Building Passenger Loyalty in National Flag Airlines: A Marketing Perspective from Garuda Indonesia and Iberia Airlines Spain

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ABSTRACT

This study examines the influence of Airline Brand Storytelling and Digital Customer Experience on Passenger Loyalty through Brand Trust, Customer Engagement, and Customer Satisfaction. Although the empirical data were collected only from consumers of national flag airline services in Java, Indonesia, the study uses the comparison with Iberia Airlines Spain to enrich the marketing context of national identity, digital customer experience, loyalty ecosystem, and passenger relationship management. A quantitative approach was employed using structured questionnaires distributed to 175 consumers of national flag airline services in Java. The data were analyzed using SPSS through validity, reliability, multicollinearity, normality, multiple regression, t-test, F-test, and path regression logic. The results show that Airline Brand Storytelling has a positive and significant effect on Brand Trust but does not significantly affect Customer Engagement. Digital Customer Experience has a positive and significant effect on both Brand Trust and Customer Engagement. Brand Trust and Customer Engagement have positive and significant effects on Customer Satisfaction. Furthermore, Customer Satisfaction has a positive and significant effect on Passenger Loyalty. These findings indicate that passenger loyalty in national flag airline services is shaped more strongly by satisfaction, trust, and digital customer experience than by storytelling alone. The study contributes to marketing management and airline consumer behavior literature by showing that national flag airline storytelling must be supported by reliable digital touchpoints, direct customer engagement, and satisfying service experiences to create long-term passenger loyalty. Practically, the findings suggest that national flag airlines in Indonesia should integrate cultural storytelling, digital service quality, loyalty program value, and customer relationship management to strengthen trust, engagement, satisfaction, and loyalty.

Keywords: *Airline Brand Storytelling, Digital Customer Experience, Brand Trust, Customer Satisfaction, Passenger Loyalty*

1. INTRODUCTION

The commercial aviation industry has entered a marketing environment in which passenger loyalty is no longer determined solely by ticket price, flight schedule, route availability, or cabin service quality. Airlines now compete in a digitally mediated consumer journey where passengers compare fares through online travel agents, interact with airline mobile applications, evaluate peer reviews, receive personalized promotions, participate in loyalty programs, and respond to brand narratives before making purchase decisions. IATA (2026) reported that air travel demand continued to strengthen in 2025, with total passenger demand growing by 5.3% compared with the previous year. This recovery has intensified airline competition because passengers have become more informed, more price-sensitive, and more willing to switch among full-service carriers, low-cost carriers, and digital travel platforms. In this environment, national flag airlines must do more than provide transportation; they must sustain trust, emotional relevance, digital convenience, and long-term passenger loyalty.

This issue is particularly relevant for national flag airlines because they carry symbolic meanings that go beyond functional mobility. A national flag airline represents national identity, cultural values, service reputation, institutional credibility, and collective pride. However, national identity alone is no longer sufficient to guarantee loyalty. Modern passengers may respect the symbolic role of a national carrier, but their actual purchase and repurchase decisions are still shaped by trust, digital experience, satisfaction, loyalty benefits, and perceived service value. Therefore, national flag airlines must combine emotional branding with reliable digital service delivery. In the Indonesian context, this challenge is visible in Garuda Indonesia, whose brand is strongly associated with Indonesian hospitality, "Because You Matter," the Garuda Indonesia Experience, and national pride. At the same time, Garuda faces strong pressure from online travel agents, low-cost carriers, price comparison behavior, and the need to rebuild consumer trust after institutional and financial difficulties.

The present study is grounded in the Stimulus–Organism–Response framework, Customer-Based Brand Equity perspective, and Relationship Marketing Theory. The Stimulus–Organism–Response framework explains how external marketing stimuli influence consumers' internal psychological evaluations and subsequent behavioral responses. In this study, Airline Brand Storytelling and Digital Customer Experience function as marketing stimuli. Brand Trust and Customer Engagement represent internal relational responses, Customer Satisfaction functions as the evaluative outcome, and Passenger Loyalty represents the final behavioral response. This theoretical structure is suitable because airline passengers do not form loyalty through a single touchpoint. Instead, loyalty emerges from repeated exposure to brand narratives, digital service experiences, trust-building mechanisms, engagement opportunities, and satisfaction with the total airline experience.

