Why do Customers Intend to Repurchase Low Cost Carriers (LCCS) in Indonesia?

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ABSTRACT

This research is aimed to find new factors from internal and external factors affecting customer repurchase intention on Low Cost Carriers (LCCs) in Indonesia. Three hundred questionnaires were distributed to customers of LCCs in Indonesia and then processed with factor analysis using SPSS 24.0 program. The results show that there are five new factors resulted from internal and external factors affecting customers' repurchase intention on LCCs in Indonesia which are *experiential factor, customer needs factor, practical factor, amusement factor* and *customer life-cycle factor.*

Keywords: Internal factors, external factors, customer behavior, repurchase intention, Low Cost Carriers (LCCs).

1. INTRODUCTION

Cost leadership has become a strategic tool for Low Cost Carriers (LCCs) to compete with their competitors. Lion Air, Citilink, Indonesia Air Asia, and some similar airlines has tried to survive in this tigh competition. LCCs' concept has enabled customers to go from one place to another faster by airplanes with low fares ("Ini Alasan Pemudik Memilih Pesawat Terbang", 2012).

Eventually, LCCs' fares are much more cheaper compared with other modes of transportation. A testimony form one passenger said that he could go to some isolated part of Indonesia in a short time with low tariffs. He only spent five hundred rupiahs (Rp 500.000,00) from Balikpapan to Berau in Derawan Island within an hour. If he had gone by car, it would have taken twelve hours drive and he would have

spent more money to the same destination (*"Inilah alasan mengapa naik pesawat lebih hemat dibanding kereta dan bus"*, 2015). Thus, customers have a lot of cheaper and faster choices to go by LCCs instead of using other means of transportation like trains, buses and others.

Despite of the increasing number of customers using this kind of LCC, a problem needs to be solved whether these LCCs would be able to maintain their maintenance optimally with such low tariffs for customer safety. Moreover, with the unfortunate aircraft accidents dominated by the airlines using LCCs concepts, it certainly has an impact on public concern in using air transport services.

Informal interviews were done to thirty customers who have ever flied with LCCs by asking the same question: "What makes you more interested in repurchasing LCCs compared with *Full-Service Airlines* apart from their low tariffs?". Eleven respondents reuse LCCs due to their promotion, facility standard offered which is suitable with the low tariffs; two respondents say that only LCCs offer the routes and time schedule as expected. Six respondents choose LCCs because of good experiences that make them become loyal customers; and four respondents fly with LCCs because they like travelling. Two respondents take LCCs because their parents have bought them the LCCs tickets; and the other two respondents choose LCCs because of their friends' recommendation. The last three respondents decide not to use LCCs anymore due to security.

From the pre survey, there are seven indicators that make customers repurchase LCCs, which are interesting promotion, economical tariffs/rates, suitable routes and time schedule, good experiences and loyalty, hobby and lifestyle, parents' decisions and friends' recommendation. Based on this phenomenon, this research is done to find some new factors affecting customers' intention to repurchase LCCs in Indonesia. In this study, internal and external factors are analyzed as they have strong relationship with customers' repurchase intention (Lin and Chen, 2009; Aresa, 2012; Maima, 2012; and Mahmudah, 2013).

2. THEORITICAL ANALYSIS

Low Cost Carriers (LCCs)

Low Cost Carriers (LCCs), which is also called *Budget Airlines* or *No Frills Flights* or *Discounter Carriers*, refer to airline models providing lower tariffs/rates by eliminating some of the passengers' services and comfort generally offered by other *Full-Service Airlines* (Liau and Tan, 2014; Yuwanto, 2011).

