

THE EFFECT OF CO-CREATION SERVICE RECOVERY AGAINST REPURCHASE INTENTION MEDIATED BY CUSTOMER SATISFACTION SERVICE IN LION AIR IN JAKARTA

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Abstract. This research was done to understand the influence of co-creation service recovery regarding repurchase intention mediated by customer satisfaction service in Lion Air airline agency in Jakarta. There are 4 (four) hypotheses challenged within this research. We use quantitative mode for this research and purposive sampling as the sampling method. The research was conducted on 100 samples of airline passengers using Lion Air in Jakarta. The primary data was taken from a questionnaire extended to 100 passengers of Lion Air. Qualitative data was gathered from the reliability test and validity test using the SPSS program along with path analysis. The result of the research showed a significant influence of co-creation service recovery (X) and customer satisfaction service (Z) regarding repurchase intention (Y).

Keywords: service recovery, customer satisfaction, repurchase intention

Introduction

In the world of aviation, air transportation is an effective, efficient and fast mode of transportation. The fulfillment (compliance) of high safety standards is an absolute necessity in the implementation of aviation safety. The safety is the top priority in the world of aviation so it needs an optimal safety standard with reference to predetermined flight standards. In the world of flights, there are often some service failures experienced by airlines, for example, loss of passenger baggage, flight delays, or aircraft accidents. In 2015, there was a technical failure in one of Lion Air aircrafts due to a problem with the aircraft engine parts that the plane failed to dispatch passengers.

Service failure can harm a company's image and decrease public confidence in the aviation world, especially for Lion Air. This can lead to the emergence of negative perceptions from the customers about the company's image and decrease the stability of air transport service users. In dealing with these problems, companies must strive for various service recovery measures to maintain the company's image and customer trust.

In this study, researchers will discuss about the strategy of co-creation service recovery carried out by Lion Air Group in order to meet customer satisfaction so that customers are still interested in making a repeat purchase of Lion Air's services.

Literature Review

Service Recovery

Armistead et al., (1995) define " service recovery " as the specific action taken to ensure that customers get a reasonable rate of recovery after a problem occurs in the service. Lovelock & Gummesson (2004), stated that service recovery can be defined as a recovery in service and the systematic efforts done by a company to correct problems caused by service failure and to retain customers.

Customer Satisfaction

According to Kotler (2002) customer satisfaction is someone's happy or disappointed feelings that arise after comparing the perceptions or impressions of performance under expectations. Meanwhile, according to Hansemark & Albinsson (2004), the overall customer satisfaction shows the attitude toward service providers, or emotional reactions to the difference between what customers expect and what they receive. Moreover, according to Bitner and Zeithaml (2003), customer satisfaction is the customer's evaluation of product or service in terms of whether the product or service has met customer needs and expectations.

Repurchase Intention

According to Hellier, et al. (2003), a person's planned decision to repurchase certain services takes into account the situation and the level of liking. Rewal et al. (1998) explains that the intention relates to purchase (willingness to buy) is the willingness (likelihood) of buying in which the willingness to buy is defined as the tendency of consumers to make a purchase. Meanwhile, according to Simamora (2003), an intention is something personal and related to attitude. Individuals who are interested in an object will have the power or drive to do a series of behaviors to approach or obtain the object.

Hypotheses

The effect of Co- Creation Service Recovery on Repurchase Intention

According to Zeithaml (2006), service recovery is an action taken by the organization in response to service failures. Phillip, Gus, Rodney, & John, (2003) states that repurchase intention is a person's planned decision to repurchase certain services, taking into account the situation and the level of preference. Customers who complain will be more likely to make repeat purchases when their complaints are satisfactorily responded to and resolved. If the service recovery process is carried out correctly, quickly, and satisfactorily, it can increase repurchase intentions. The role of service recovery in service marketing is very important. The marketing of services is carried out in order to attract consumers' re-buying power to the services provided by the company.

H1: Co-creation service recovery affects on repurchase intention

The effect of Service Recovery on Customer Satisfaction

According to Khoiri, & Edward, n.d., service recovery has a significant effect on customer satisfaction. Meanwhile, improving the quality of service recovery will provide opportunities for increased customer satisfaction, such as providing appropriate and quick problem solving to customers.

H2: Co-creation service recovery affects on customer satisfaction

The Effect of Customer Satisfaction on Repurchase Intention

According to Choi & Kim, (2013), the level of satisfaction causes customers to have an increasingly strong desire to repeat purchases. The purpose of this repeat purchase is the desire to continue to feel satisfied. Repeated purchases are made when consumers feel all expectations are fulfilled. Therefore, customers will tend to make the next purchase of the product or service. For this reason, the high and low levels of customer satisfaction determine the strength of the intention to make repeat purchases.

