

## **Lion Air's Strategy in Increasing Domestic Aviation Market Share at Makassar's Sultan Hasanuddin International Airport**

**Lala Ratu Iksanti<sup>1</sup> Danang Maulana<sup>2</sup>**

Air Transportation Management Study Program, Sekolah Tinggi Teknologi Kedirgantaraan  
Yogyakarta, Bantul Regency, Province of Daerah Istimewa Yogyakarta, Indonesia<sup>1,2</sup>

Email: [lalaratuiksanti15@gmail.com](mailto:lalaratuiksanti15@gmail.com)<sup>1</sup> [adipura.danang@sttkd.ac.id](mailto:adipura.danang@sttkd.ac.id)<sup>2</sup>

### **Abstract**

The world of aviation is currently experiencing quite rapid development with many requests for passengers to travel for leisure and business purposes. With this demand, Lion Air will increase its aviation market share strategy. This researcher aims. 1) To find out how to implement Lion Air's marketing strategy in increasing the aviation market share at Sultan Hasanuddin Makassar International Airport. 2) To find out what obstacles Lion Air is facing in increasing its market share at Sultan Hasanuddin International Airport. 3) To find out how the solution will be carried out by Lion Air in increasing the market share of domestic flights at Sultan Hasanuddin Makassar International Airport. This researcher uses a mixed method (mix method) with descriptive techniques. The instruments used to collect research data were the researchers themselves, observations, interviews, documentation to answer the research questions. Researchers conducted data analysis using qualitative and quantitative data analysis techniques. The results of this study indicate that the method of implementing Lion Air's marketing strategy in increasing the share of the aviation market provides information that there is Lion Air as a private airline that provides low-cost flight services while still prioritizing the best service and prioritizing safety. The obstacles faced in implementing this MPR strategy are human resources who must be able to understand the development of IT technology, as well as HR must be able to process research data that has been carried out by going to the field in order to observe the market. The solution that will be carried out is to choose human resources who are very competent in that field. Providing training, especially in the field of IT which is a means of communicating and providing information to the public.

**Keywords:** Lion Air's Strategy in Increasing Aviation Market Share



This work is licensed under a [Creative Commons Attribution-NonCommercial 4.0 International License](https://creativecommons.org/licenses/by-nc/4.0/).

### **INTRODUCTION**

Airline companies are faced with increasingly competitive conditions in business openness. This condition requires companies to be more creative and innovative by offering something of more value, compared to what competing companies do. In general, airline companies try to meet all expectations from consumers, namely by building trust in a long-term relationship between airline companies and their passengers. The relationship between airlines and passengers must be improved from time to time, for example, service, product quality, and so on.

The more airlines that open low-cost carrier flights, the level of competition in the aviation sector is getting tighter or more competitive. According to Primadi Candra Susanto, Aswanti Setyawati and Hartono (2019) In the Indonesian archipelago, especially, air transportation is in great demand by passengers, especially with the advent of the LCC (Low Cost Carrier) concept. LCC is a special type of navigation by implementing several strategies, such as reducing operational costs and efficiency, Lion Air does things that are beyond the normal scope of airlines in general. Part of the personality since the various low-cost airlines

are the standard on the cabin as well as the aircraft fleet, eliminating business class in service, eliminating in-flight catering services,

One of them, Lion Air as a private airline serving domestic flights and international flights. Lion Air is one of the airlines that implements LCC (low-cost flights) in Indonesia but still prioritizes flight safety (Aviation Safety). In fact, what we know is that Lion Air has LCC service which is a favorite of the Indonesian people and is always on the list of airlines with the highest number of domestic passengers, even beating airlines that provide low-cost services or full service carrier services. However, recently in a survey published by the Bounce Index 2022, Lion Air Indonesia has entered the top ranking as the worst airline in providing services to passengers. Lion Air recorded an On Time Performance (OTP) rate of 42.27% and a flight cancellation rate of 34.43%. This means a third of Lion Air's flights were canceled over the past year. Lion Air scores only 1/5 for inflight food and entertainment and 2/5 for seat comfort and staff service.

Based on this it is very influential image of Lion Air and market potential at Sultan Hasanuddin International Airport Makassar, the right marketing strategy in determining plans is very important for companies to achieve company targets, because with proper planning a company will be more focused on policies to be taken, than Here the company can also determine the target market to be addressed clearly and specifically and by improving the products or services offered. The reason for the researcher taking this title is because it has its own charm and considering that in the current era, company competition is growing rapidly, especially in airline companies.

