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The Effect of Perceived Value and Service Quality on Interest in Buying Airplane Tickets on PT Garuda Indonesia

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Abstract---*This study aims to analyze the effect of perceived value and service quality on interest in buying plane tickets at PT Garuda Indonesia. Perceived value includes consumer perceptions of service benefits compared to costs incurred, while service quality refers to the quality of service provided by the airline. Data were collected through a questionnaire method using a purposive sampling technique and analyzed with multiple linear regression. The results showed that perceived value and service quality have a positive and significant influence on consumer buying interest. The coefficient of determination is 67.2%, indicating that the two variables can explain variations in purchase intention, while the rest is influenced by other factors. These results confirm that increasing perceived value and service quality can increase consumer attractiveness in choosing Garuda Indonesia flight services.*

Keywords---*perceived value, service quality, purchase intention, consumer buying interest.*

Introduction

Transportation, as a vital service sector, plays an important role in facilitating the movement of people and goods from one location to another to achieve speed and efficiency. The diversity of transportation facilities encourages people to be more selective in choosing the type of transportation based on the practicality and speed offered (Levyda, 2021). In Indonesia, air transportation has a strategic position because it is a fast, efficient, and economical alternative, especially for transportation between islands and remote areas outside Java. In addition to its role in connecting regions, air transportation also supports the development of trade, the economy, and the tourism sector, which is important for a country with a rich culture like Indonesia. The increasing demand for air transportation services, both for domestic and international mobility, shows its vital role as a driver of regional growth and regional development. In the modern era, air transportation has become an integral part of life, underscoring its significance as a major element in the global transportation system (Lesmana et al., 2021).

The aviation industry in Indonesia has experienced rapid development, with PT Garuda Indonesia playing a strategic role as the national airline that supports national and international air connectivity. Since its establishment as Garuda Indonesian Airways (GIA) on December 21, 1949, after the Round Table Conference (RTC) and its

maiden flight after the recognition of Indonesian sovereignty, Garuda Indonesia has continued to grow into a state-owned company in 1950, recording milestone international flights to Mecca in 1956 and Europe in 1965. Today, serving more than 60 global destinations, Garuda offers the "Garuda Indonesia *Experience*" service concept that blends Indonesian hospitality and culture. Together with Citilink, the group operates a young fleet of 210 aircraft with an average age of under five years. Its achievements include the 5-Star *On-Time* Performance award, "*The Best Airline in Indonesia*," as well as recognition for implementing the best health protocols during the COVID-19 pandemic, making it a symbol of excellence in the Indonesian aviation industry (Admin, 2024).

In the airline industry, various factors influence consumer interest in purchasing airline tickets, with *perceived value* and *service quality* being the two main aspects that determine. *Perceived value* refers to the extent to which consumers feel that the benefits obtained are comparable or even exceed the costs they incur. For example, consumers tend to consider not only the ticket price but also the overall experience during the travel process, from booking, service at the airport, and comfort during the flight, to after-sales service (Chang & Busser, 2020).

Not only that, *service quality* is also one of the main dimensions that play a strategic role in the airline service industry. This element is a crucial factor in shaping consumer perceptions and experiences of the services provided. In the airline industry, this concept not only covers operational aspects such as punctuality of departure and arrival times but also pays great attention to comfort during flight, friendliness, and professionalism of cabin crew, as well as high standards in the safety and security aspects of passengers (Wilson & Jessica, 2020). This is in line with research by Deza & Agus (2024), which states that service quality has a significant positive effect on consumer buying interest in the aviation sector. The study shows that consumers are more likely to choose airlines that are not only able to provide high-quality services but also reflect added value in every aspect of service. Thus, service quality is one of the main indicators in building customer loyalty while increasing airline competitiveness amid intense competition in the aviation industry.

The focus of this study is to analyze the effect of *perceived value* and *service quality* on the purchase intention of airline tickets at PT Garuda Indonesia. This study aims to explore the extent to which these two key factors, *perceived value*, which encompasses consumers' perceptions of the benefits received compared to the costs incurred, and *service quality*, which encompasses consumers' overall experience of the service provided by the airline, can influence consumers' decision to purchase Garuda Indonesia airline tickets. With an in-depth understanding of how *perceived value* affects consumer perceptions, as well as the quality of service provided by Garuda Indonesia, this study aims to explore the relationship between these two factors and interest in purchasing airline tickets. In addition, this study will also analyze how improving service quality, which includes punctuality, comfort, cabin crew service, and in-flight facilities, can increase purchase intention, which in turn will impact the sustainability and growth of Garuda Indonesia's business. The results of this study are expected to provide important insights for the development of airline marketing and service strategies, as well as provide recommendations for Garuda Indonesia in improving *perceived value* and service quality to strengthen the company's position in the face of increasingly fierce competition in the aviation industry (Mihaela, 2015; Suki & Suki, 2017).