Generally *Full-Service Airlines* try to compete with others by adding services with more values like catering, newspapers, in flight shopping, lounge and the like. In contrast, LCCs have eliminating some of these services, reducing passengers' comfort, using online system of booking and ticketing, emphasizing on catering and the use of homogeneous fleet types (Malighetti *et. al.*, 2009)

LCC was first pioneered by Southwest Airlines, founded by Rolling King, Lamar Muse, and Herber Kelleher in 1967. The phenomenon has become business study aviation as well as a benchmark for other LCCs to be able to implement it successfully in their operating strategies. Then, the success of Southwest Airlines was imitated by others such as Vanguard, America West, Kiwi Air, Ryanair, and the like. In Asia, this strategy was also replicated with the emergence of Air Asia in 2000 based in Malaysia, Virgin Blue in Australia; while in Indonesia, there were Lion Air and Wings Air, which is a subsidiary of Lion Air itself (Rosenstein, 2013).

According to Yuwanto (2011), LCCs are classified as follows:

1. The airlines only have one class of service for passengers

2. They generally have one type of aircrafts to reduce training and operating costs.

3. They implement a minimal standard maintenance.

4. They do not provide seat reservation system.

5. They have a high frequency of flights.

6. Their route is simple as there are not too many airports used for transit.

7. They reduce costs by using internet and issuing tickets electronically.

8. The crews work overtime as to save labor costs.

9. Catering facilities are not provided (excluding airfares) to reduce cost.

10. All costs are charged as one, including platform and baggage fees, to give cheap or low fare impression.

Customer Behavior

Customer-oriented businesses will always learn and observe customer behavior, because business success is also determined by the ability of companies to explore the perceptions of customers (Wilianti, 2012). Molesworth (2006) explains that customer behavior can be interpreted as the total customer decisions relating to the acquisition, consumption and disposition of goods, services, time, and the idea of the decision-making units in time.

Customer behavior can also be defined as a field of study that focuses on customer activities, including the consumption analysis to see how and why customers consume a product, in addition to the reasons customers buy such products (Spiers *et. al.*, 2014). This analysis will help customers to decide whether they are going to buy or consume the product or service.

In addition, customer behavior refers to an activity or association done by customers while buying, consuming or even eliminating a product or service ((Blackwell *et. al.*, 2012). It does not only involve a process when a customer buys a real product or service, but also a process of making a decision (Hoyer and MacInnis, 2008).

Factors Affecting Customer Behavior

According to Kotler (2008), there are four factors influencing customer behavior: cultural, social, personal and psychological factors. These factors are the elaboration of core factors that affect customer behavior in buying or consuming a product or service, namely internal and external factors.

Kotler (2008) states that internal factors come from within an individual or they are inherent in the individual. Internal factors include the followings:

1. **Personal factors:** These refer to all inherent characteristics of the customers themselves, including age and life cycle, employment and economic condition, personality and self-concept, as well as lifestyle.

2. **Psychological factors:** These are factors derived from the internal processes of individuals that can effect on customer behavior. Psychological factors have four important processes which can influence customer responses on various marketing stimuli, such as motivation, perception, learning, memory, trust and attitudes.

In addition, Kotler (2008) suggests external factors are factors that are beyond the individual customer. These include the followings:

1. **Cultural factors:** These factors relate to customer interactions with the surrounding environment consisting of cultures, sub-cultures and social classes.

2. **Social factors:** These are factors related to the interaction with other customers, including reference group, family, roles and social status.

Purchase Intention and Repurchase Intention

Purchase intention refers to what customers think they are going to buy (Blackwell *et. al.*, 2012). Furthermore, Schiffman and Kanuk (2007) state that purchase intention is a reflection of real purchase behavior. Whereas, Kotler and Keller (2012) define purchase intention as behavior that appears as a response of wanting to make a purchase. It is a customer tendency to behave before making a purchase decision (Dwityanti, 2008).

Moreover, repurchase intention refers to an intention to repurchase a product or service twice or more, whether it is the same or different product or service. It is closely related to customer attitudes towards the object and previous behavior. Repurchase intention is one indicator of satisfaction and also the effect of the purchase behavior. According to Zeng *et. al.,* (2009), there is a positive relationship between customer experiences of the product or service and customer tendency to reconsume product or service purchased that are well evaluated.