### **Theoretical basis airport**

An airport according to Law Number 1 of 2009 concerning airports is a land or water area with certain boundaries that is used as a place for aircraft to land and take off, boarding and dropping passengers, loading and unloading of goods, and a place for transferring between modes of transportation equipped with with aviation safety and security facilities as well as basic facilities and other supporting facilities. The function of an airport is to support the smooth, secure and orderly flow of aircraft, cargo and/or postal traffic, flight safety, intra and/or intermodal transfers and encourage the economy both regionally and nationally..

### **Sultan Hasanudi International Airport**

Reporting from the Airport Authority for region V class 1, Sultan Hasanuddin International Airport is an airport located in Makassar, South Sulawesi, namely with the ICAO code, namely UPG and the IATA code, namely WAAA. This airport is located 30 km from the city center and has 2 runways, namely area of 3100 mx 45 m and the second area of 2500 mx 45 m. This airport is operated by PT Angkasa Pura I, this airport also serves domestic and international flights and previously this airport was called Kadieng Airport.

### **Lion Air Airlines**

PT. Mentari Airlines, which operates as Lion Air, is the largest private airline in Indonesia, in which it controls most of the domestic aviation market. This airline was founded in October 1999 and began operating on July 30, 2000. This airline is also an air transport service company, like other airlines. Lion Air also competes in providing the best service to consumers. In this competitive era of competition, Lion Air is encouraged to be creative in managing the strategy to be taken in achieving its goals.

### **Marketing strategy.**

Strategy is a comprehensive master plan, which explains how the company will achieve all the goals that have been set based on a predetermined mission (Yowanda and Mawardi, 2017). Marketing strategy is a way to win competitive advantage that relates well to companies that produce goods or services. . The marketing strategy can be seen as one of the bases used in preparing overall company planning to serve as a guide for the company segment in carrying out its activities Wibowo and Arifin nd in (Petri, 2020).

### **Market Share**

Market share analysis reflects marketing performance associated with a company's competitive position in an industry. Gale in (Umi & Anggraeni; 2006) states that in very fast growth (high fluctuations), the size of the market share tends to be insignificant. Even though market share is influential, the results are not significant. This means that there is a high level of risk if management wants to expand the market aggressively. Marketers must choose target markets with social responsibility. Marketers must also monitor the relationship between segments to look for economical and potential segment scope which will have an impact on the company's performance as a whole, including increasing financial performance which can be measured from the level of company profitability. (Kotler: 2002)).

### **Swot (Strengths, Weaknesses, Opportunities, Threats)**

Also seen according to Nur'aini (2016), as the most basic analytical method, SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats) is considered to have many benefits or advantages compared to other analytical methods. The following is a description of some of the benefits of using the SWOT Analysis Method:

1. SWOT analysis can help see a problem from four sides at once which form the basis of a problem analysis, namely strengths, weaknesses, opportunities and threats.
2. SWOT analysis is able to provide results in the form of analysis that is sharp enough to be able to provide directions or recommendations to maintain strengths while increasing profits based on existing opportunities, while reducing deficiencies and also avoiding threats.
3. SWOT analysis can help us "dissect" an organization from four sides which can be the basis for the identification process and with this analysis we can find sides that are sometimes forgotten or not seen so far.

### **Marketing Mix (Marketing Mix 4p)**

*Marketing mix* marketing mix a strategy follows the things that will be done in marketing, according to Kotler and Armstrong (2016) the marketing mix or marketing mix includes four main things that can be controlled by companies, namely product, price, place. ), promotion (promotion). According to Kotler and Keller (2016) the four variables in marketing mix activities have the following components:

1. Product: is a combination of goods and services the company offers to two target markets
2. Price: is the amount customers have to pay to obtain the product
3. Venue: This includes the company's products available to target customers
4. Promotion: refers to activities that communicate the goodness of the product and persuade target customers
  - a. Product. According to Sumarni and Soeprihanto (2010), "Product is anything that can be offered in the market to get attention, demand, use or consumption that can fulfill a want or need".

- b. Price. According to Sumarni and Soeprihanto (2010) price is "the amount of money (plus some products if possible) needed to get a number of combinations of goods and services.

## **RESEARCH METHODS**

Study This was carried out on Lion Air's Strategy to Increase Domestic Aviation Market Share at Sultan Hasanuddin Makassar International Airport, will using mixed methods (mix methods) between qualitative and quantitative. Where activities include data collection and data analysis techniques, data collection is using Observation Methods, Interviews, Documentation Methods and literature studies while data analysis techniques use marketing strategy analysis, Swot analysis, market share analysis..

