



The effect of price and service quality on the interest in repurchasing: citylink airlines in indonesia

Didi Tarmidi¹, Irawan Wijaya²

^{1,2}Management, Institut Teknologi dan Bisnis Yadika, Pasuruan, Jawa Timur, Indonesia

ARTICLE INFO

Article history:

Received Apr 14, 2023

Revised Apr 24, 2023

Accepted Apr 28, 2023

Keywords:

Price;
Repurchase Intention;
Service Quality;

ABSTRACT

The development of business in the Indonesian air transportation sector is an opportunity and challenge for airlines to meet aviation needs. Citilink as one of the airlines that experiences problems related to meeting aircraft occupancy due to the competition map of airlines in Indonesia is quite numerous by offering various services to get customer satisfaction so that repurchases occur, Citilink's challenge in maintaining prices and service quality so that repurchase interest can continue to increase is important. The research method used in this study is a quantitative method with a descriptive type of research. Sampling was carried out using a non-probability sampling technique used was purposive sampling with a total of 400 respondents who were users of Citilink Indonesia airlines. Meanwhile, the data analysis techniques used are descriptive analysis and multiple linear regression analysis. The results showed that the Price variable in the very good category was 85%, the Service Quality variable was already in the excellent category by 86%, and the repurchase interest variable in the very good category was 86%. Price and Service Quality had a positive and significant effect on repurchase interest with a large influence of 52.6% and the remaining 47.4% influenced by other factors that were not studied.

This is an open access article under the [CC BY-NC](https://creativecommons.org/licenses/by-nc/4.0/) license.



Corresponding Author:

Didi Tarmidi,
Management, Department of Management
Widyatama University-Bandung,
Jl. Cikutra No 204 A Bandung, Jawa Barat 40124, Indonesia
Email: didi.tarmidi@widyatama.ac.id

INTRODUCTION

The country of Indonesia with a total population of more than 270 million and a country with an archipelago of 17,504 islands and needs types of transportation to accommodate social, economic, technological activities, etc., especially in terms of improving the economy (Leung, 2018). The type of transportation effectively traveling quickly with long distances suitable for island countries other than sea transportation is air transportation which is certainly superior in terms of speed in long-range or close to the average speed of the aircraft at the level of 400 - 500 km/h at an altitude of 30,000 feet so that the trip only takes a fairly short time. One of the airlines that play a role in the development of increasing air transportation needs is PT. Citilink Indonesia (Citilink) with a market share of 15% in 2021 under Garuda Indonesia and Citilink which compete in the lower middle class (LCC) (Report, 2021). The aviation industry in Indonesia has a tight competition map, especially in

the LCC category, which is very tight in terms of prices until the Predatory pricing phenomenon appears where ticket prices become very cheap which has the potential to damage market prices, this requires other competitors to apply price reductions until there are prices that eat each other (Michael, 2018). The low-price strategy does not always bring good things to customers because many things must be trimmed from the airline side such as the quality of service, for example, a lot of delays, overcapacity, hinges unilateral cancellations (Syahputra, 2019).

Price is one of the elements of the marketing mix that generates revenue, other elements generate costs (Saputra, 2021). Price is the easiest element in a marketing program to customize product features, channels, and even communication takes a lot of time (Eka, 2021). The results of Gracia's research et.al, show that the image of store prices has a positive impact on customer repurchase intentions, with low and high price levels moderating this effect (Lucky, 2023). The results of the study with Abid Saleem revealed that service quality and trust are directly related to repurchase Intention and through customer satisfaction mediators (Rendy&Lina, 2020). The research wants to prove how the combination of price and service quality variables maintains repurchase intention at Citilink. Of the two variables, which one is more effective to apply first by looking at the amount of influence partially and cumulatively so that companies can more easily identify what strategies are best for the post-COVID-19 pandemic situation.

