

Non-Aeronautical Service Facility as the Support in Shaping the Image of International Airport

Tomi Hikmat Pradana
Department of Management and Business, Universitas
Padjadjaran

Rita Komaladewi
Department of Management and Business, Universitas Padjadjaran

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ABSTRACT

In the development of the airport industry, many companies strive to competitively provide the best service by continuing to innovate in improving and developing the facilities. One of the facilities provided as the support for the passengers is a non-aeronautical service facility. In fact, this facility is also expected to provide value for passengers. As the largest airport in Indonesia in which the airport is the main gateway of Indonesia to the international world, the airport company still cannot optimize its positive image in the public eyes. This is caused by the competition among the airport companies in Indonesia and other countries which always innovate the best service and facilities to the service users. The weaknesses of non-aeronautical services are in the service of parking, lodging, restaurants, and so forth. Thus, there is a need to study the service and customer value in maintaining the image of the airport as the gateway for tourists. This research is a verification research using Path Analysis with the number of the respondent of 115 respondents. The survey was conducted at one of the airports in Indonesia. The research results showed that non-aeronautical services and customer value have a significant effect in maintaining the airport image.

Keywords: Non-Aeronautical Service, Customer Value, Airport Image, International Airport.

1. INTRODUCTION

Unlike other service industries, the services provided by an airport are regulated by both national and international regulations. Nonetheless, if we compare an airport with one another, we can feel and get a different experience. A vivid difference will be found in terms of services or facilities provided at an airport.

In the development of airport industry, airports in the world are now competing to make the transformation from the conventional airports to the airports implementing the concept of airport city. This new airport concept does not only make the airport as a place to facilitate passengers for air transportation but also as the business center in various sectors, such as logistics, property, and others. These sectors can be the driving factors for the economy around the airport and a source of income for the airport management company. Along with this dynamic, the airport management companies try to continuously improve and develop the existing infrastructure and facilities so they can optimally improve their services to make customers satisfied. In reality, the airports do not compete head-to-head, but some national institutions such as the Indonesia National

Air Carriers Association (INACA) and international survey agencies such as SKYTRAX try to compare the level of services provided by the airports. It is, of course, important for the airport management companies to obtain nationally and internationally recognized service ratings. These can affect the company image in the eyes of society, both nationally and internationally.

One of the largest airport in Indonesia located in Java Island has vital roles as Indonesia's main gateway of the international world as well as the largest and busiest airport in Indonesia with the total passenger of 60 million passengers per year (source: company statistics data). The level of service can be measured by Customer Satisfaction Index (CSI) which is surveyed to the five customer groups, i.e. passengers, aircrew, station manager, concessionaires, and cargo.

SKYTRAX stated that in 2015, one of the major airports in Indonesia was ranked 57 in the world. This is far compared to Changi Airport Singapore which was ranked as the first best airport. So, it is assumed that the company image is still not optimal. One of the causes of this issue is the long process of bureaucracy which causes the complain handled immediately, making many customers disappointed or dissatisfied with the services provided. In addition, regarding the customer perceived value, there are some problems related to the passenger service activities such as non-aeronautical services (transit hotel/accommodation provision, store and restaurant, parking space, banking and land transportation). Thus, it can be concluded that non-aeronautical services have a big impact on the assessment of service level because they have a high interaction level with customers. Seen from various aspects, non-aeronautical services and customer value are hypothetically related to the image of the airport management company because the company image can be built if only the services provided by the company are good and the value or benefit of the services have a positive effect on the customer. The image of a company consisted of reputation and expertise are the factors which often influence the perception of society, employees, and stakeholders. Having a good image, a company can have a good position in society and the company can positively influence the community more easily. So, there is a need to deeply research the magnitude of the effect of non-aeronautical service package and customer value on the image of one of the major airports in Indonesia.

2. THEORETICAL FRAMEWORK

Service Package of Non-Aeronautical Businesses

Fitzsimmons (2011) stated that the components of service package are as follows; 1) supporting facilities, 2) facilitating goods, 3) information, 4) explicit services, and 5) implicit services.