There are four indicators to measure repurchase intention (Panthura, 2011):

1. **Willingness to buy:** It refers to customer desires to buy the product.

2. **Tendency to repurchase:** It describes customer behavior to rebuy the product in the future.

3. **More repurchase:** Customers always want to buy more products from the same companies.

4. **Repurchase the same type of products:** It refers to customers' interest of having major preference in the product.

Relationship of the Concepts

Customers are said to have repurchase intention when they have consumed the similar product or service and then they are still willing to consume it in the future. Puspitasari (2006) says that repurchase intention refers to customer impulses to make repeat purchases. It is part of customer purchase behavior in which there is correspondence between the product or service performance offered by the company that can generate customer interest to consume more in the future. Repurchase intention itself is closely related to customer attitudes towards the object and previous behavior (Zeng *et. al.,* 2009).

A research by Mahmudah (2013) shows that there is a strong relationship between internal factors (perception, lifestyle, attitudes, employment and motivation) and external factors (culture, price,

situation and physical environment) that can influence customer purchase intention significantly. In addition to this, Lin and Chen (2009) research has shown that there is positive relationship between purchase decision with repurchase intention so that it is clear purchase decision will influence repurchase intention.

Some researchers have described factors that specifically become indicators of repurchase intention. Aresa (2012) has found a positive impact of lifestyles on repurchase intention. Maima (2012) also reveals that trust has positively affected customer repurchase intention.

3. RESEACH METHOD

This research is a quantitative exploratory research in order to verify tentative data and to delve extensively on the causes that affect the occurrence of something (Arikunto, 2006). The population of the research is LCCs customers in Indonesia which is infinite. Judgmental sampling is used with the following criteria: (1) Respondents must be over 17 years as they are mature enough to make decisions, (2) They have ever flied with LCCs minimally twice in the previous year (2015 to 2016). Samples taken in this study are three hundred respondents.

Data Collection and Definitions of Variables

Informal interviews to thirty respondents were held as a pre-survey to deepen the background of the research. Then, questionnaires were distributed online to 318 respondents and 50 questionnaires were distributed offline in order to get heterogeneous respondents from different backgrounds. But only 300 questionnaires are valid with response rate of 81.5%. Five Likert scales are used as follows: (1) strongly disagree, (2) disagree, (3) neutral, (4) agree, and (5) strongly agree.

Variables used in this research are as follows:

1. Internal factors refer to factors within the customer himself or herself that can influence his or her intention to repurchase LCCs with the following indicators:

    (a) (X_1) The use of LCCs is in accordance with customers' age.

    (b) (X_2) Customers like to travel in groups.

    (c) (X_3) The prices offered by LCCs are in accordance with customer incomes.

    (d) (X_4) LCCs' prices are relatively affordable.

    (e) (X_5) Customers choose LCCs due to their needs to arrive in the desired destination.

    (f) (X_6) No frills or extra services (meals and entertainments) are needed for a short trip/ flight.

    (g) (X_7) It is a very practical pattern of community life.

    (h) (X_8) The reservation of LCCs is very easy to do.

    (i) (X_9) Travelling is customers' hobby.

    (j) (X_{10}) Customers like to try new things.

    (k)   (X_{11}) LCCs' promotion is interesting.

    (l)   (X_{12}) Each of LCCs has appropriate routes offered to customers.

    (m)   (X_{13}) LCCs offer many choices of time schedules.

    (n)   (X_{14}) LCCs have become in the customers' mind.

    (o)   (X_{15}) Customers have positive experiences with LCCs.

2.   External factors refer to factors coming from customers' environments that can influence their intention to repurchase LCCs with the following indicators:

    (a)   (X_{16}) The ease of LCCs are a means of transportation.

