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The Effect of Market Orientation and Service Quality on Firm Performance of Super Air Jet in Indonesia

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Abstract. This study examines the effect of Market Orientation and Service Quality on Firm Performance in the context of Super Air Jet in Indonesia. A quantitative explanatory, cross-sectional design is proposed with 260 airline passengers selected through purposive sampling. Market Orientation is represented by customer orientation, competitor orientation, and interfunctional coordination, while Service Quality covers tangibles, reliability, responsiveness, assurance, and empathy. Firm Performance is assessed through perceived financial and non-financial indicators. Data are planned to be analyzed using IBM SPSS Statistics 26 through validity and reliability tests, classical assumption tests, multiple linear regression, partial t-tests, a simultaneous F-test, and the coefficient of determination. The source manuscript does not contain completed SPSS output; therefore, this article does not fabricate statistical values or hypothesis decisions. The study framework is intended to explain how market responsiveness and service quality may jointly strengthen airline performance and competitiveness. This study is expected to provide an empirical foundation for airline managers in developing integrated market and service strategies, while also contributing to the literature concerning strategic marketing, service management, and organizational performance in Indonesia's commercial aviation industry.

Keywords: Airline Industry; Firm Performance; Market Orientation; Service Quality; Super Air Jet.

1. INTRODUCTION

Indonesia's airline industry operates in a highly competitive service environment in which passengers evaluate not only price and route availability but also punctuality, safety, convenience, digital access, and the overall travel experience (Allutfi et al., 2025). These conditions make the ability to understand changing customer expectations strategically important. Market Orientation provides such a capability by emphasizing customer orientation, competitor orientation, and interfunctional coordination, while the behavioral perspective of Kohli and Jaworski (1990) stresses the generation, dissemination, and organizational response to market intelligence. Narver and Slater (1990) similarly argue that a strong market orientation supports superior customer value and business profitability (Melani & Marina, 2024).

For airlines, market knowledge must be converted into observable service practices. Service Quality is therefore a critical companion to Market Orientation because passenger judgments are formed across multiple touchpoints, from booking and airport processes to cabin service and post-flight handling (Astarani et al., 2025). Airline studies show that reliability, responsiveness, assurance, physical evidence, and interpersonal treatment influence satisfaction, repurchase intention, and loyalty (Law et al., 2022; Shah et al., 2020; Shen & Yahya, 2021). Park et al. (2020) further show that airline service attributes can function

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differently as satisfiers or dissatisfiers, indicating that consistent service management is essential (Fitriani et al., 2026).

Firm Performance in a service business is multidimensional. Financial outcomes remain important, but customer retention, reputation, operational effectiveness, and competitive position also reflect organizational performance. Recent evidence links Market Orientation with sustainability, reputation, and performance outcomes (Hanaysha & Al-Shaikh, 2024; Powers et al., 2025; Tjahjadi et al., 2024). At the same time, Rokkan (2023) notes that Market Orientation must be operationalized carefully so that its conceptual meaning is not reduced to isolated marketing activities (Astawa, 2026).

The research problem is therefore whether Market Orientation and Service Quality, separately and jointly, contribute to the Firm Performance of Super Air Jet in Indonesia. The study retains three objectives from the source manuscript: to test the effect of Market Orientation on Firm Performance, to test the effect of Service Quality on Firm Performance, and to test their simultaneous effect. The study is expected to contribute to airline marketing management by connecting market responsiveness with service execution within one performance model.

2. THEORETICAL REVIEW

Market Orientation

Market Orientation is a strategic orientation that directs an organization to understand customers, monitor competitors, coordinate internal functions, and respond to market information. Narver and Slater (1990) conceptualize it through customer orientation, competitor orientation, and interfunctional coordination, whereas Kohli and Jaworski (1990) emphasize intelligence generation, intelligence dissemination, and responsiveness. In airline services, these principles imply that customer feedback, competitor moves, and operational information should be integrated into decisions concerning schedules, digital channels, service design, complaint handling, and customer communication. When market information is translated into coordinated action, the organization is more likely to create relevant value and improve performance (Hanaysha & Al-Shaikh, 2024; Powers et al., 2025).

Service Quality

Service Quality reflects the passenger's evaluation of how well an airline performs throughout the service encounter. The source manuscript adopts the SERVQUAL dimensions of tangibles, reliability, responsiveness, assurance, and empathy. In aviation, these dimensions are represented by the physical condition of service facilities, accuracy and punctuality, speed of assistance, confidence in safety and staff competence, and personal attention. Empirical airline research consistently associates service quality with satisfaction, behavioral intention, repurchase intention, and loyalty (Law et al., 2022; Shah et al., 2020; Shen & Yahya, 2021). Because passengers experience the airline through repeated touchpoints, service quality can also influence reputation and the non-financial dimensions of firm performance.

Firm Performance

Firm Performance refers to the degree to which an organization achieves its strategic and operational objectives. The source manuscript combines financial and non-financial indicators so that performance is not interpreted solely as profit. This approach is appropriate for airline services because market strength may also be reflected in customer retention, service reputation, operational efficiency, and the ability to sustain demand. Research on market-oriented organizations supports the view that performance is strengthened when firms align market knowledge, organizational capabilities, and customer value creation (Powers et al., 2025; Tjahjadi et al., 2024).