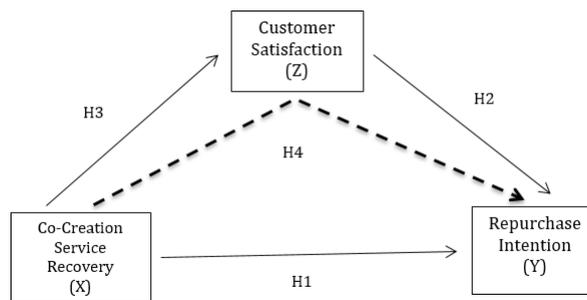
H3: Customer satisfaction affects repurchase intention

The effect of service recovery is mediated customer satisfaction on repurchase intention.

According to Miller et al. (2000), recovery measures are designed to solve problems, change the negative attitudes from dissatisfied customers to satisfied, and ultimately retain customers. Based on the research conducted by Adixio & Saleh, (2013), Chen and Chou (2012), Mohamedet al. (2014) and Suandana et al. (2016), it is found that customer satisfaction has positive and significant effects on repurchase intention. If the company carries out a service recovery strategy for service failures that occur, it will form a good perception of the customer towards the company. Customers will be satisfied because the company provides a response in the form of actions on the problems or errors that occur. If the customers are satisfied, they will continue to contribute to requesting a repurchase of the company.

H4: Co-creation service recovery affects repurchase intention mediated by customer satisfaction

Conceptual Framework



Methods

This research uses quantitative method. The population of the research is users of Lion Air. The sampling method used is non-probability, in this case we use purposive sampling. Research instrument used is a questionnaire extended to 100 correspondents. Data analysis is done using path analysis for pathway analysis and SPSS program for validity and reliability test. The scale for the questionnaire is Likert which is divided into 5 categories, 1 = highly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = highly agree.

Discussion and Result

Table 1. The result of Validity and Reliability Test

Variable		Indicator	Avar age	R count	Cronbach Alpha
Co-Creation Recovery Service Source: Xu, Marshall, Edvardsson, & Tronvoll, (2014)	X1	Lion Air provides services in accordance with what I want	3.40	0.784	
	X2	Lion Air provides solutions in solving problems	3.19	0.888	
	X3	Lion Air is focused on solving problems	2.95	0.862	0.907
	X4	Good communication from Lion Air in the process of solving problems	3.12	0.882	
	X5	Lion Air responds quickly to customer complaints	3.08	0.856	
Repurchase Intention	Y1	I am satisfied with the way Lion Air handled the problem	3.08	0.904	
	Y2	I make a good impression on Lion Air	3.34	0.902	0.890
	Y3	I am satisfied with the information provided by the Lion Air airline	3.34	0.911	
Customer Satisfaction Source: Xu et al., (2014)	Z1	I will use the airline lion air in the future	3.10	0.931	
	Z2	Lion Air became my first choice in choosing airlines	2.61	0.934	0.850

Based on the results of validity testing, it can be said that three variables - Co-creation service recovery, Repurchase intention, Customer satisfaction - which are used in the instrument are valid where the r count value is greater than the rtable value (r count> r table).

As for reliability testing, the value for Co-creativity on service recovery is 0.907, Repurchase intention 0.890 and Customer satisfaction 0.850. Based on these values, it can be said that the instrument used in this study is reliable because its value is greater than 0.6 (Cronbach alpha> 0.6).

Table 2. Sub-structure I

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.135	.548		-2,072	.041
	Co-creation service recovery	.435	.034	.794	12,915	.000

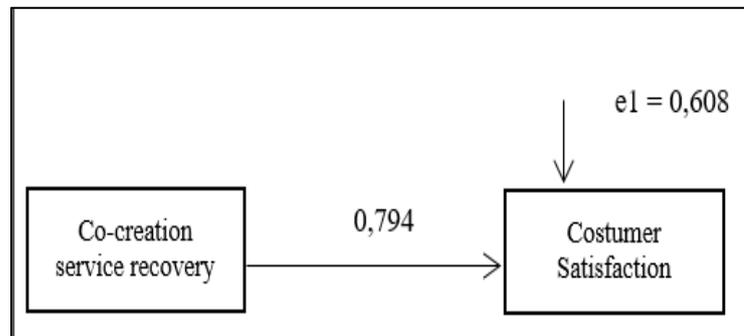
a. Dependent Variable: Customer satisfaction

Source: Processed data by the author using SPSS 25.

In the coefficients table can be seen that the significance value of the variable X = 0,000 is smaller than 0.05. These results provide case impulan that the regression variable co-creation service recovery b erpengaruh significantly to Customer satisfaction .

After the above data is obtained, there is data that needs to be used to make a path analysis, namely the value of e1, for the value of e1 can be calculated with the formula $e1 = \sqrt{1-R \text{ square}}$, with a known R square value of 0.630 , the value of e1 is obtained 0.608 .