Customer-Based Brand Equity further strengthens this model because airline brands are evaluated not only through operational attributes, but also through meaning, memory, credibility, emotional association, and differentiation. For national flag airlines, brand equity is shaped by the extent to which passengers associate the airline with safety, reliability, service warmth, cultural identity, prestige, and national representation. Teng et al. (2025) emphasize that branding strategy should integrate internal brand culture and external market communication to strengthen brand equity. This argument is highly relevant to national flag airlines because a brand story is credible only when passengers experience the same promise through cabin crew behavior, digital channels, loyalty programs, service recovery, and post-flight communication.

Siqueira et al. (2023) found that customer experience is a key driver of brand trust in airline services. This supports the argument that trust is shaped by both communication and experience. In the case of Garuda Indonesia, storytelling about Indonesian hospitality must be matched by actual service consistency. In the case of Iberia, storytelling about Spanish cultural connectivity becomes credible when supported by reliable routes, loyalty benefits, and service consistency. Therefore, this study proposes the following hypothesis:

H1: Airline Brand Storytelling has a positive effect on Brand Trust.

Airline Brand Storytelling is expected to strengthen Customer Engagement because stories provide emotional reasons for passengers to interact with the brand. A brand that communicates only price and schedule may attract transactional attention, but a brand that communicates identity, cultural meaning, travel aspiration, and care may encourage deeper engagement. Storytelling can make passengers feel that the airline is not merely a service provider, but a brand with values, personality, and emotional relevance.

H2: Airline Brand Storytelling has a positive effect on Customer Engagement.

Rachbini et al. (2024) found that e-CRM, experience-based marketing, and digital communication influence brand trust and repurchase intention in Garuda Indonesia Airlines. This finding supports the argument that digital customer experience is not merely a technical issue, but a trust-building mechanism. For national flag airlines, this is even more important because passengers expect higher reliability and service accountability from a carrier that represents the country.

H3: Digital Customer Experience has a positive effect on Brand Trust.

Digital Customer Experience is also expected to strengthen Customer Engagement. A passenger is more likely to remain engaged with an airline when digital touchpoints are easy to use, useful, personalized, and rewarding. In the airline context, digital engagement may involve checking flight status, managing bookings, using a mobile application, collecting loyalty points, receiving personalized offers, submitting feedback, or interacting with customer service.

H4: Digital Customer Experience has a positive effect on Customer Engagement.

Previous airline studies support the importance of trust in passenger evaluation. Le et al. (2023) show that airline brand trust is closely related to customer experience and loyalty-related outcomes. Siqueira et al. (2023) also emphasize that airline brand trust is shaped by customer experience. These findings suggest that trust is a central relational mechanism in airline marketing. Therefore, this study proposes the following hypothesis:

H5: Brand Trust has a positive effect on Customer Satisfaction

Nugroho and Suprapti (2022) found that customer engagement and customer satisfaction are important antecedents of customer loyalty in full-service airline services in Indonesia. Their findings support the argument that engagement plays a meaningful role in airline customer relationships. In the present study, Customer Engagement is positioned before Customer Satisfaction because engaged passengers are expected to evaluate the airline more positively after experiencing continuous relational interaction. Therefore, this study proposes the following hypothesis:

H6: Customer Engagement has a positive effect on Customer Satisfaction.

Soelasih (2024) emphasizes the importance of understanding the determinants of continued use among full-service airline customers in Indonesia. Nugroho and Suprapti (2022) also found that customer satisfaction positively influences customer loyalty in full-service airline services. These findings support the argument that satisfaction is a key pathway to loyalty in airline marketing. Therefore, this study proposes the following hypothesis:

H7: Customer Satisfaction has a positive effect on Passenger Loyalty.

2. RESEARCH METHODS

This study adopts the framework presented in Figure 1 to investigate the influence of Airline Brand Storytelling and Digital Customer Experience on Brand Trust and Customer Engagement, and the subsequent effect of these variables on Customer Satisfaction and Passenger Loyalty. The study is conducted in the context of consumers of national flag airline services in Java, Indonesia, with Iberia Airlines Spain used only as a contextual comparison to enrich the theoretical background. Data for this research were collected through a structured questionnaire administered to 175 respondents who had experience using national flag airline services in Java, Indonesia. The respondents were selected using purposive sampling because they were considered to have sufficient experience in evaluating airline brand communication, digital service experience, trust, engagement, satisfaction, and loyalty.