Method

Sample withdrawal was carried out using a *nonprobability sampling* technique, namely the *purposive sampling* method. *Nonprobability sampling* with the *purposive sampling* method is a sampling technique that does not provide equal opportunities or opportunities for each element of the population member to be selected as a sample. Sample measurement guidelines according to (Hair et al., 2017).

Data collection in the form of using a questionnaire as a research instrument must meet two criteria, namely *valid* and *reliable*. For this reason, before the questionnaire is distributed, in a study it is necessary to test the validity and reliability of the questionnaire. Research results in the form of answers to problem-solving depend on the quality of the data analyzed and the instruments used to collect the data. All independent and dependent variables will be analyzed using statistical test tools including validity test, reliability test, normality test, multicollinearity test, heteroscedasticity test, multiple linear regression analysis, correlation coefficient (r), and coefficient of determination (R^2), hypothesis testing obtained from the SPSS (*Statistical Package for the Social Sciences*) application program IBM SPSS Version 25.

3 Result and Discussion

Multiple Linear Regression Analysis Results

Multiple linear regression analysis was carried out to determine the effect of *perceived value* (X1) and *service quality* (X2) variables on purchase intention (Y). Based on the test results obtained as follows:

Table 1
Multiple Linear Regression Analysis Results

Model	Coefficients			
	Unstandardized Coefficients		Standardized Coefficients	
1	B	Std. Error	Beta	Sig
Constant	.545	.271		
Perceived Value	.622	.078	.624	.000
Service Quality	.491	.078	.491	.006

Source: Data processed, 2024

Based on the table, the results of multiple linear regression analysis can be expressed with the following equation:

$$Y = 0,545 + 0,622X_1 + 0,491X_2 + e$$

The linear regression equation above can be explained as follows:

- 1) The constant value shows a positive value with a value of 0.545. This shows that the purchase interest is considered without the influence of *perceived value and service quality*, the amount of the interest in saving variable is 0.545.
- 2) The regression coefficient *value of the perceived value* variable is 0.622 with a value of 7.944. t_{hitung} of 7.944 states that *perceived value* has a positive effect on purchase intention. This shows that the higher the *perceived value*, the higher the interest in buying airplane tickets at PT Garuda Indonesia.

Test results of Correlation Coefficient (r) and Coefficient of Determination (R²)

Table 2
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.820	.672	.662	.565870

Source: Data processed, 2024

Based on the *summary model output* in Table 2, the correlation coefficient test results (r) show that the magnitude of the influence of the *perceived value and service quality* variables on purchase intention is 0.820 or 82%. The magnitude of the R square number (R²) is 0.672 or 67.2%, this figure is used to see how *perceived value and service quality* affect the interest in buying airplane tickets at PT Garuda Indonesia. This figure means that how the *perceived value and service quality* variables show what factors can influence buying interest and together by 67.2% while the remaining 32.8% is influenced by other factors.

F Test results

The F test in this study was conducted to identify whether the regression equation model was feasible or not feasible to use to explain the effect of the independent variables on the dependent variable. Based on the test results and data processing, the test results are as follows:

Table 3
F Test Results

		ANNOVA ^b				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	63.013	3	21.004	65.596	.000^a
	Residuals	30.740	96	.320		
	Total	93.753	99			

Source: Data processed, 2024

Based on the results in the table, the significance value is 0.000 because the significance value of 0.000 < 0.05, it can be said that the linear regression model obtained is feasible to be used to explain the effect of *perceived value* and *service quality* on interest in buying airplane tickets at PT Garuda Indonesia.

Results of the t-test

The t-test is carried out to determine how much influence the independent variables individually have on the dependent variable. This study with a significance of 5% or $\alpha = 0.05$. The t-test results can be seen in Table 4.13 as follows:

Table 4
t-test results

		Coefficients			T	Sig.
Model		Unstandardized Coefficients		Standardized Coefficients		
1		B	Std. Error	Beta		
	(Constant)	.545	.271			
	Perceived Value	.622	.078	.624	7.944	.000
	Service Quality	.491	.078	.491	5.457	.006

Source: Data processed, 2024

Based on the results of the analysis calculations in the table, it can be described as follows:

- 1) The *perceived value* variable (X1), has a beta value of 0.622 with a significant value of 0.000 which is smaller than 0.05. This shows that the *perceived value* variable has a positive and significant effect on the interest in buying airplane tickets at PT Garuda Indonesia. This proves that the first hypothesis on the *perceived value* variable has a positive and significant effect and can be accepted.
- 2) The *service quality* variable (X2), has a beta value of 0.491 with a significant value of 0.006 which is smaller than 0.05. This shows that the *service quality* variable has a positive and significant effect on the interest in buying airplane tickets at PT Garuda Indonesia. This proves that the second hypothesis on the *service quality* variable has a positive and significant effect can be accepted.