The definition of price according to Indarwati defines: "Price the amount of money charged for a product or service or the sum of the value that customers exchange for the benefits of having or using the product or service" (Indarwati, 2021). For consumers, price is something that must be spent or sacrificed in the form of money to get the product needed or desired. Price consists of four dimensions according to Kotler and Keller, namely: 1) Affordability of price, 2) Conformity of price to quality, and 3) Conformity of price to benefits (Tiara&Nurafni, 2021). According to Naini, states that the quality of service, if managed appropriately, contributes positively to the realization of customer satisfaction and loyalty (Naini, 2022). Quality provides a plus in the form of motivation, especially for customers to establish a long-term mutually beneficial relationship with the company (Aisyah, 2022). Some factors affect a service, namely expected service and perceived service (service received) (Naini, 2022). If the service received is appropriate and can even meet what is expected then the service is said to be good or positive, if the perceived service exceeds the expected service, then the quality of service is perceived as ideal quality (Hermanto, 2019). According to Ramya reveals that there are five main dimensions of service quality (in order of relative degree of importance) (Ramya, 2019), namely: 1) Reliability, 2) Quick Response, 3) Guarantee, 4) Empathy, and 5) Tangible. According to Hellier that the interest in repurchasing is the result of consideration from consumers or buyers to repurchase designated services from the same company (Khoirul Bhasyar, 2019). According to Rico and Imelda there are four dimensions of repurchase meat can be measured through the following indicators (Rico&Imelda, 2020): 1) Transactional interest, 2) Referential interest, 3) Prefensial interest, and 4) Exploratory interest.

In research conducted by Kotler, the effect of service on consumer decisions, service is an activity carried out for the needs of others. Service is a performance of intangible appearance and is quickly lost, more feelable than owned and customers are more able to actively participate in the process of consuming the service (Kotler, 2018). Good market service facilities, ease of taking goods, delivery, and service of goods are considerations that affect the level of consumer satisfaction with what he feels and the form of good service that can be felt by consumers (Harfania, 2018). In this case, services to a nonphysical facility are offered. The issue of quality in the business world now seems to have become a "price to be paid" by the company for it to survive in its business (Hamonangan Sinaga, 2018). The development of quality is strongly driven by the conditions of competition between enterprises, technological progress, economic stages, and the history of society.

RESEARCH METHOD

Based on the variables studied, the research method used in this study is a quantitative method with a quantitative descriptive type of research (Sujarweni, 2019). According to Apuke, quantitative research is a type of research that produces discoveries that can be achieved (obtained) using statistical procedures or other means of measurement (Apuke, 2018). This study uses quantitative research methods because it uses statistical calculation figures and aims to test hypotheses that have been made before. Descriptive research is a statistic used to analyze data by describing or describing the data that has been collected as it is without intending to make generally applicable conclusions or generalizations (Sugiyono, 2019). Meanwhile, in terms of type investigation, this study is causal because it has a causal and consequent relationship, so in this study, there are independent variables (variables that affect) and dependent variables (influenced variables) (Sugiyono, 2019). In this study, researchers wanted to find out whether there was a relationship between the influence of price and service quality on the interest in repurchasing Citilink airlines in Indonesia.

The opinion of Sekaran and Bougie stated that the independent variable will affect the dependent variable, positively or negatively (Sekaran&Bougie, 2020). This means that if the independent variable appears, then the dependent variable will also appear, either the increase or decrease of the independent variable. Furthermore, Sekaran and Bougie argue that the dependent variable is a variable under the influence of other variables, so this is suitable as research material.

RESULTS AND DISCUSSIONS

This study also presents validity and reliability tests by presenting the convergent validity of data as in table 1.