    (b)   (X_{17}) The easy use of internet and gadgets makes life so simple.

    (c)   (X_{18}) LCCs are suitable for customers from middle–low class society.

    (d)   (X_{19}) Customers choose LCCs due to friends' recommendation.

    (e)   (X_{20}) Other customers have written good reviews about LCCs in social media.

    (f)   (X_{21}) There is a recommendation from families.

    (g)   (X_{22}) Customers feel proud as they can travel to various places using LCCs.

Data Analysis Techniques

Validity test is done by calculating partial correlation of each item in the questionnaires with the total score of the variables. An item is valid if it has a value of *r* count more than *r* table at the 0.050 significance level (Solimun, 2005). Using 30 respondents, it is found that all items in the questionnaires are valid as most items have *Pearson correlation* higher than 0.361.

In addition, reliability test is also used. A questionnaire is said to be reliable when tested repeatedly to the same group, it will generate the same data. If the coefficient of *Cronbach Alpha* (α) is higher than 0.600, the instrument was reliable (Ghozali, 2005). Based on the results of this research, internal factors have *Cronbach Alpha* (α) of 0.921 for 15 items and external factors have *Cronbach Alpha* (α) of 0.871 for 7 items. So it can be said that they are all reliable.

Mean and interval scales are used with the following categories:

Table 1
Interpretation of Interval Scales

Interval Scales	Category
0 – 2.33	Strongly Disagree
2.34 – 3.66	Neutral
3.67 – 5.00	Strongly Agree

Furthermore, factor analysis is used to analyze the interdependences of variables simultaneously. It is to simplify some of the relationship among variables to become less (Suliyanto, 2005). Some steps in factor analysis are as follows:

1. **Formulate the problem:** First, the purpose of factor analysis should be clear. Second, the variables included in the analysis should also be determined based on research, theories, and researchers' opinions, and the sample size should be appropriate or at least it should be four or five times from the number of variables.

2. **Make a correlation matrix:** The process of factor analysis is based on correlation matrix among variables. To test the accuracy of the factor model, *Bartlett's Test Sphericity* and *Kaiser-Mayer-Olkin* (KMO) are used to determine the samples' adequacy which can be seen from the following table.

Table 2
The Adequacy of Kaiser-Mayer-Olkin (KMO)

KMO	Recommendation
0,900	Very Good
0,800	Good
0,700	Average
0,600	Enough
0,500	Bad
≤0,500	Very Bad

3. **Determine the number of factors:** This is needed to represent variables being analyzed based on the magnitude of eigenvalues and the percentage of total variants. Only factors that have eigenvalues equal to or greater than 1 (one) are retained in the factor analysis model, while others are excluded from the model.

4. **Rotation factors:** Results of the extraction factor in the matrix factors show the relationships between individual factors and variables. Through rotation matrix factor, the factor matrix is transformed into a simple matrix that can be easily interpreted by using *varimax* procedures.

5. **Interpretation factor:** It is done by classifying variables that have a minimum *loading factor* of 0.400. Variables having less than 0.400 of *loading factor* are excluded from the model.

4. FINDINGS AND DISCUSSIONS

Based on the findings as per Table 3, most of the respondents aged between 17 to 25 years old (54.67%) travelling 2-3 times in the previous year. They are mostly females (56.67%), single (68%) and students (38%) with income Rp 1,500,000.00 to Rp 4,000,000.00/month (32.67%). Usually their spending is less than Rp 1,000,000.00 per transaction (46.67%) and they travel with families (67%) for private purposes (76%).