## **RESEARCH RESULTS AND DISCUSSION**

### **Lion Air Marketing Strategy**

In running a company there are many important things that must be considered, namely one strategy, where strategy is a form of readiness or planning for a company in the future. Various kinds of strategies exist in running the company, marketing strategy is one of the steps that will be taken by the company to be able to run the company or introduce the products or services that will be offered. In particular, Lion Air itself determines the appropriate marketing strategy to develop the company in competition. following the implementation of the marketing strategy through the 4P marketing mix strategy (product(product), price (price), place (place), promotion (promotion).

1. *Product (product). The presence of Lion Air in the world of aviation has attracted the attention of the public, which is known for its low-cost airlines or LCC (Low Cost Carrier). This also allows anyone to use air or airplane modes of transportation to travel at low ticket prices while still prioritizing safety. Therefore, the aircraft products operated by Lion Air itself have an air filtration system (High Efficiency Particulate Air) or commonly known as HEPA filter.*
2. *Price (price). The explanation above can be seen that Lion Air is one of the airlines that provides low fares or LCC. By providing cheap ticket prices, Lion Air greatly influences its position in the aviation market, by looking at the number of passengers each month. This relatively affordable price makes Lion Air a favorite among its customers, both private employees, tourism and the lower middle class society*

### **SWOT analysis**

According to Rangkuti (2022) states that the SWOT research questionnaire is disseminated to respondents who influence a business being run, serves to analyze and research using SWOT steps such as calculating respondent results, calculating weighting and rating on the IFAS (SW) EFAS (OT) table. ), then the calculation between external and internal is described in a swot analysis diagram. The results of this observation used a SWOT analysis, in which the informant gave a weight score to the marketing manager and 30 respondents in giving a rating value in calculating the value in this analysis.

### **Market Share Analysis**

Judging from the table for the number of passengers in 2022 above, Lion Air has experienced a decline in February due to unfavorable weather. With the unfavorable weather, it greatly disrupted the ongoing flight movements. It also led to a decrease in passenger numbers in February. But not how long in the following month, namely in March, the increase in the number of passengers was quite significant. Because Lion Air swiftly provides good information to consumers, especially on good service and safety information. As for seeing its

market share, it can be calculated using the formula:

$$\begin{aligned} \text{Market Shares} &= \frac{\text{Company Sales}}{\text{Industry Sales}} \times 100\% \\ &= \frac{4,750,751}{9,553,187} \times 100\% \\ &= 50\% \end{aligned}$$

From the calculation using the formula above, it gives a result of 50%, this makes Lion Air dominate the flight market share at Sultan Hasanuddin International Airport, Makassar, half of all airlines operating at Sultan Hasanuddin International Airport, Makassar. Looking at the strategy that has been set by going into the field to observe the Lion Air market

## **Discussion**

### **Lion Air's Marketing Strategy in Increasing Domestic Aviation Market Share at Sultan Hasanuddin Makassar International Airport**

Implementation of the right marketing strategy so that it can support Lion Air to be able to increase the market share of domestic flights, especially at Sultan Hasanuddin Makassar International Airport. The marketing strategy used by Lion Air will greatly determine how the company will go forward. Because, if the strategy taken is wrong, it will have a bad impact on the company so that it will result in consumers switching to companies that provide the same service, this will reduce the potential for Lion Air passengers, whereas if the marketing strategy is correct and appropriate, this will provide benefits for the company. such as the increase in passengers every month at Sultan Hasanuddin Makassar International Airport.

Implementation of this MPR marketing strategy, all activities are carried out according to established procedures. So that the steps to be taken will be well structured, namely:

1. Handling the information field which is the focal point in implementing the MPR marketing strategy at Sultan Hasanuddin Makassar International Airport. Communication and information are the keys for Lion Air to explain the company's advantages as well as answers to issues that arise among the public.
2. Lion air introduces products and services that will be offered by the company to the public or consumers, especially for people who will travel at Sultan Hasanuddin Makassar International Airport. As well as through social media Lion Air provides information about promotions that are being offered such as cheap ticket prices, giving giveaways, cheap travel package ticket promotions, and promotional tickets for Lion Air customer membership.
3. Communication is very important in business at Sultan Hasanuddin Makassar International Airport. Business communication includes external communication where this communication is carried out through the web, social media, and live events. While internal communication is communication that includes the company's internal environment which includes operators and service users.