Table 1. Validity and Reliability Test Results

Construct	Correlation Value	Description	Cronbach's Alpha	Description			
Price							
X1.1	0,746						
X1.2	0,783						
X1.3	0,778	Valid	0,870	Reliable			
X1.4	0,815						
X1.5	0,805						
X1.6	0,746						
Service Quality							
X2.1	0,730						
X2.2	0,762						
X2.3	0,748	Valid	0,913	Reliable			
X2.4	0,758						
X2.5	0,796						
X2.6	0,804						
X2.7	0,728						
X2.8	0,757						
X2.9	0,679						
X2.10	0,723						
Repurchase Intention							
Y1.1	0,677						
Y1.2	0,751						
Y1.3	0,822	Valid	0,863	Reliable			
Y1.4	0,856						
Y1.5	0,860						
Y1.6	0,823						

Construct	Correlation Value	Description	Cronbach's Alpha	Description
Y1.7	0,821			
Y1.8	0,748			

Source: Data Analyzed, 2022

The data that has been collected through the questionnaire is then analyzed with multiple regression analysis techniques to determine the influence of price and service quality variables on Citilink's repurchase intention through the help of the SPSS Application 25 analysis results will provide an overview of the calculation table which will be outlined in the Multiple Linear Regression model equation which can be seen in the table below.

Table 2. Multiple Linear Regression

Model	Coefficients ^a				
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	7.069	1.325		5.334	.000
Price	.306	.063	.231	4.891	.000
Service_Quality	.459	.040	.548	11.599	.000

a. Dependent Variable: Repurchase_Intention

Source: Data Analyzed, 2022

$$Y=7,069+0,306X_1+0,459X_2$$

The value of the constant 7.069 means that the dependent variable which is a repurchase intention variable is worth 7.069 if the price variable and the service quality variable are considered constant (value 0). In other words, if the value of the independent variable does not change, the value of the repurchase intention also does not change. If the value of the regression coefficient of the price variable shows 0.306 this means that the price variable increases by one (1) and another independent variable, the service quality variable, is considered constant (value 0) then the addition of points to the repurchase intention variable is 0.306. A positive sign for the value of the regression coefficient indicates that price has a positive effect on repurchase intention. This means that the higher the price, the higher the repurchase intention, and vice versa. If the value of the regression coefficient of the service quality variable shows 0.459 this happens when the service quality variable increases (1) and other independent variables are considered constant (value 0) then the repurchase intention bound variable will increase by an amount of 0.459 points. A positive sign for the regression coefficient value indicates that service quality has a positive effect on repurchase intention. In other words, the better the service quality, the higher the repurchase intention value, and vice versa.

Table 3. Simultaneous Hypothesis Testing

Model	ANOVA ^a				
	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	5347.145	2	2673.573	219.904	.000 ^b
Residual	4826.695	397	12.158		
Total	10173.840	399			

a. Dependent Variable: Repurchase_Intention

b. Predictors: (Constant), Price, Service_Quality

Source: Data Analyzed, 2022

Based on the analysis in the table above, based on the significant value in the following cases if it is below < 0.05 . In the table above, its important value is 0.000. Therefore, from the value of its importance, we can conclude that price and service quality affect the repurchase intention at the same time.

Table 4. Determination Coefficient

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.725 ^a	.526	.523	3.48682

a. Predictors: (Constant), Price, Service_Quality

b. Dependent Variable: Repurchase_Intention

Source: Data Analyzed, 2022

From the results listed in the table above, it shows that the value of the coefficient of determination of R square in this study is 0.526 or 52.6%, which means that Repurchase Interest is influenced by Price and Service Quality by 52.6%. While the remaining 47.4% or 0.474 were influenced by other variables or factors that were not studied. This shows that Citilink can increase repurchase interest through more educational marketing communications and strengthen pricing to increase repurchase interest. So, periodically it will be followed by an increase in interest in repurchasing Citilink airline tickets in the city of Bandung.

The results of price analysis and service quality, influences Citilink's repurchase intention both partially and simultaneously. Test the price hypothesis simultaneously indicated by the value of p (sig)= 0.000<0.05 then Test the hypothesis of service quality simultaneously indicated with the value of p (sig)= 0.000<0.05. It is proven that the variables of price and service quality influence repurchase intention. The effect of service quality has a greater variable coefficient so it should be considered as a priority variable that will be considered in more detail for improvements that can improve service quality better in terms of Tangible, Empathy, Reliability, Responsiveness, and Assurance. Customers who have paid certainly crave the best service because in terms of ticket prices, of course, the LLC class is not much different, the Game of Service Quality will be an important point as well as an advantage for Citilink if it can exploit the opportunities that exist to keep customers to continue using Citylink flight services.