Table 3
Respondents' Profile

	Respondents' Profile	Frequency	% out of 100%
Age	17 to 25 years old	164	54.67
Frequency to Travel	2 – 3 times	150	50.00
Sex	Female	170	56.67
Status	Single	204	68.00
Occupation	Students	114	38.00

Respondents' Profile		Frequency	% out of 100%
Income per Month	Rp 1,500,000.00 – Rp 4,000,000.00	98	32.67
Amount of Transaction	Less than Rp 1,000,000.00	140	46.67
Travelling with Whom	Families	111	67.00
Purpose of Travelling	Private	228	76.00

In addition to this, most customers are strongly agree with all indicators of internal factors as their means are above 3.66, except indicator X_{15} (*Customers have positive experiences with LCCs*) which has the lowest mean of 3.66. But at average, customers are strongly agree as the average mean is 3.94 as per Table 4.

Table 4
Mean of Internal Factors

	Indicators	Mean
X_1	The use of LCCs is in accordance with customers' age	3.68
X_2	Customers like to travel in groups	3.77
X_3	The prices offered by LCCs are in accordance with customer incomes	3.95
X_4	LCCs' prices are relatively affordable	4.15
X_5	Customers choose LCCs due to their needs to arrive in the desired destination	4.16
X_6	No frills or extra services (meals and entertainments) are needed for a short trip/flight	3.99
X_7	It is a very practical pattern of community life	4.12
X_8	The reservation of LCCs is very easy to do	4.14
X_9	Travelling is customers' hobby	3.96
X_{10}	Customers like to try new things	4.00
X_{11}	LCCs' promotion is interesting	3.93
X_{12}	Each of LCCs has appropriate routes offered to customers	4.00
X_{13}	LCCs offer many choices of time schedules	3.94
X_{14}	LCCs have become in the customers' mind	3.69
X_{15}	Customers have positive experiences with LCCs	3.66
	Average Mean	3.94

Table 5 shows that customers are strongly agree only with 3 of 7 indicators in external factors, which are (X_{16}) *The ease of LCCs are a means of transportation*, (X_{17}) *The easy use of internet and gadgets makes life so simple* and (X_{18}) *LCCs are suitable for customers from middle–low class society*. Their means are above 3.66. But at average, customers are still strongly agree as the average mean is 3.72. This can be seen as per table 5 below.

Table 5
Mean of External Factors

	Indicators	Mean
X_{16}	The ease of LCCs are a means of transportation	3.99
X_{17}	The easy use of internet and gadgets makes life so simple	4.11
X_{18}	LCCs are suitable for customers from middle–low class society	3.86
X_{19}	Customers choose LCCs due to friends' recommendation	3.41
X_{20}	Other customers have written good reviews about LCCs in social media	3.46
X_{21}	There is a recommendation from families	3.56
X_{22}	Customers feel proud as they can travel to various places using LCCs	3.62
	Average Mean	3.72

Based on the first stage of KMO and Barlett's tests, it is known that KMO value is 0.854 (close to 0.90) meaning that it has a very good recommendation; whereas its Barlett's test has significance value of 0.00 (less than 0.05). Thus, all of 22 indicators in this study are adequate to be used for further factor analysis.

Moreover, the first stage of Communalities test also shows that there is one indicator X_2 (*Customers like to travel in groups*) which cannot be used for further analysis as its extraction value is less than 0.30. Thus, the analysis has to be repeated by omitting that indicator.

By doing the second stage of KMO and Barlett's tests using 21 indicators, the KMO value is 0.852 (close to 9.00) so it has a very good recommendation. While its Barlett's test has significance of 0.00 (less than 0.05) which means that all indicators are appropriate for further analysis.

In addition to this, the second stage of Communalities test shows that the extraction values of 21 indicators are more than 0.30. Thus all indicators can be used for further analysis.

From total variance explained, it is known that the first up to 5 components have eigen values greater than 1.00 as per Table 6 below. So it can be concluded that there are five new factors that can be formulated from 21 indicators.