The questionnaire was designed to measure six main variables: Airline Brand Storytelling, Digital Customer Experience, Brand Trust, Customer Engagement, Customer Satisfaction, and Passenger Loyalty. Airline Brand Storytelling refers to passengers' perceptions of the airline's ability to communicate meaningful, authentic, emotional, and culturally relevant brand narratives. Digital Customer Experience refers to passengers' perceptions of the airline's digital touchpoints, including website, mobile application, online booking, digital check-in, loyalty account access, customer service channels, and post-flight communication. Brand Trust refers to passengers' belief that the airline is reliable, safe, honest, and able to deliver its service promise. Customer Engagement refers to passengers' cognitive, emotional, and behavioral involvement with the airline brand. Customer Satisfaction refers to passengers' overall evaluation of whether the airline experience meets or exceeds expectations. Passenger Loyalty refers to passengers' intention to reuse the airline, recommend it to others, choose it over competitors, and maintain a long-term relationship with the airline brand.

All items were measured using a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The data were analyzed using SPSS. Validity and reliability tests were conducted to ensure the quality of the research instruments. Multicollinearity and normality tests were also conducted to ensure that the data met the requirements for regression analysis. Multiple regression analysis was used to examine the significance of the direct relationships among variables. In addition, mediation analysis using path regression logic was employed to assess the intervening roles of Brand Trust and Customer Engagement in the relationship between the independent variables and Customer Satisfaction. The collected data provide empirical insights into how consumers of national flag airline services in Java respond to airline brand storytelling and digital customer experience, and how these marketing stimuli are transformed into trust, engagement, satisfaction, and passenger loyalty.

3. RESULTS AND DISCUSSION

In this study, respondent characteristics are presented based on gender, age, travel frequency, and domicile in Java. These characteristics are relevant because the respondents are consumers of national flag airline services who have experience evaluating airline brand storytelling, digital customer experience, brand trust, customer engagement, satisfaction, and passenger loyalty. Since the respondents are airline consumers in Java, Indonesia, the sample represents passengers who are familiar with digital booking behavior, airline brand communication, service experience, and post-flight evaluation in a competitive aviation market. The respondent profile strengthens the interpretation of these findings. The study involved 175 airline consumers in Java, with respondents representing major aviation markets such as Jakarta, Surabaya, Bandung, Yogyakarta, Semarang, Tangerang/Banten, and Solo/Malang. The validity test was conducted using corrected item-total correlation, while reliability was assessed using Cronbach's Alpha. With 175 respondents, the minimum r-table value at the 5% significance level is approximately 0.148. Therefore, an item is considered valid if the corrected item-total correlation value is greater than 0.148. Reliability is accepted when Cronbach's Alpha exceeds 0.70. Multicollinearity was assessed using tolerance and Variance Inflation Factor (VIF). A regression model is considered free from multicollinearity when the tolerance value is greater than 0.10 and the VIF value is below 10. The normality test was conducted to evaluate whether the residuals in the regression models were normally distributed (Ghozali, 2017). In this study, the Kolmogorov-Smirnov test was applied to examine the normality of the residuals. If the Asymp. Sig. value is greater than 0.05, the residuals are considered normally distributed, indicating that the regression model is suitable for further analysis.

These results indicate that the residuals in all regression models are normally distributed. Therefore, the normality assumption has been fulfilled, and the data are suitable for further regression analysis. This conclusion is also supported by the P-P Plot, where the data points are distributed closely along the diagonal line, confirming that the residuals follow a normal distribution pattern.

Table 1. Multiple Regression and T-Test

Variable	Standardised Coef.	Sig.	Description
ABS → BT	.384	.000	Hypothesis Accepted
ABS → CE	.127	.092	Hypothesis Rejected
DCX → BT	.338	.000	Hypothesis Accepted
DCX → CE	.526	.000	Hypothesis Accepted
BT → CS	.489	.000	Hypothesis Accepted
CE → CS	.301	.001	Hypothesis Accepted
CS → PL	.687	.000	Hypothesis Accepted

Source: SPSS, 2026

Collectively, the regression results confirm that Airline Brand Storytelling and Digital Customer Experience play different roles in shaping passenger responses. Airline Brand Storytelling significantly strengthens Brand Trust, but it does not significantly affect Customer Engagement. This suggests that storytelling is effective in building credibility and emotional trust, but engagement requires more interactive and functional digital mechanisms. Digital Customer Experience significantly strengthens both Brand Trust and Customer Engagement, indicating that digital touchpoints are central to passenger relationship development. Furthermore, Brand Trust and Customer Engagement significantly improve Customer Satisfaction, and Customer Satisfaction strongly increases Passenger Loyalty. These findings suggest that national flag airlines in Java must combine meaningful brand storytelling with strong digital customer experience to build trust, satisfaction, and long-term passenger loyalty.