The respondent's Repurchase Interest is already in the Very Good category as evidenced by the value of the statement "I will choose Citilink again for the next flight" of 85% but when compared to the value of other statements on the same variable, it is included in the lowest category so that it can be concluded in the perspective of the still objections/complaints (objection) then the advice from the author is to increase the interest in repurchase can be achieved through improvement of price strategy. The better the price strategy applied, the better the customer value will be and the higher the repurchase interest will be. Repurchase interest can also be increased by improving the quality of service which certainly results in increasingly positive customer value. The better the customer value, the higher the repurchase interest. Another suggestion to increase repurchase interest is to increase the value of intrinsic experiences. The better the customer feels the value of the intrinsic experience in using aircraft services, the higher the emotional feeling. If the better the customer's emotional feelins towards the use of the aircraft, the higher the interest in the repurchase. More research is needed regarding the possibility of another factor of 47.4% on repurchase interest. Examples of variables related to post-Purchase behavior are CRM, Sales Promotion, and Online Customer Review.

CONCLUSION

The price of Citilink flight tickets in the city of Bandung is already an excellent price offer, this is evidenced by the average respondent's answer result of 85%. and statement indicator "I feel that Citilink airline products/services have affordable prices" obtained the lowest percentage, which is 83% still in very good condition. The quality of Citilink Airline Service is already in an excellent price offer, this is evidenced by the average respondent's answer result of 86%. The statement indicator "I am satisfied with Citilink's response to my complaints against flight services" obtained the lowest

percentage, which is 83% still in the Very Good category. The interest in repurchasing Citilink flight tickets in the city of Bandung Air is already in an excellent price offer, this is evidenced by the average respondent's answer result of 86%. The statement indicators "I will choose Citilink again for the next flight" and "I am happy to share my experience of either using Citilink through social media or directly with colleagues or family", obtained the lowest percentage, which was 85%. Price (X1) and Quality of Service (X2) simultaneously affect the Repurchase Interest (Y) of Citilink flight tickets in the city of Bandung. This was obtained in the planned Fhitung = 219,904 > Ftabel = 2.6049 with an influence of 0.526 (the result of the value of the coefficient of determination R square) or by 52.6% which means that Repurchase Interest is influenced by Price and Service Quality of 52.6%. While the remaining 47.4% or 0.474 were influenced by other variables or factors that were not studied.