### **Constraints Faced by Lion Air in Increasing Domestic Aviation Market Share at Makassar's Sultan Hasanuddin International Airport**

The challenge faced by Lion Air is the emergence of the Covid-19 pandemic. The emergence of this covid pandemic suddenly and quickly spread which resulted in the emergence of issues that affected passenger interest in determining the mode of transportation

to be used. Determining the mode of transportation for passengers is a difficult thing to do because of fears of exposure to covid. Researchers found obstacles in implementing Marketing Public Relations marketing strategies at Sultan Hasanuddin Makassar International Airport, namely:

1. Human resources who are less able to master IT technology
2. Human resources who are less able to communicate well with consumers
3. Human resources must not understand research results when going into the field

### **The solution that will be carried out by Lion Air in increasing the market share of domestic flights at Sultan Hasanuddin Makassar International Airport**

Every plan or strategy that will be implemented will definitely experience obstacles and challenges in carrying it out, as well as Lion Air, how the company must be able to find solutions to any problems that are happening right now or prepare the right things to deal with something that can be predicted or cannot be predicted. Solutions that will be carried out by Lion Air to face the challenges that occur in increasing the market share of domestic flights at Makassar Sultan Hasanuddin International Airport are as follows:

1. Preparing quality human resources by providing training
2. Preparing competent human resources in this field, especially in the field of communication because that is the main point in carrying out this strategy.
3. The company must be able to read the market, so that the company is able to convey interesting things about Lion Air

### **CONCLUSION**

The conclusions in this study are as follows: The marketing public relations (MPR) marketing strategy is a strategy that conveys to the public to provide information that there is Lion Air as a private airline that provides low-cost flight services while still prioritizing the best service and prioritizing safety . Using this MPR strategy that prioritizes communication and information as the focal point in its implementation. Through social media which is a place to introduce products or services offered by Lion Air at Sultan Hasanuddin Makassar International Airport. Where technology is increasingly modern and social media is a connecting link in marketing adjustments. The obstacles faced in implementing this MPR strategy are human resources who must be able to understand developments in IT technology, as well as human resources who must be able to process research data that has been carried out in the field to observe the market. The solution to facing the constraints of MPR's marketing strategy to increase the domestic aviation market share at Sultan Hasanuddin Makassar International Airport is to select highly competent human resources in that field. Providing training, especially in the field of IT which is a means of communicating and providing information to the public. From collecting data, SWOT analysis is able to see the opportunities that exist so that they can dominate the market and also be able to minimize weaknesses and try to avoid threats that will arise by continuing to develop products and services with the strengths that the company has. Market share analysis that has been carried out at Sultan Hasanuddin Makassar International Airport and data obtained from research and interviews with informants that this market share analysis can be a benchmark to see the success of the marketing strategy that has been set, namely the MPR, whether it is successful or not.

From the conclusions of the research above, several suggestions are obtained as follows: Lion Air at Sultan Hasanuddin International Airport Makassar must provide training to existing human resources to deal with matters or problems that occur in the future and choose human resources who understand how to read the market, to be able to prepare human resources in

dealing with crises, especially in the field of marketing. Further research is needed at Sultan Hasanuddin Makassar International Airport to find out how the MPR strategy is implemented in increasing the domestic aviation market share in the future.