Table 2. F-Test

Variable	Sig.	Standard	Hypothesis
ABS, DCX → BT	0.000	0.05	Hypothesis Accepted
ABS, DCX → CE	0.000	0.05	Hypothesis Accepted
BT, CE → CS	0.000	0.05	Hypothesis Accepted
CS → PL	0.000	0.05	Hypothesis Accepted

Source: SPSS, 2026

Based on the F-test results presented in Table 8, it can be concluded that the proposed regression models are statistically significant and feasible for further interpretation. The first regression model shows that Airline Brand Storytelling and Digital Customer Experience collectively have a statistically significant effect on Brand Trust, as indicated by a significance value of 0.000, which is below the 0.05 threshold. Therefore, the regression model explaining Brand Trust is accepted and considered statistically feasible. This result indicates that airline storytelling and digital customer experience together are relevant in explaining passengers' trust toward national flag airline services.

The second regression model shows that Airline Brand Storytelling and Digital Customer Experience collectively have a statistically significant effect on Customer Engagement. This is also indicated by a significance value of 0.000, which is lower than 0.05. This result confirms that the combination of brand narrative and digital experience meaningfully explains passenger engagement with the airline. Although the t-test result shows that Airline Brand Storytelling does not have a significant individual effect on Customer Engagement, the overall regression model remains significant because Digital Customer Experience strongly contributes to Customer Engagement. Therefore, the model is statistically accepted.

The significant effect of Airline Brand Storytelling on Brand Trust supports the argument that storytelling is an important trust-building mechanism in national flag airline marketing. The standardized coefficient of 0.384 and significance value of 0.000 indicate that passengers who perceive airline storytelling as authentic, emotional, culturally relevant, and passenger-centered are more likely to trust the airline brand. This finding is consistent with branding literature which argues that brand meaning, internal brand culture, and external communication must be integrated to strengthen brand equity and consumer confidence. Teng et al. (2025) emphasize that branding strategies are more effective when they combine internal organizational identity and external market communication. In the airline context, this means that storytelling becomes credible only when the narrative communicated by the airline is supported by real passenger experience.

This finding is particularly relevant for national flag airlines because their brand stories are closely connected to national identity and cultural representation. Garuda Indonesia's brand storytelling is rooted in Indonesian hospitality, national pride, service warmth, and the "Because You Matter" philosophy. These elements can strengthen passengers' trust because they communicate that the airline is not merely selling transportation, but also offering care, cultural identity, and national service representation. Iberia Airlines Spain provides a useful comparison. Iberia's storytelling is built around Spanish cultural identity, transatlantic connectivity, and its role as a bridge between Europe and Latin America. The Iberia case shows that national flag airline storytelling can become a source of trust when it is anchored in cultural authenticity and supported by consistent service and loyalty systems.

However, Airline Brand Storytelling had a positive but not significant effect on Customer Engagement, with a standardized coefficient of 0.127 and a significance value of 0.092. Therefore, H2 is rejected. This result is important because it shows that storytelling does not automatically create active passenger engagement. Although passengers may appreciate Garuda Indonesia's national identity, cultural hospitality, and emotional brand message, they may not necessarily respond by interacting more actively with the airline through mobile applications, loyalty programs, direct booking channels, social media, or digital communication. This finding adds nuance to storytelling research. Previous studies have argued that storytelling can stimulate consumer engagement when the story is creative, emotionally relevant, and interactive. However, the present result suggests that in the airline industry, storytelling must be supported by digital and relational mechanisms before it can generate active engagement.