Table 6
Total Variance Explained

Component	Initial Eigenvalues		
	Total	% of Variance	Commulative %
1	6,228	29,658	29,658
2	1,870	8,904	38,562
3	1,675	7,976	46,538
4	1,312	6,247	52,785
5	1,119	5,327	58,112
6	0,918	4,370	62,482
7	0,889	4,236	66,717
8	0,840	4,001	70,718
9	0,731	3,481	74,199
10	0,664	3,163	77,361
11	0,639	3,044	80,406
12	0,588	2,800	83,206
13	0,529	2,520	85,726
14	0,513	2,442	88,168
15	0,469	2,232	90,400
16	0,400	1,907	92,306
17	0,378	1,800	94,106
18	0,352	1,675	95,781
19	0,338	1,607	97,388
20	0,294	1,401	98,789
21	0,254	1,211	100,000

Based on loading factors in the component matrix, it is known that the correlation between one variable with factors to be has relative number with other factors. Therefore, it is necessary to do a rotation process so that data are easier to interpret. From the rotated component matrix, 21 variables are successfully extracted into five new factors based on the greatest correlation values. These five new factors can be grouped as per Table 7.

Table 7
Loading Values of Five New Factors

No	New Factors	Indicators	Loading Varians	% Varians
1	Experiential Factors	X_{15} Customers have positive experiences with LCCs	0.492	29.658
		X_{19} Customers choose LCCs due to friends' recommendation	0.742	
		X_{20} Other customers have written good reviews about LCCs in social media	0.792	
		X_{21} There is a recommendation from families	0.787	
2	Customer Needs' Factor	X_5 Customers choose LCCs due to their needs to arrive in the desired destination	0.549	8.904
		X_6 No frills or extra services (meals and entertainments) are needed for a short trip/flight	0.469	
		X_{11} LCCs' promotion is interesting	0.545	
		X_{12} Each of LCCs has appropriate routes offered to customers	0.701	
		X_{13} LCCs offer many choices of time schedules	0.737	
		X_{14} LCCs have become in the customers' mind	0.492	
3	Practical Factor	X_7 It is a very practical pattern of community life	0.540	7.976
		X_8 The reservation of LCCs is very easy to do	0.643	
		X_{16} The ease of LCCs are a means of transportation	0.559	
		X_{17} The easy use of internet and gadgets makes life so simple	0.764	
4	Amusement Factor	X_9 Travelling is customers' hobby	0.807	6.247
		X_{10} Customers like to try new things	0.815	
		X_{22} Customers feel proud as they can travel to various places using LCCs	0.496	
5	Customer Life-cycle Factor	X_1 The use of LCCs is in accordance with customers' age	0.516	5.327
		X_3 The prices offered by LCCs are in accordance with customer incomes	0.771	
		X_4 LCCs' prices are relatively affordable	0.647	
		X_{18} LCCs are suitable for customers from middle–low class society	0.531	

Experiential factor has contributed as much as 29.658%, meaning that internal and external experiences has impacted customer to repurchase LCCs. Based on the results of the research, 67.34% of the respondents travel by LCCs with their friends, families and relatives. As many as 78% of the respondents fly with LCCs for private or personal business. This is in line with Yosefa and Sanjaya (2011) who state that social environments (including families, friends, and reference groups) can be one important source that customers relies upon in their purchase decision.

Positive customer experiences with LCCs can also become a very good recommendation in shaping customer confidence to repurchase LCCs in the future. Fahrian (2015) study shows that trust has influenced customers' intention to repurchase a product or service. Chang *et. al.*, (2010) also confirm that there is a

positive relation between customer experiences with customer intention to repurchase or reuse a well-evaluated product or service. Positive experiences will generate trust to related companies or partners (Fahrian, 2015). In addition, a research by Maima (2012) also proves that customer trust has positive impact on customer behavior, especially in customer intention to repurchase a product or service.

Customer needs' factor explains why customers need air transportation like LCCs. Three hundred out of three hundred and sixty eight (81.5%) respondents make use of LCCs minimally twice in the last year (2015-2016). These customers have already repurchased LCCs. It is in accordance with Zeng *et. al.,* (2009) who state that repurchase intention refers to customer intention to rebuy the same or different product or service at least twice or more.

