perceived price can be interpreted on how well the service received has met customer expectations (with prices that the customer has already paid), which is based on personal experience, to reflect an evaluation of a service [5]. In addition, [6] describe that the perception of prices affects customer satisfaction. Said that airlines must be careful about what kind of travel passengers can receive additional costs, because for low cost carrier passengers do not agree to the additional costs because passengers feel it is difficult to travel. This does not directly have a drastic effect on reducing customers but a passenger opinion will have a long effect in the future. Passengers who initially need flights, will later choose other ways to support their flight[7].

Examined that paid baggage caused operational work is being decreased because passengers had already prepared their luggage, which accelerated the baggage handling process that baggage fees might be related to improved operating results [8].

Also investigated the impact of paid baggage policy differentials on different price distribution points or different types of operators depending on the status of outsourcing [9]. In the study of [10] analyzed the response of passengers to the prices of airlines that impose paid baggage on baggage use on the US air travel market, in the study stating that the airline received additional income directly from passengers who pay baggage fees and the truth is not many passengers pay baggage fees but in that case the reduction in basic flight fares can generate more traffic then can generate an increase in revenue for the airline that enforces it. Previous research [3] said that a popular customer trust, however, was that the delay in airline departures became worse due to the increase and baggage size of customer goods.

Stated that paid baggage loading from flight ticket rates can be improved by the facilities and willingness needed by passengers to pay, this can result in habits that lead to being more positive [11]. The budget allows consumers who do not need baggage services to avoid these payments, so that people will definitely get better. Other than that, since the number of bags examined decreases, airlines can feel lower costs and can provide a portion of their savings to all their consumers in the form of lower rates. The airline applies a paid baggage policy with an effort to control consumer behavior, encouraging consumers to reduce their baggage needs, rather than differentiating consumers based on their need to check bags. Paid baggage policies can affect the way passengers prefer luggage items they will bring to save the costs they will pay.

Describes the results of its research for bags that are inspected and are not subject to lower price rates, but these carry-on bags are as heavy as those permitted by operators to accommodate more cargo [12]. Longer security checks result in overcrowding of the trash can then slowing up the take off and resulting in delaying departure. [1] Stated that the results of baggage costs caused a reduction in the number of passengers, but flexibility was far smaller than the increase in ticket prices that were equivalent, then led to the conclusion that operators could increase total revenue by reducing tariffs and changing baggage costs.

The essence of the research problem is the problem of the paid baggage policy, it was found that the burden of baggage costs resulted in new positive and negative perceptions among the people, which in general the passengers felt disagree, but on the other hand the airline had several advantages, the operation of the airline was more profitable. In the next section, we discuss the data and methodology used to analyze perceptions of paid baggage policy on Indonesian domestic routes.

3. Research Method

This study uses a type of qualitative research to describe in detail the perceptions of passengers arising after the application of paid baggage. In qualitative research, relevant data can come

from four methods of data collection: interviews, observing, gathering and examining (material), and feelings [13]. This analysis use an introduction to baggage fees which at the beginning of 2019 was first announced by Lion Air, in Indonesia. The implementation of baggage fees is carried out using the abductive approach to building theory. Abductive is an inference approach that combines data and observation to identify reasonable (and better, best) explanations for phenomena [14]. Observation conducted from February 2019 to June 2019. Data with in-depth interviews were collected with passengers who already felt paid baggage at this airline, with different education from each other.

Table 1. In-depth interview data for passengers.

Interview Type	Education of Interviewee	Number of Interviewee
Focused Interview In-Depth Interview	Associate Degree in Information and Document Management	1
Focused Interview In-Depth Interview	Bachelor of Economics	1
Focused Interview In-Depth Interview	Bachelor of Law	1
Focused Interview In-Depth Interview	Bachelor of Government Science	1
Focused Interview In-Depth Interview	Student of Communication Marketing	1
Total		5

4. Result and Discussion

Lion Air Airline firmly imposes additional baggage fees for all domestic flights, free passenger goods are only 7kg of carry-on luggage. With the implementation of paid baggage this allows the airline to get more profits, but in the long run it will be a problem. Passengers will create new perceptions that will lead to decisions on passenger loyalty, and customer satisfaction. Our analysis creates new points regarding the perception of the cost of new baggage charged by Lion Air Airline.

4.1. Opinions about applying baggages fees.

Paid baggage makes it hard for passengers to travel for a long time, because long travel requires carrying a lot of luggage (AR).