The rejection of H2 can be explained by the nature of airline consumption. Airline passengers are often highly pragmatic. They may like a brand story, but engagement behavior is usually driven by functional benefits such as easier booking, loyalty rewards, flight notifications, price transparency, mobile check-in, and responsive customer service. In Java, airline consumers are highly exposed to online travel agents and price comparison platforms. As a result, engagement may be shaped more strongly by convenience and digital utility than by emotional storytelling alone. This differs from industries such as fashion, beauty, or tourism destinations where storytelling may directly stimulate social media engagement and brand community participation. In airline services, storytelling builds trust first, but active engagement requires a clearer value exchange. The comparison with Iberia strengthens this interpretation. Iberia does not rely only on cultural storytelling. Its brand narrative is supported by Iberia Club, Avios, and direct digital channel incentives. Starting in 2025, Iberia shifted its loyalty structure toward a spend-based Elite Points system, allowing passengers to earn points based on money spent on flights and additional services. This means that Iberia's storytelling is embedded within a concrete loyalty ecosystem. Passengers are not only invited to identify with Iberia's Spanish and transatlantic brand narrative; they are also given practical reasons to engage directly with the airline. This provides an important lesson for Garuda Indonesia and other national flag airlines in Indonesia. Storytelling should not stand alone as emotional communication. It must be connected to loyalty rewards, direct booking advantages, digital convenience, personalized communication, and visible service benefits.

Digital Customer Experience had a positive and significant effect on Brand Trust, with a standardized coefficient of 0.338 and a significance value of 0.000. This finding supports H3 and confirms that digital experience is a major trust-building factor in airline services. Rachbini et al. (2024) found that e-CRM, experience-based marketing, and digital communication significantly influence brand trust and repurchase intention in Garuda Indonesia Airlines. Siqueira et al. (2023) also found that customer experience is central to explaining airline brand trust in the Latin American airline context. These findings support the present result because passengers interpret digital reliability as a signal of organizational reliability. Digital Customer Experience also had a positive and significant effect on Customer Engagement, with a standardized coefficient of 0.526 and a significance value of 0.000. This is the strongest relationship among the predictors of the intervening variables, supporting H4. The result indicates that digital experience is the most powerful driver of passenger engagement in this model. Passengers are more likely to engage with the airline when the airline's digital platforms are easy to use, informative, personalized, reliable, and connected to loyalty benefits. This finding is consistent with Rachbini et al. (2024), who show the importance of e-CRM and digital communication in strengthening airline customer relationships. It is also consistent with research on full-service airlines in Indonesia showing that customer engagement plays an important role in shaping loyalty-related outcomes. This result explains why Airline Brand Storytelling did not significantly affect Customer Engagement, while Digital Customer Experience did. Engagement in airline services is less about passive emotional admiration and more about active interaction. Passengers engage when the airline gives them useful reasons to interact: checking points, managing bookings, receiving relevant promotions, using mobile check-in, obtaining flight updates, accessing service assistance, and receiving personalized offers. Therefore, digital experience converts passengers from passive receivers of brand messages into active participants in the airline's relationship system.

Brand Trust had a positive and significant effect on Customer Satisfaction, with a standardized coefficient of 0.489 and a significance value of 0.000. This result supports H5 and confirms that trust is one of the most important predictors of satisfaction in airline services. Le et al. (2023) show that airline brand trust is closely related to satisfaction and loyalty because passengers evaluate airlines through safety, price, in-flight service quality, and brand credibility. Siqueira et al. (2023) also emphasize that trust in airline brands is built through customer experience. These studies support the present finding that passengers who trust the airline are more likely to evaluate the overall service experience positively. The strong effect of Brand Trust on Customer Satisfaction is understandable because airline services involve high perceived risk. Passengers rely on the airline for safety, punctuality, baggage handling, schedule certainty, service recovery, and travel continuity. When passengers trust the airline, they feel more secure during the entire journey. Trust reduces anxiety and increases tolerance toward minor service problems. Conversely, if trust is weak, even small service failures may be interpreted negatively. In the case of Garuda Indonesia, trust is especially important because the airline has had to rebuild credibility after financial and governance challenges. Passengers may still value the national identity and service warmth of Garuda, but satisfaction will depend on whether they believe the airline is reliable, professional, and capable of delivering its promise. The Iberia comparison helps sharpen this finding. Iberia's trust is strengthened by its structured loyalty ecosystem, direct digital relationship, and institutional position within IAG. Its spend-based loyalty redesign communicates fairness and transparency because passengers can see a clearer connection between spending and rewards. This trust-building mechanism is different from emotional storytelling alone. It makes the airline relationship more predictable and measurable. For Garuda Indonesia, this suggests that trust should be built through both symbolic and operational mechanisms: national pride and hospitality must be supported by digital reliability, service consistency, transparent communication, loyalty value, and effective service recovery.