The data also describe high customer intention to reuse or repurchase LCCs in Indonesia. The indicators in *customer needs' factor* show that customers fly with LCCs for the purpose of arriving at the desired destination faster without having to pay extra services. Besides that, each of LCCs also offer appropriate routes and many choices of flight schedules so there are many options for customers to choose LCCs accordingly.

Furthermore, *practical factor* is supported by the result of this study in which 54.67% of the respondents are young adults. Young adults are the ones who have practical life style and up to date concern. This is in line with a study by Aresa (2012) whose result shows that life style has positive influence on repurchase intention.

The ease use of online reservation offered by LCCs with the help of up to date gadgets applications can encourage customer interests to repurchase LCCs. This is in accordance with Wilianti (2012) who states that a customer-oriented business will be very successful when a company is able to understand customer perception by providing a product or service accordingly.

Amusement factor refers to customer needs of fun and leisure. The indicators grouped in this factor include the need to travel around and try new experiences as well as to show self-achievement. This is supported by the fact that respondents of this study are dominated by young adults aged 17 to 25 years old and 38% out of 54,67% are students.

Kotler (2008) explains that customer jobs affect their patterns of consumption and customer tastes are related with age. Students tend to have more time to entertain themselves compared with those who have already worked permanently and those who have families. At the age of 17 to 25 years old, young adults are in the phase of finding their self-identity. One of the indicators showing customers' pride as they can go around to many parts of the world is consistent with young adults' life style and characters of *fun, active* and *energetic.* And this can be done by flying with LCCs.

Finally *customer life-cycle factor* is grouped based on customer age and economic condition. Most of the respondents are young adults. Some of them are students who may not work at all. Some may have already worked and their salaries may only be enough to support themselves. Around 32.6% of the respondents have allowance or income between one and a half million to four million rupiahs. Mostly they spend less than one million rupiahs of buying LCC ticket per transaction which is in accordance with customer level of allowance or income.

Spiers *et. al.,* (2014) describes that customer behavior is a study focusing on customer activities which includes how and why customers buy a product or service. One of the reasons why customers buy the

product or service is shaped by family life-cycle as well as age, gender, number of people in the family at any point of time (Kotler, 2008).

These five new factors have respectively related with customer experiences, needs, convenience and practicality, amusement as well as customer life cycle in repurchasing LCCs. Customers tend to repurchase LCCs as LCCs can fulfill customer needs and wants. When there is a conformity between a product or service offered by LCCs with its performance, it can generate customer interest to repurchase the same product or service in the future.

5. CONCLUSION AND ACKNOWLEDGEMENT

Using factor analysis, internal and external factors can be extracted into five new factors (*experiential factor, customer needs' factor, practical factor, amusement factor* and *customer life-cycle factor*) influencing customer buying intention of LCCs. The biggest contribution is *experiential factor* meaning that customers have good experiences with LCCs, whereas the least contribution is *customer life-cycle factor*.

Due to the fact that some LCCs in Indonesia may delay their flight schedules by informing customers only one day or even a few hours before their departures; so for LCCs' management, it is suggested that LCCs can improve their standard services like flight schedules' accuracy as this is also regulated by Minister of Transportation of Republic of Indonesia for commercial air transport companies, especially regulation number 89 of 2015 regarding delay management of scheduled commercial air transportation. In addition to this, facility for baggage handling needs to be improved due to the high demand of customers for today's air transport services in Indonesia.

For further research, it is recommended that questionnaires could be equally distributed not only online but offline as well. The online distribution could not guarantee the equal distribution of respondents' ages even though the researchers have made some restrictions of respondents aged over 25 years old. That is why respondents aged 17 to 25 years old dominated this research. Besides that, it is advisable to use other variables that can generate customer repurchase intention.

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