## **BIBLIOGRAPHY**

- Alma, Buchari. 2005. *Manajemen Pemasaran dan Pemasaran Jasa*. Bandung: Alfabeta.
- Aziz, R. (2021). Faktor-Faktor Yang Mempengaruhi Persaingan Dan Pertumbuhan Pasar: Pemimpin, Pesaing, Pengikut, Nicher (Suatu Literature Review). *Jurnal Ilmu Manajemen Terapan*, 2(4), 418-441.
- Azizah, A. (2017). *Studi kepustakaan mengenai landasan teori dan praktik konseling naratif* (Doctoral dissertation, State University of Surabaya).
- Bounce, 2022. Maskapai Penerbangan Terbaik Domestik dan Internasional 2022. The Bounce Index 2022. AS
- Creswell, John W. (2014). *Research design: pendekatan kualitatif, kuantitatif, dan mixed*. Yogyakarta: PT Pustaka Pelajar.
- Della, N. (2021). Perbandingan Bagasi Berbayar Dan Dampaknya Terhadap Penumpang Pada Maskapai Lion Air. *Perbandingan Bagasi Berbayar Dan Dampaknya Terhadap Penumpang Pada Maskapai Lion Air*.
- Fatimah, Fajar Nur"aini Dwi. 2016. *Teknik Analisis SWOT*. Yogyakarta: Quadrant.
- Fitrah, H. (2018). Strategi Bersaing Dalam Meningkatkan Market Share Pada Pt. Sinar Galesong Mandiri Makassar.
- Hidayah, I., Ariefiantoro, T., Nugroho, D. W. P. S., & Suryawardana, E. (2021). Analisis Strategi Bauran Pemasaran Dalam Meningkatkan Volume Penjualan (Studi Kasus Pada Pudanis Di Kaliwungu). *Solusi*, 19(1).
- ICAO, 2004. Aerodromes Annex 14. International Civil Aviation Organization (ICAO)
- Indonesia National Air Carrier Association. 2021. *Laporan Tahunan 2021*. INACA. Jakarta Selatan.
- Kotler, Philip dan Gary Amstrong. 1997. *Dasar-Dasar Pemasaran*. Jilid 1. Alih Bahasa: Alexander Sindoro. Jakarta: Prenhallindo
- Marantika, R. N. A. (2020). *Analisis Strategi Pemasaran Maskapai Citilink Berkonsep Lcc Di Bandar Udara Internasional Jenderal Ahmad Yani Semarang* (Doctoral Dissertation, Sekolah Tinggi Teknologi Kedirgantaraan Yogyakarta).
- Media, K. (2022). *Sejarah Lion Air, Maskapai Penerbangan Swasta Terbesar di Indonesia* Halaman all - Kompas.com, KOMPAS.com.
- Ningrum, U. (2022). Analisis Strategi Pemasaran Maskapai Penerbangan Bertarif Rendah (Lion Air) Terhadap *Profil Maskapai Lion Air, Pemesanan Kursi* (2022).
- Puspitasari, A. W., & Oktafia, R. (2020). Analisis strategi pemasaran syariah untuk peningkatan pangsa pasar produk jelly motif pada UD. Sumber Abadi Kecamatan Gedangan Kabupaten Sidoarjo. *Al-Infaq: Jurnal Ekonomi Islam*, 11(2), 140-157.
- Rangkuti, Freddy. 2018. Analisis SWOT: Teknik Membedah Kasus Bisnis Cara Perhitungan Bobot, Rating, dan OCAI. Cetakan Keduapuluh Empat. Jakarta: PT Gramedia Pustaka Utama.
- Setiawan, A. (2018). Analisis Strategi Pemasaran Yang Tepat Guna Meningkatkan Pangsa Pasar Produk. *JMK (Jurnal Manajemen dan Kewirausahaan)*, 3(2), 90-99.
- Setyasnomo, S., & Zulfia, C. (2020). Strategi Pemasaran PT. Garuda Indonesia pada Pasar Domestik (Studi Kasus Rute Jakarta-Makassar). *JTransporter (Journal of Transportation)*, 1(1).

- Sugiarti, S. (2021). Peranan Manajemen Strategi Perusahaan Penerbangan Dalam Menghadapi Perubahan Industri Jasa Angkutan Udara. *Jurnal Mitra Manajemen*, 12(2), 71-78.
- Sugiyono, (2011). Metode Penelitian Kuantitatif, Kualitatif dan R&D. Bandung: PT Alfabet.
- Sumarni, Murti dan Jhon Soeprihanto. 2010. *Pengantar Bisnis (dasar-dasar Ekonomi Perusahaan)*. Edisi ke 5. Yogyakarta: Liberty Yogyakarta
- Tjiptono, Fandy. 2008. *Strategi Pemasaran*. Edisi ke 3. Yogyakarta: Andi
- Undang-Undang Republik Indonesia Nomor 1 Tahun 2009. Penerbangan. 12 Januari 2009. Lembaran Negara Republik Indonesia Nomor 4956. Pemerintah Pusat. Jakarta.
- Yanengga, R. (2022). Upaya Pemerintah Terhadap Tarif Penerbangan Dalam Meningkatkan Jumlah Penumpang Pesawat Udara Rute Domestik Di Indonesia Berdasarkan Keputusan Menteri Nomor 106 Tahun 2019. *Flight Attendant Kedirgantaraan: Jurnal Public Relation, Pelayanan, Pariwisata*, 4(2), 330-335.
- Yowanda, H. B., & Mawardi, M. K. (2017). *Strategi Pemasaran Penerbangan Berkonsep Low Cost Carrier (LCC) Dan Daya Saing Perusahaan (Studi Pada Maskapai Penerbangan Pt. Garuda Indonesia Citilink)* (Doctoral dissertation, Brawijaya University).
- Yuliana, D. (2013). Strategi PT. Indonesia Air Asia Dalam Peningkatan Pangsa Pasar Penerbangan Dalam Negeri di Bandara Husein Sastranegara-Bandung. *Warta Penelitian Perhubungan*, 25(5), 318-327.
- Zenidah, D. (2022). Strategi Pemasaran Penerbangan Konsep Low Cost Carrier (LCC) Dan Daya Persaingan Perusahaan di PT. Lion Air Cabang Banjarmasin. *Jurnal Multidisiplin Madani*, 2(4), 1587-1596