Customer Engagement had a positive and significant effect on Customer Satisfaction, with a standardized coefficient of 0.301 and a significance value of 0.001, supporting H6. This finding indicates that passengers who are more engaged with the airline tend to be more satisfied. Customer engagement increases familiarity with the airline, improves understanding of service benefits, and strengthens the passenger's sense of relationship with the brand. Nugroho and colleagues (2022) found that customer engagement plays an important role in the loyalty process among full-service airline passengers in Indonesia. This supports the present result because engaged passengers are more likely to evaluate airline services through a relational lens rather than a purely transactional lens.The effect of Customer Engagement on Customer Satisfaction is not as strong as the effect of Brand Trust on Customer Satisfaction, but it remains statistically significant. This suggests that satisfaction in airline services is driven more strongly by confidence and reliability than by engagement alone. Nevertheless, engagement still matters because it creates continuous interaction. Passengers who use the airline's digital platforms, participate in loyalty programs, follow airline communication, and interact with customer service are more likely to feel connected to the airline. This connection can improve satisfaction because passengers perceive greater access, recognition, and value. The Garuda–Iberia comparison again provides useful insight. In Garuda's case, engagement may be weakened when passengers interact more frequently with OTA platforms than with Garuda's own channels. If the passenger journey is controlled by Traveloka or other intermediaries, Garuda may lose opportunities to build direct engagement. In Iberia's case, engagement is supported by the Avios ecosystem, which extends beyond flight transactions and encourages passengers to maintain an ongoing relationship with the brand. Therefore, the finding suggests that national flag airlines need to design engagement not only through communication campaigns, but through continuous digital and loyalty-based interaction.

Customer Satisfaction had a positive and significant effect on Passenger Loyalty, with a standardized coefficient of 0.687 and a significance value of 0.000. This is the strongest relationship in the overall model, supporting H7. The finding confirms that satisfied passengers are more likely to reuse the airline, recommend it to others, choose it over competitors, and maintain a long-term relationship with the airline brand. Soelasih (2024) emphasizes that continued use among full-service airline customers in Indonesia is shaped by customer experience, trust, perceived value, and satisfaction. Nugroho and colleagues (2022) also show that satisfaction plays a central role in strengthening loyalty among full-service airline passengers. These studies are consistent with the present finding. The strong coefficient of Customer Satisfaction on Passenger Loyalty indicates that loyalty in national flag airline services is primarily earned through experience evaluation. National identity, cultural storytelling, and brand heritage may attract emotional preference, but they are not enough to guarantee repeat purchase. Passengers in Java are exposed to many alternatives, including low-cost carriers, foreign airlines, and OTA-recommended options. Therefore, loyalty will be sustained only when passengers are satisfied with the total value they receive. This includes digital convenience, service reliability, trust, communication clarity, loyalty benefits, cabin experience, and service recovery. This result is also important for interpreting the role of Iberia as a benchmark. Iberia demonstrates that loyalty is strengthened when customer satisfaction is supported by a clear loyalty architecture. Iberia Club and Avios create a structured relationship between experience, reward, direct channel usage, and repeat purchase. In contrast, Garuda Indonesia must ensure that GarudaMiles and its digital touchpoints offer stronger perceived value for Indonesian passengers, especially those in Java who are highly accustomed to comparing alternatives through digital platforms. If satisfaction is not converted into a stronger loyalty ecosystem, passengers may remain satisfied with one flight but still switch to another carrier in the next purchase.

The respondent profile strengthens the interpretation of these findings. The passenger segments, including business travelers, family travelers, students, government travelers, religious travelers, and leisure passengers. The majority of respondents were young adult and adult consumers, who are likely to be familiar with digital booking platforms, online travel agents, mobile applications, airline promotions, and social media-based travel communication. Therefore, the findings are particularly relevant for understanding how digital customer experience and brand storytelling operate in a digitally mature airline consumer market. The statistical tests also support the robustness of the analysis. All measurement indicators were valid because their corrected item-total correlation values exceeded the minimum r-table value. All variables were reliable because their Cronbach's Alpha values exceeded 0.70. The multicollinearity test showed that all tolerance values were above 0.10 and all VIF values were below 10, indicating that the regression models were free from serious multicollinearity problems. The normality test also showed that all regression equations had Asymp. Sig. values above 0.05, confirming that the residuals were normally distributed. The F-test results further confirmed that all regression models were statistically feasible, even though one individual hypothesis was not significant.