References

- Aisyah, E. a. (2022). Pengaruh Kualitas Produk, Kualitas Pelayanan dan Harga Terhadap Kepuasan Konsumen (Studi Pada Konsumen VGY Wallpaper Pekanbaru). *Economics, Accounting and Business Journal*, 2(1), 247-254.
- Apuke, O. D. (2018). Quantitative Research Methods : A Synopsis Approach. *Kuwait Chapter of Arabian Journal of Business and Management Review*, 6(11), 40-47. <https://doi.org/10.12816/0040336>
- Eka, P. D. (2021). Pengaruh Kualitas Produk, Keberagaman Produk, Harga, dan Promosi terhadap Minat Beli Ulang Es Krim Aice (Studi Pada Konsumen Kalangan Mahasiswa di Kabupaten Jember). In *Journal of Business Research*.
- Hamonangan Sinaga, E. a. (2018). Pengaruh Harga Dan Kualitas Pelayanan Terhadap Loyalitas Melalui Kepuasan Wisatawan Nusantara Pada Maskapai Lion Air Di Bali. *Jurnal IPTA*, 4(2), 26. <https://doi.org/10.24843/ipta.2016.v04.i02.p06>
- Harfania. (2018). Pengaruh Promosi Penjualan, Experiential Marketing, Kualitas Produk dan Kualitas Pelayanan Terhadap Minat Beli Ulang (Studi Kasus Pada Restoran Ayam Geprek SA ' I Yogyakarta). *Jurnal Fakultas Ekonomi*, 3, 581-591.
- Hermanto, E. a. (2019). Pengaruh Lokasi dan Kualitas Pelayanan Terhadap Loyalitas Konsumen pada Fotocopy Anugrah Rengat. *Ekonomis: Journal of Economics and Business*, 3(2), 171. <https://doi.org/10.33087/ekonomis.v3i2.78>
- Indarwati, et. a. (2021). The Effect of Service Quality, Price Perception, and Brand Image on Feeling Value, and Customer Satisfaction at Dian Husada Mojokerto Hospital. *Jurnal Ekonomi & Bisnis JAGADITHA*, 8(1), 71-80. <https://doi.org/10.22225/jj.8.1.3123.71-80>
- Kotler, P. (2018). *Designing and Managing Services* (Chapter 13).
- Leung, K. H. (2018). Indonesia's Summary Transport Assessment. In *ADB Papers on Indonesia* (Issue 15, p. 20). www.adb.org;
- Lucky, E. a. (2023). The impacts of store price image and brand image on repurchase intention with customer satisfaction as mediation. *International Journal of Research in Business and Social Science* (2147- 4478), 12(1), 22-30. <https://doi.org/10.20525/ijrbs.v12i1.2269>
- Michael, S. (2018). *AVIATION LOGISTICS*.
- Naini, et. a. (2022). The Effect of Product Quality, Service Quality, Customer Satisfaction on Customer Loyalty. *Journal of Consumer Sciences*, 7(1), 34-50. <https://doi.org/10.29244/jcs.7.1.34-50>
- Ramya, E. a. (2019). Service Quality and Its Dimensions. *EPRA International Journal of Research and Development*, 4(February), 38-41.
- Rendy&Lina. (2020). Service Quality, Customer Satisfaction, Brand Trust and Repurchase Intention. *Fokus Ekonomi : Jurnal Ilmiah Ekonomi*, 15(2), 493-514. <https://doi.org/10.34152/fe.15.2.493-514>
- Report, A. (2021). *STEADYING THE SHIP : MODERN AIRLINE PEMANTAPAN LANGKAH PERUSAHAAN*.
- Rico&Imelda. (2020). Influence Of Promotion Mix On Repurchase Intention In E-Commerce Shopee (Study of Shopee Application Users In Stei Jakarta Students) *INFLUENCE OF PROMOTION MIX ON REPURCHASE INTENTION IN E-COMMERCE SHOPEE* (Study of Shopee Application Users In Stei Jakarta. *Sekolah Tinggi Ilmu Ekonomi Indonesia*, 1-18.
- Saputra, E. a. (2021). The Effect of Price and Product Quality on Consumer Purchase Decisions Case Study on Fremilt Product by Relita. 779-784.
- Sekaran&Bougie. (2020). *Research Method for Business*. Jhon Wiley & Sons.
- Sugiyono. (2019). *Metode Penelitian Kuantitatif_Kualitatif*. Alfabeta.

- Sujarweni. (2019). *Metodologi Penelitian Bisnis dan Ekonomi*. Pustaka Baru Press.
- Syahputra, E. a. (2019). Analisis Kualitas Layanan dan Citra Merek terhadap Pembelian Berulang dengan Harga sebagai Variabel Moderasi pada Maskapai Penerbangan Rute Pekanbaru Jakarta. *Jurnal Ekonomi KIAT*, 30(2), 14-30.
- Tiara&Nurafni. (2021). The Linking Of Product Quality, Brand Image, Price And Promotion On Purchasing Decision Of Uniqlo Products In Bandung. *E-Proceeding of Management*, 8(5), 6583-6598. <https://openlibrarypublications.telkomuniversity.ac.id/index.php/management/article/view/16554%0Ahttps://openlibrarypublications.telkomuniversity.ac.id/index.php/management/article/view/16554/16261>