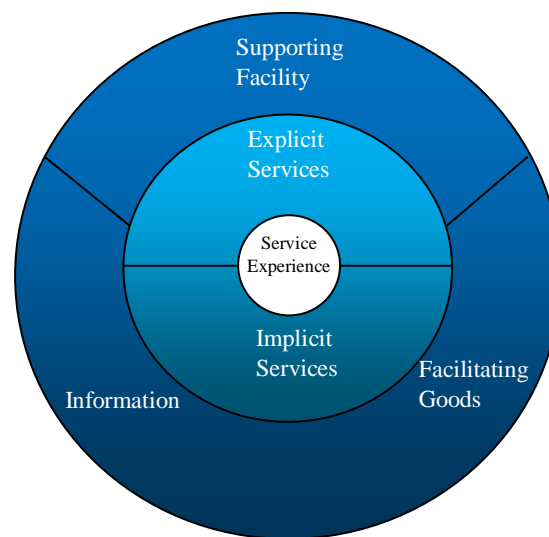


Figure 2.1 Service package

Source: Fitzsimmons (2011)

The overall form of this service is a portrayal experience of the service user that will form the basis of the perception of the services received. Based on this notion, it is very important for a company engaged in service to offer extraordinary and special experience to the service users so they will have a positive impression.

Along with the development of airport service business, the non-aeronautical service package is currently becoming a priority to be developed in optimizing the company's revenue and service delivery to the customers or service users.

Customer Perceived Value

Atalik (2009) stated that the customer value and benefits perceived by the customers become the keys to the aviation business. In this regard, the customer perceived value is an award given by the company to the consumers so they feel satisfied. Zenglein and Muller (2010) also pointed out that non-aeronautical services become very important for an airport. The service activities become very complex and become important indicators in assessing the performance of an airport. Komaladewi, Suryana, Rufaidah, Subroto, Nanere (2015) stated that functional value of establishment, functional value of service purchase (professionalism), functional value of service purchase (quality), functional value of price, emotional value and social value have a positive impact on consumer loyalty. So these factors can be considered as a determining factor to win the hearts of consumers.

According to Marwanto and Komaladewi (2017) that in creating customer value need good service quality support, because this is what causes consumers to switch to competitor products

Company Image

Tu, Wang Chang (2012) stated that company image has been assessed as an important antecedent of customer satisfaction and loyalty. Company image has a huge role in improving company performance. Amini, Darani, Afshani and Amini (2012) explained that the company image has the strength in building a strategic position in the market for the corporation. Based on their research, Arifin, Nameghi and Khakizadeh (2013) showed that the company image has a strong and positive relationship with customer expectation of service. According to Kotler and Keller (2012), brand equity will be higher along with the increasing dimensions of the company image. Those dimensions are 1) Company Image Awareness (company recognition), 2) Quality Impression (affinity), 3) Loyalty/Introduction of Company Image (company reputation), and 4) Brand Associations (domains). Other assets include patents, trading stamps, distribution channels, etc. The following research hypotheses can be obtained:

The provision of non-aeronautical service package and customer value affect the company image both simultaneously and partially.

3. METHODOLOGY

The research method used in this research is a quantitative method with a descriptive verification approach. The population used in this study is the service users/passengers at the International Airport Terminal. While the sampling method used is proportionate stratified random sampling technique. We determined the number of samples from each terminal equally, so the data obtained can represent the existing population. The number of samples is 115 users/passengers. The design analysis used is Path Analysis. The sample was obtained from three terminal locations at the airport.

4. FINDINGS

Correlation Coefficient between Provision of Non-Aeronautical Service Package (X1), Customer Value (X2) and Company Image (Y) Partially

To know the presence and degree of relationship among the variables observed, namely the provision of non-aeronautical service package variable (X1), customer value variable (X2) and company image variable (Y), we used a statistical software SPSS version 23 with the results described in the table as follows:

		Provision of non-aeronautical service package	Customer value	Company image
Provision of non-aeronautical service package	Pearson Correlation	1	.762**	.701**
	Sig. (2-tailed)		.000	.000
	N	117	117	117

Customer value	Pearson Correlation	.762**	1	.814**
	Sig. (2-tailed)	.000		.000
	N	117	117	117
Company image	Pearson Correlation	.701**	.814**	1
	Sig. (2-tailed)	.000	.000	
	N	117	117	117

** . Correlation is significant at the 0.01 level (2-tailed).

Correlation Coefficient between Provision of Non-Aeronautical Service Package (X1), Customer Value (X2) and Company Image (Y) Simultaneously

To know the correlation coefficient of the provision of non-aeronautical service package variable (X1), customer value variable (X2) and company image variable (Y) simultaneously, it can be seen in the calculation results using SPSS software as follows:

TABLE 4.29

Model Summary of Simultaneous Correlation Analysis

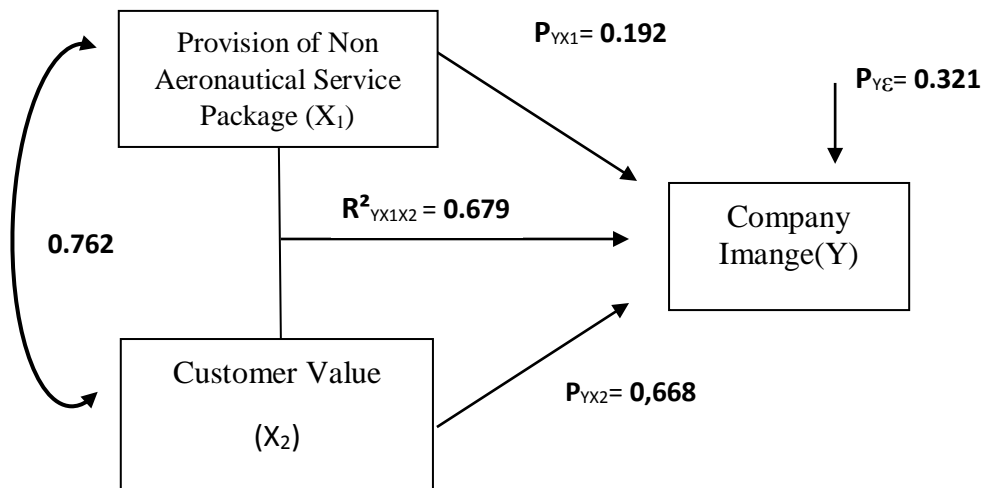
Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.824 ^a	.679	.673		2.935201

a. Predictors: (Constant), Customer Value, Provision of Non Aeronautical Service Package

Source: Results of Data Processing using SPSS 23

Based on the above data, it is shown that the correlation coefficient between two independent variables (X1 and X2) and company image (Y) equals to 0.824. According to table 4.28 regarding the coefficient interval, that value is in the range of 0.80 to 1.00, meaning that the relationship is **very strong**.

Based on the test of the correlation coefficient and the determination coefficient described in the sub chapter above, the path diagram can be illustrated as follows:



Equation of structural model

$$Y = P_{YX1} X_1 + P_{YX2} X_2 + P_{Y\epsilon}$$

$$= 0.192X_1 + 0.668X_2 + 0.321\epsilon$$

The Influence of Provision of non-aeronautical service package and customer value on Company Image Simultaneously (F test)

After performing the calculation of the contribution or influence of independent variables on the dependent variable, we performed significance tests to get a more exact conclusion from the research results. To know the effect of non-aeronautical service package (X₁) and customer value (X₂) on company image (Y) simultaneously, F-test was done with the result as follows:

TABLE 4.32

F-test results of Path Analysis in the Structural Equation

Model	Sum Squares	Df	Mean Square	F	Sig.
1 Regression	2073.488	2	1036.744	120.336	.000 ^b
Residual	982.156	114	8.615		
Total	3055.644	116			

Source: Data processed using SPSS version 23(2017)

5. DISCUSSION

The statistical results using SPSS software shows that the provision of non-aeronautical service package and customer values have a positive effect on the company image. The

better the provision of non-aeronautical service package is, and the better the customer value delivery is, the better the company image will be. From the statistical calculation, it is found that the provision of non-aeronautical service package and customer value have a very strong relationship with the company image. This is due to the fact that non-aeronautical service package is a complement showing the company's concern with the passengers prioritizing the convenience, practicality, and ease. To kill the boredom while waiting for boarding, passengers can do sightseeing or go the restaurants or retail stores. There are also other facilities such as transportation to and from the airport, and bank or ATM (automated teller machines) for ease of transaction. Those facilities are able to lift the image of the airport. The customer value, emotional value, social value, quality value and value of money can give a good image for the company because the passengers will get more benefit than the cost that they have to bear.

6. CONCLUSION

There is a need to conduct a study and action plan regarding the blueprint of the company's hotel development in the terminal area of the Airport. This will have an impact on improving the facilities and comfort of the hotel. The company will get benefit, i.e. the strategic location aspect as it is near the terminal. Passengers will no longer need to use hotels outside the airport which will take time to reach the terminal. This will ultimately increase revenue for the company.

The sky-train and airport train constructions are needed to be accelerated. With the availability of airport train facilities, passengers will get easier access from and to the airport. In addition, the sky-train facility will enhance the convenience and service provided to the users because they can move between terminals easily. The sky-train has a reliable schedule, more passenger capacity and it is free of charge.

There is also a need to review the pricing policy, facilities, and infrastructure. The rising tariff of passenger service charger (PSC) must be balanced with the improvement of terminal services and infrastructure. Before increasing the prices of food, drinks, souvenirs, gadgets, and others, the company needs to first make an in-depth study on the ongoing cooperation with the business partners so they can set the prices which are competitive with other airports such as Haneda Airport in Japan and Incheon Airport in South Korea.

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