Theoretically, the findings contribute to the Stimulus–Organism–Response framework by showing that not all marketing stimuli produce the same consumer response. Airline Brand Storytelling significantly influences Brand Trust, but it does not significantly influence Customer Engagement. This means that storytelling functions more strongly as a credibility-building stimulus than as an engagement-driving stimulus in the airline context. Digital Customer Experience, however, significantly influences both Brand Trust and Customer Engagement, confirming that digital experience is a central stimulus in contemporary airline marketing. Brand Trust and Customer Engagement then act as organism-level relational responses that shape Customer Satisfaction, while Customer Satisfaction becomes the strongest driver of Passenger Loyalty. The findings also contribute to Customer-Based Brand Equity and Relationship Marketing Theory. From a brand equity perspective, national flag airline brands must build meaning, credibility, and differentiation. However, brand meaning must be reinforced by digital and service experience before it produces loyalty. From a relationship marketing perspective, loyalty is not created by one-time promotional exposure. It is created through repeated, trusted, and satisfying interactions across the customer journey. This explains why Digital Customer Experience plays a stronger role in Customer Engagement than Airline Brand Storytelling. Passengers engage when the airline provides continuous value, not merely when it communicates an attractive narrative.

From a managerial perspective, the findings suggest that national flag airlines in Indonesia should not treat storytelling as a stand-alone branding activity. Garuda Indonesia may have a strong emotional foundation through Indonesian hospitality, national pride, and the "Because You Matter" promise, but these messages must be connected to concrete digital and service experiences. If the story promises care, the digital platform must be reliable. If the story promises national pride, the service must be consistent. If the story promises that passengers matter, customer service, loyalty benefits, and service recovery must make passengers feel recognized. The findings also suggest that Digital Customer Experience should become a strategic priority for national flag airlines. Digital experience is not merely a technology function. It is a marketing capability that builds trust, creates engagement, and supports satisfaction. Airlines should improve mobile applications, direct booking convenience, loyalty account usability, digital check-in, service notifications, complaint handling, personalization, and post-flight communication. For Garuda Indonesia, strengthening direct digital channels is particularly important because OTA dependency can weaken the airline's ability to build direct engagement and collect customer insight. Iberia's experience shows that digital customer experience becomes more powerful when it is integrated with loyalty architecture and customer value recognition.

Overall, this study confirms that passenger loyalty in national flag airline services in Java is shaped by a marketing transformation process. Airline Brand Storytelling and Digital Customer Experience serve as marketing stimuli. Brand Trust and Customer Engagement function as relational mechanisms. Customer Satisfaction becomes the evaluative outcome, and Passenger Loyalty becomes the final behavioral outcome. The most important finding is that Digital Customer Experience is more effective than Airline Brand Storytelling in driving Customer Engagement, while Customer Satisfaction is the strongest driver of Passenger Loyalty. These findings show that national flag airlines must go beyond symbolic identity and emotional communication. They must convert storytelling and digital experience into trust, engagement, satisfaction, and long-term passenger loyalty.

4. CONCLUSION

Based on the results, six hypotheses were supported, while one hypothesis was not supported. Airline Brand Storytelling had a positive and significant effect on Brand Trust, but it did not have a significant effect on Customer Engagement. Digital Customer Experience had a positive and significant effect on both Brand Trust and Customer Engagement. Brand Trust and Customer Engagement had positive and significant effects on Customer Satisfaction. Finally, Customer Satisfaction had a positive and significant effect on Passenger Loyalty.

The findings indicate that Airline Brand Storytelling is an important marketing stimulus for building Brand Trust. In the national flag airline context, storytelling helps passengers understand the airline not only as a transportation provider, but also as a symbolic brand that represents national identity, service values, cultural hospitality, and emotional meaning. For Garuda Indonesia, storytelling related to Indonesian hospitality, national pride, care, and the "Because You Matter" philosophy can strengthen passengers' belief that the airline is reliable and committed to delivering its service promise. However, Airline Brand Storytelling did not significantly influence Customer Engagement. This finding suggests that emotional and cultural narratives alone are not sufficient to make passengers actively interact with the airline. Passengers may appreciate a national flag airline's story, identity, and emotional message, but engagement requires more practical and interactive mechanisms. In airline services, passengers become engaged when they have useful reasons to interact with the brand, such as direct booking benefits, mobile application usability, loyalty rewards, personalized offers, flight notifications, digital customer service, and responsive communication. Digital Customer Experience was found to significantly influence both Brand Trust and Customer Engagement. This means that passengers evaluate the credibility and attractiveness of an airline through its digital touchpoints even before the physical flight experience begins. A reliable website, user-friendly mobile application, smooth online booking, accurate flight notification, accessible loyalty account, digital check-in, and responsive customer service can reduce uncertainty and strengthen trust. At the same time, these digital touchpoints encourage passengers to interact more frequently with the airline brand.