Passengers will definitely look for the easiest way to travel, as [7] that airlines must be careful about what kind of trips passengers can receive additional costs, because for low cost carrier passengers do not agree to the additional costs because passengers feel it is difficult to travel. The response that stated that baggage fees made travel difficult was a general term and became the most talked about by users of air transportation services.

4.2. Decrease in baggage handling rate reports

Passengers choose to reduce luggage that is loaded in the cargo, they only carry luggage for the cabin. So that officers are easier to coordinate, better handling of baggage (PP).

Baggage handling can be linked to research from [8] examined that paid baggage caused operational work to decrease because passengers had already prepared their luggage, which accelerated the baggage handling process that baggage fees might be related to improved operating results. This will also be a hope for the passengers, with the presence of paid baggage it is expected that baggage can be well organized and show progress in the handling process.

4.3. The Reduced percentage of flights is delayed

There is no influence between baggage fees and flight delays, because based on personal experience, flight delays continue to occur (VSA).

The interview results from the sources can be related to the statement of [3] said that a popular customer trust, however, was that the delay in airline departures became worse due to the increase and baggage size of customer goods. Passengers believe that paid baggage does not affect the delay, flight delays remain.

4.4. Decrease level of customer complaints

Customer complaints remain. Since there are paid baggage, more passengers are complaining about the services of airlines (PP).

Customer complaints are a form of customer satisfaction. As said, [6] describe that the perception of prices affects customer satisfaction. This is proof that the existence of paid baggage is the reason passengers feel dissatisfied with flight policies. Feeling satisfied from a flight user caused them not to complain to the airline. they will actually have a positive impact by spreading information to others.

4.5. Baggage fees allow customers who do not to avoid paying baggage fees and passengers feel the savings

Passengers have a variety of travel models, and paid baggage is not needed for business people who only need one Friday day, they leave early in the morning and go home late in the evening, so only carry luggage for the cabin. Except for vacation trips, passengers will still buy luggage because they carry a lot of luggage. For the travel also must provide an explanation of the baggage to their customers (LDDS).

Passengers will begin to understand what they need and what they need to bring, this habit will change passenger habits for the better. As said [11] stated that paid baggage loading from flight ticket rates can be improved with the facilities and willingness needed by passengers to pay, this can result in habits that lead to being more positive.

4.6. Passangers reduce luggage that cannot enter the cabin

Passengers will more compact luggage, so that the luggage is just trying to enter the cabin. But if you require carrying a lot of luggage, allow passengers to find another alternative (LAI).

This is certainly in accordance with what [12] said, namely for bags that are inspected and are not subject to less price rates, but these carry-on bags are as heavy as those permitted by operators to accommodate more cargo. And [1] stated that the results of baggage costs led to a reduction in the number of passengers, but flexibility was far smaller than the increase in ticket prices that were equivalent, then led to the conclusion that operators could increase total revenue by reducing tariffs and changing baggage costs.

In the study of [15] said that this provides benefits, including: Paid baggage has an influence on flight fares, passenger demand, and timeliness performance carried out by operators side by side. This concludes the overall results of the paid baggage policy for the three categories. Furthermore, the separation of indirect paid baggage results through adjustments to customer benefits, late flights and on-air travel requests. The connection of paid baggage and timely performance identified the moderator who further gave managerial insight. Finally, adding points to understand how the operator's time performance has changed over time due to the existence of paid baggage.

5. Conclusion

The imposition of baggage fees is a Lion Air's attempting to adjust their income. However, the effects of this application create new perceptions for their customers. In this paper, we show that the imposition of baggage fees is related to improved operational results for the airline. In particular, we describe the results of in-depth interviews with the policy of imposing baggage fees. Among other things are the opinions of passengers regarding the implementation of

baggage fees, a decrease in the level of baggage handling errors, a decrease in the percentage of delayed flights, a decrease in the level of customer complaints, the cost of luggage for passengers, and the decision of passengers to reduce carrying baggage after this application. We obtained the following results, the baggage application received disagreement by the passengers. Handling baggage for the better. Flight delays continue. The level of customer complaints is still visible and states that customers are not satisfied. Baggage fees only benefit business trips, but not on vacation trips. As well as passengers will reduce their luggage, they will only carry luggage according to the weight allowed into the cabin.

The suggestion based on this research is that airlines must improve baggage handling operations, flight delays, and pay attention to what customers complain about. Airlines can separate ticket sales between business trips and vacation trips, so that ticket prices can be matched for customer satisfaction.

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