The effect of perceived value on consumer purchase interest

Perceived Value refers to consumers' perceptions of the benefits or advantages they receive from a product or service, compared to the price or cost incurred to obtain the product. The higher the perceived value, the more likely consumers are to make a purchase. If consumers feel that the product or service offered provides greater benefits than the price they pay, their purchase interest will increase. In addition, perceptions of product quality and comparable prices also play a role in shaping perceived value (Sweeney & Soutar, 2001; Swait & Sweeney, 2000; Ledden et al., 2007). Consumers who feel that the price paid is following the quality received will be more likely to buy the product. External factors such as recommendations from other people or positive reviews can also affect *Perceived Value* because consumers will feel more confident that the product has more value (Mervin et al., 2022).

Respondents' responses to the indicator of the process of applying for a refund or re-schedule of Garuda Indonesia flight tickets are quickly processed showing the lowest value. This shows that some respondents still feel less about the refund submission service. Based on direct interviews with several respondents who are consumers

who have purchased Garuda Indonesia airplane tickets, they said that the re-schedule process is still considered easy to do either directly by visiting the Garuda Indonesia counter at the airport or Garuda Indonesia representative offices located in every province in Indonesia, besides that it can also be done online on the Garuda Indonesia website which is available on the refund service or on the platform where Garuda Indonesia airplane tickets are purchased. Some of these reschedules are often subject to additional fees from the previous airfare. Consumers say that the refund process still has shortcomings, where the refund process is considered to require several working days for a refund and a substantial discount if canceling (Rana & Paul, 2017; Pookulangara & Koesler, 2011).

Respondents' responses to the indicator using Garuda Indonesia Airlines gave me a comfortable and happy impression of myself showing the highest score. This shows that the performance and services provided by Garuda Indonesia make a good impression on consumers. One of Garuda Indonesia's consumers said that the impression he got after using the flight options using Garuda Indonesia Airlines was very good. By having an aircraft in good condition, namely a well-maintained and maintained aircraft unit, in-flight facilities such as comfortable passenger seats, leg rests that are quite okay for economy passengers, in-flight entertainment facilities, food facilities provided, and crew on duty, both flight attendants who are friendly to passengers and pilots (Grimmer & Bingham, 2013).

The effect of service quality on consumer purchase interest

Service Quality refers to consumers' perceptions of the extent to which the quality of service provided by a company or service provider meets or even exceeds their expectations. The better the quality of service consumers receive, the more likely they are to be interested and make purchases. Fast, friendly, and efficient service, as well as a quick response to consumer complaints and requests, can create a positive experience that encourages buying interest. In addition, consistent and reliable service will increase consumer confidence in the company and the products offered. Consumers tend to choose to buy from companies that they consider to provide the best service because they feel valued and have their needs met. Therefore, high *Service Quality* not only affects the first purchase decision but can also strengthen consumer loyalty, which leads to repeat purchases and recommendations to others (Saragih & Hasbi, 2021).

Respondents' responses to the indicator of the process of applying for a refund or re-schedule of Garuda Indonesia flight tickets are quickly processed showing the lowest value. This shows that some respondents still feel less about the refund submission service (Oktahirsa et al., 2021). Based on direct interviews with several respondents who are consumers who have purchased Garuda Indonesia airplane tickets, they said that the re-schedule process is still considered easy to do either directly by visiting the Garuda Indonesia counter at the airport or Garuda Indonesia representative offices located in every province in Indonesia, besides that it can also be done online on the Garuda Indonesia website which is available on the refund service or on the platform where Garuda Indonesia airplane tickets are purchased. Some of these reschedules are often subject to additional fees from the previous airfare. Consumers say that the refund process still has shortcomings, where the refund process is considered to require several working days for a refund and a substantial discount if canceling (Udo et al., 2010; Wardman, 2001).

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Conclusion

- a) Perceived Value has a positive and significant influence on interest in purchasing Garuda Indonesia airplane tickets. The higher the value perceived by consumers - including positive experiences related to service benefits compared to costs incurred - the greater the consumer's interest in making a purchase.
- b) Service Quality also has a positive and significant effect on purchase intention. Dimensions of service quality such as punctuality, comfort, cabin crew service, and facilities provided are able to increase consumer trust and satisfaction.
- c) The results of the analysis show that *perceived value* and *service quality* together explain 67.2% of the variation in interest in buying plane tickets, while 32.8% is influenced by other variables not analyzed in this study.

- d) PT Garuda Indonesia needs to continue to improve service quality and ensure positive consumer perceptions of the value provided to maintain loyalty and competitiveness in the aviation industry.

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