The comparison with Iberia Airlines Spain provides important managerial learning for national flag airlines in Indonesia. Iberia shows that national flag airline loyalty can be strengthened when cultural identity is connected with a clear digital and loyalty ecosystem. Iberia's brand is supported by Spanish cultural identity, transatlantic connectivity, Iberia Club, and the Avios ecosystem. This creates a stronger direct relationship between the airline and its passengers because brand storytelling is supported by practical loyalty benefits and digital engagement. For Garuda Indonesia and other national flag airline services in Indonesia, the lesson from Iberia is that storytelling must not stand alone as emotional communication. Storytelling should be connected to digital customer experience, loyalty program value, direct channel engagement, customer data management, and service consistency. A strong national story may build trust, but it must be converted into engagement through concrete digital and relational mechanisms. Therefore, the strongest marketing direction is not merely to communicate national pride, but to make passengers experience that national pride through reliable service, meaningful loyalty benefits, and superior digital interaction. From a theoretical perspective, this study concludes that the Stimulus–Organism–Response framework is useful for explaining passenger loyalty in national flag airline services. Airline Brand Storytelling and Digital Customer Experience function as marketing stimuli. Brand Trust and Customer Engagement function as relational and psychological responses. Customer Satisfaction functions as the evaluative outcome, while Passenger Loyalty becomes the final behavioral response. The findings also refine the framework by showing that different marketing stimuli produce different effects. Airline Brand Storytelling is effective in building trust, but not sufficient to directly create engagement. Digital Customer Experience is more powerful because it strengthens both trust and engagement.

Overall, this study concludes that Passenger Loyalty among national flag airline consumers in Java is shaped by a marketing transformation process. Airline Brand Storytelling and Digital Customer Experience serve as the initial marketing stimuli. These stimuli influence Brand Trust and Customer Engagement, which then shape Customer Satisfaction. Customer Satisfaction ultimately becomes the strongest driver of Passenger Loyalty. The key finding is that storytelling builds trust, but digital experience drives both trust and engagement. Therefore, national flag airlines must go beyond symbolic identity and emotional narratives. They must transform storytelling and digital customer experience into trust, engagement, satisfaction, and long-term loyalty.

This study has several limitations. First, the research focused only on 175 consumers of national flag airline services in Java, Indonesia. Therefore, the findings may not be fully generalizable to airline consumers in other Indonesian regions, such as Bali, Sumatra, Kalimantan, Sulawesi, or eastern Indonesia. Second, this study used a cross-sectional survey design, which captures passenger perceptions at one point in time but does not examine how trust, engagement, satisfaction, and loyalty develop over time. Third, the study relied on self-reported consumer responses, which may not fully reflect actual passenger behavior, such as repeat purchase frequency, loyalty program activity, direct booking records, or actual recommendation behavior. Fourth, Iberia Airlines Spain was used only as a comparative contextual lens, not as an empirical research location. Therefore, this study does not statistically compare Garuda Indonesia and Iberia passengers.

Future research should extend this model by comparing national flag airline consumers across different regions in Indonesia and across international markets such as Spain. Future studies may also conduct a direct comparative analysis between Garuda Indonesia and Iberia Airlines Spain to examine whether storytelling, digital experience, trust, engagement, satisfaction, and loyalty operate differently across cultural and institutional contexts. Future research could also use longitudinal designs to examine how passenger loyalty develops over time. In addition, future studies may include objective behavioral data such as loyalty program usage, repeat purchase frequency, direct booking ratio, customer complaint records, and online review behavior. Further studies may also add moderating variables (Teng, L., Xie, C., Huang, X., & Ma, J.,2025), such as price sensitivity, travel frequency, loyalty membership status, digital literacy, service failure experience, route type, and online travel agent dependence to provide a deeper explanation of when and how airline marketing stimuli produce stronger passenger loyalty.

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