Hypothesis Development

Market Orientation should improve Firm Performance because customer and competitor knowledge, supported by interfunctional coordination, enables the airline to adapt its offer and allocate resources more effectively. Thus, H1 states that Market Orientation has a positive and significant effect on Firm Performance.

Service Quality should improve Firm Performance because reliable, responsive, safe, comfortable, and empathetic service strengthens favorable passenger evaluations and future behavioral intentions. Thus, H2 states that Service Quality has a positive and significant effect on Firm Performance.

The two variables are complementary: Market Orientation provides strategic market direction, while Service Quality represents the execution of that direction in the passenger experience. Thus, H3 states that Market Orientation and Service Quality simultaneously have a significant effect on Firm Performance.

3. RESEARCH METHOD

This study uses a quantitative explanatory approach with a cross-sectional design to test the causal relationships between Market Orientation (X1), Service Quality (X2), and Firm Performance (Y). The population is airline service users in Indonesia, with the empirical context focused on Super Air Jet. The planned sample consists of 260 respondents selected through purposive sampling. Respondents must have used airline services at least once during the previous year, be at least 17 years old, and be able to evaluate their service experience. Data are collected through an online questionnaire using a five-point Likert scale, supported by secondary literature and official statistical information.

Market Orientation is measured through customer orientation, competitor orientation, and interfunctional coordination; Service Quality through tangibles, reliability, responsiveness, assurance, and empathy; and Firm Performance through perceived financial and non-financial indicators. Because Market Orientation is traditionally an organizational construct, customer-facing questionnaire items should be phrased only in terms of market-responsive practices that passengers can reasonably observe, thereby reducing construct-measurement mismatch.

Data analysis is planned with IBM SPSS Statistics 26. The procedure includes data screening, descriptive statistics, validity testing using item correlations, reliability testing with Cronbach's alpha, and classical assumption tests for normality, multicollinearity, and heteroscedasticity. Hypotheses are tested through multiple linear regression, $Y = \alpha + \beta 1X1 + \beta 2X2 + \varepsilon$. Partial effects are evaluated with t-tests, the joint effect with an F-test, and explanatory power with R^2. Statistical significance is assessed at the 5% level.

4. RESULTS AND DISCUSSION

Empirical Status and Interpretation Framework

The source file supplied for journal conversion is a research proposal rather than a completed empirical report. It specifies the sample, variables, hypotheses, questionnaire approach, and SPSS analysis plan, but it does not provide respondent data, descriptive statistics, validity and reliability output, regression coefficients, t-values, F-values, p-values, or R^2. Consequently, no numerical findings or hypothesis decisions can be reported without creating unsupported data. This article therefore preserves the original research meaning and limits the discussion to the theoretically grounded interpretation framework that should be applied once verified SPSS output is available.

For H1, a positive and significant Market Orientation coefficient would indicate that stronger passenger perceptions of the airline's responsiveness to customer needs, competitive conditions, and coordinated service practices are associated with higher Firm Performance. Such a result would be consistent with the market-orientation logic of Narver and Slater (1990) and Kohli and Jaworski (1990), as well as more recent evidence connecting market orientation with sustainability, reputation, and performance (Hanaysha & Al-Shaikh, 2024; Powers et al., 2025). A non-significant result would require careful examination of whether passengers can validly observe internal market-orientation practices, as cautioned by Rokkan (2023).

Service Quality and Joint Effect

For H2, a positive and significant Service Quality coefficient would mean that better tangible conditions, reliability, responsiveness, assurance, and empathy are associated with stronger perceived Firm Performance. This interpretation is consistent with airline studies showing that service quality improves satisfaction, repurchase intention, and loyalty (Law et al., 2022; Shah et al., 2020; Shen & Yahya, 2021). Park et al. (2020) also suggests that specific service attributes may operate as satisfiers or dissatisfiers, so managerial attention should focus on both preventing service failures and strengthening attributes that create positive differentiation.

For H3, a significant F-test would show that Market Orientation and Service Quality jointly explain meaningful variation in Firm Performance. The managerial implication would be that market intelligence should not remain separate from service operations: customer feedback and competitor information must be translated into coordinated improvements in digital access, punctuality, complaint handling, staff responsiveness, and the consistency of the travel experience. The size of R^2 would indicate how much of Firm Performance is explained by the two predictors, while the remaining variance would reflect other factors not included in the model.

5. CONCLUSION AND RECOMMENDATIONS

The study framework positions Market Orientation and Service Quality as complementary determinants of Super Air Jet's Firm Performance in Indonesia. Market Orientation represents the airline's capacity to understand and respond to market conditions, whereas Service Quality represents how that strategic understanding is experienced by passengers. The proposed model retains three hypotheses: a positive effect of Market Orientation, a positive effect of Service Quality, and a significant simultaneous effect of both variables on Firm Performance.

Empirical acceptance or rejection of H1, H2, and H3 cannot yet be stated because the source manuscript does not include actual respondent data or SPSS output. Final publication should therefore insert only verified descriptive statistics, instrument-test results, regression coefficients, t- and F-tests, p-values, and R^2. Future refinement should also ensure that customer respondents evaluate only observable manifestations of Market Orientation, while broader organizational indicators may require managerial respondents or additional data sources.

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