From the data obtained above, we can obtain the model path diagram as follows:



From the discussion of the results above, it can be concluded that there is an influence of *Co-creation service recovery* (X) and *Customer Satisfaction* (Z).

Table 3. Sub-structure II

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.690	.450		1,535	.128
	Co-creation service recovery	.482	.444	.733	10843	.000
	Customer satisfaction	.260	.081	.217	3,204	.002

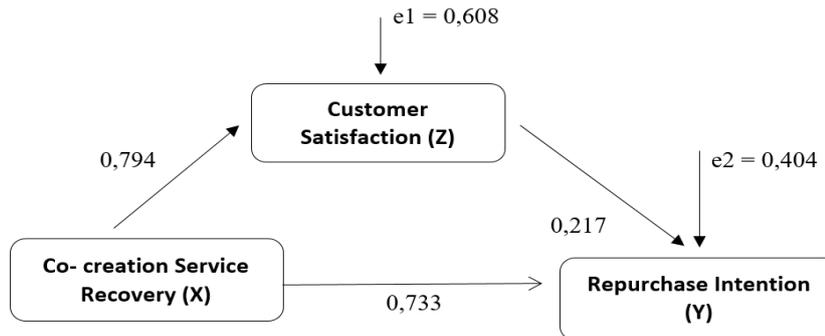
a. Dependent Variable: Repurchase intention

Source: Processed data by the author using SPSS 25.

In the coefficients table can be seen that the significance value of the two variables, namely $X = 0,000$ and $Z = 0.002$ smaller than 0.05 . These results provide the conclusion that the variable Co-creation service recovery and Customer satisfaction variables influence Repurchase intention.

After the above data is obtained, there is data that needs to be used to make a path analysis of e_2 values, for e_2 values can be calculated with the formula $e_2 = \sqrt{1-R^2}$ (square), with a known R^2 value of 0.836 , an e_2 value of 0.404 .

From the data obtained above, we can obtain the following diagram path model.



Direct Effect

Table 4 . Result of Path Analysis for the Direct Effect

Item	Direct Effect	Explanation
Co-creation Service Recovery —> Repurchase Intention	0.733	Significant
Customer Satisfaction —> Repurchase Intention	0.217	Significant
Co-creation Service Recovery —> Customer Satisfaction	0.794	Significant

Based on the results of the analysis, it can be said that the co-creation of service recovery in repurchase intention is 0.733 , co- customer satisfaction on repurchase intention is 0.217 , and the co-creation of service recovery in co- customer satisfaction is 0.794 .

Indirect Effect

Table 5. Result of Path Analysis for the Indirect Effect

Item	Indirect Effect	Explanation
Co-creation Service Recovery —> Customer Satisfaction —> Repurchase Intention	$0.794 \times 0.217 = 0,172$	Significant

Based on the sobel statistical test on path analysis , it can be seen that $tcount > ttable$, it can be concluded that the mediation coefficient is $3.11 > 1.96$, meaning that there is a significant mediation effect. These results indicate that the influence of Co-creation Service Recovery on Repurchase Intention is mediated by Customer Satisfaction.

Total Effect

Table 6 . Result of Path Analysis for the Direct Effect

Item	Direct Effect	Indirect Effect	Total	Explanation
Co-creation Service Recovery → Repurchase Intention	0,733	0,172	0,905	Significant
Costumer Satisfaction → Repurchase Intention	0,217		0,217	Significant
Co-creation Service Recovery → Costumer Satisfaction	0,794		0,794	Significant

Conclusion

Based on the results of the analysis and discussion, it can be concluded that co-creation service recovery has a significant effect on repurchase intention. This is shown in the results of the co-creation service recovery. It also has a significant effect on repurchase intention, where the results of the study can be proven based on the research by Phillip, Gus, Rodney, & John, (2003) which states that repurchase intention is someone's planned decision to make a purchase return for certain services. Furthermore (Khoiri, & Edward, n.d.) prove that service recovery has a significant effect on customer satisfaction. An increase in service recovery will provide opportunities for increased customer satisfaction, and customer satisfaction has a significant effect on repurchase intention. The level of satisfaction causes customers to have an increasingly strong desire to repeat purchases. This is evidenced in the results of research by Choi & Kim, (2013). Co-creation service recovery also has a significant effect on repurchase intention mediated by customer satisfaction. This can be shown in the results of the study of Miller et al. (2000) which states that service recovery actions are designed to solve problems, to change negative attitudes from dissatisfied customers to satisfied one, and is aimed for retaining customers.

Implication Managerial

Based on the analysis and conclusion of the research above, from the 10 statement items there is one statement on the Z.2 variable which has the smallest average value of 2.61. With this, the company needs to carry out several strategies to attract customer repurchase interests, such as providing a quick and appropriate problem-solving action to the customers, providing information and services according to customer needs, and creating a better relationship with the customer.

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