

PRICE AND PROMOTION AS THE FACTOR OF CITILINK PASSENGERS TICKET PURCHASE INTENTION DURING THE COVID-19 PANDEMIC

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Abstract: PT Citilink Indonesia is the Low-Cost Carrier (LCC) airline company that has operated in Indonesia since 2001. During the COVID-19 pandemic, Citilink made various efforts to increase passengers' purchase intention. The purpose of this study is to find out whether there is an effect of price and promotion on the passengers' purchase intention for Citilink airlines during the COVID-19 pandemic. This study is using the descriptive-quantitative method and data collection techniques by distributing online questionnaires through social media. The populations are all Citilink's passengers and the number of samples taken is 122 Citilink's passengers during the COVID-19 pandemic who filled out the online questionnaire, using non-probability sampling technique with purposive sampling. The analytical data technique used is multiple linear regression, T-test, and F-test. The result of this study is $Y = 2.562 + 0.461 X_1 + 0.446 X_2$ with a determination coefficient of 5.17% and the rest are 42.9% which is influenced by other variable factors. The correlation coefficient of 0.756 has a strong degree of relationship between variables. (1) There is a significant relationship between price variable and purchase intention with a value of $5,576 > 1,985$ (2) There is a significant relationship between promotion variable and purchase intention with a value of $5,839 > 1,985$ (3) Simultaneously there is a significant relationship between price and promotion variables on purchase intention with a value of $79.125 > 3.1$.

Keywords: Price, Promotion, Purchase Intention (PI), Citilink, and Corona Virus Disease 2019 (COVID-19)

Introduction

Transportation plays an important role to help the mobility of people in Indonesia, especially air transport. 33 percent of flight service users in Indonesia are upper-middle-class users and the majority 67 percent are lower-middle-class users, where 10 percent use full-service classes and 57 percent use low-cost carrier (LCC) classes. The implementation of LCC in Indonesia started 15 years ago. There are 3 airlines registered in ICAO (International Civil

Aviation Organization) as the low-cost carrier, namely Citilink, Air Asia, and Lion Air.

Related to the current situation, Indonesia is being hit by the COVID-19 pandemic. WHO (World Health Organization) states that COVID-19 is an infectious disease caused by a newly discovered coronavirus, namely SARS-COV2. The virus was first reported in Wuhan, China in December 2019. The virus then spread widely to almost all countries and infects many people around the world which was later designated as a pandemic by WHO on March 9th, 2020. This pandemic gave a big impact on the aviation industry, such as the closing of borders in many countries resulting in passengers being reluctant to travel because some countries have closed access to other countries to enter (Sun et al., 2020) and a no-arrival policy for countries that have a high rate of spread of the COVID-19 virus. The situation of the COVID-19 pandemic has reduced the mobility of air transportation where the long-term effect will worsen if the condition of the COVID-19 pandemic cannot be controlled (Nizetic, 2020).

PT. Citilink Indonesia, which is a low-cost airline, has also been affected by the Corona Virus Disease (COVID-19). The number of Citilink airline passengers has decreased compared to the last 3 years.

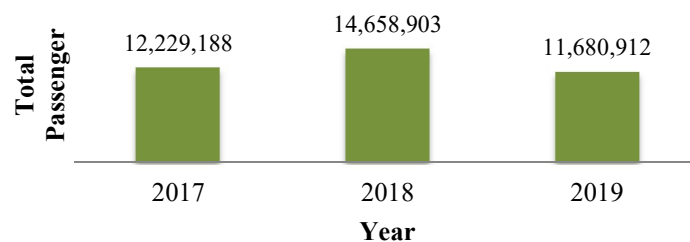


Figure 1. Total of Citilink passenger

Source: INACA Annual Report (Graphics processed by author)

In figure 1, in 2017 the total of passengers was 12,2 million, and 14,7 million passengers in 2018. In 2019, there was a decrease from the previous year by 11,8 million passengers. Based on data from the Ministry of Transportation, total passengers of Citilink in 2020 decreased from the previous period with a total of 4,61 million passengers with 13 percent of market share (Puspa, 2021) compared to 2019 with 15 percent of market share.

Citilink makes an effort to attract customer purchase intention in this pandemic era by continuing to provide the best comfort and service for Citilink service customers, such as providing medical kits and vouchers for PCR tests. Passengers' purchase intention has an important influence on the company. Purchase intention is a step to determine whether the customer will buy or use the product or service. Purchase intention can be interpreted as a customer's plan to make a purchase. According to Kotler & Keller (2016, p. 181), purchase intention is how likely consumers are to buy a brand and service or how likely consumers are to switch from one brand to another.

There are several factors that influence the passengers' purchase intention, such as price and promotion. Both of these greatly affect the interest to buy flight tickets. Price is a medium of exchange that can be equated with money or other goods for the benefits derived from an item or service, in other words the price is important to get a product or service (Irawan et al., 2020). In this pandemic era, there is an issue about the price increase with the conditions according to the upper limit rate. This happened due to 70 percent of seat load factor reduction (Jarot, 2020). If we look from one of the Online Travel Agents (OTA), the Citilink ticket price is quite expensive compared to other competitors. Although the price that offered was more expensive, Citilink gives the special price to their consumer to be able to fly with the sense of security in this pandemic. Citilink gives special prices with discounts of 20 percent, with payment via partner banks.

Promotion is part of the marketing mix that is important to marketing the products that should be done by the company. Assauri (2015, p. 294) stated that promotion is an activity to deliver sales information to customers to influence the customer's attitude and behavior. Citilink also makes an effort to attract customer's attention (Hawkins, 2010) and their buying interest. Citilink does its promotional programs via social media such as Instagram, Facebook, and Twitter. On Citilink's Instagram, the promotions are carried out through the Instagram influencers which aim to make communication easier to convey to customers and to be closer to the market target and be able to attract purchase intention in this pandemic era or new normal.

A the study by Chrisnawan et al. (2019) entitled The Effect of Price and Perceived Quality on Ticket Purchase Intention at Lion Air Airline, it shows that ticket price have a significant effect on customer purchase intention.

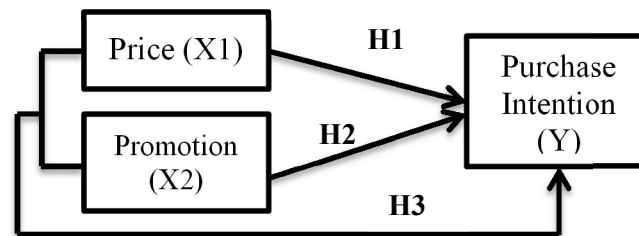
The study by Satria. (2017) entitled Pengaruh Harga,Promosi, dan Kualitas Produk Terhadap Minat Beli Konsumen At the A-36 company, it shows that promotion have a significant effect on customer purchase intention.

Then in a study conducted by Amalia (2019), entitled Pengaruh Harga dan Promosi Terhadap Minat Beli Penumpang Rute Jakarta (CGK) – Banyuwangi (BWX) Pada PT Citilink Indonesia Pada Tahun 2018 shows that promotion have a significant effect on customer purchase intention.

Method

This study used the descriptive-quantitative method. The population was the passenger who used Citilink airline during the COVID-19 pandemic. The number of samples taken was 122 respondents using the non-probability sampling technique with purposive sampling, where the technique took samples from the population based on predetermined criteria or with certain considerations (Sugiyono, 2016 p. 85). The criteria used in this study were

respondents who use Citilink flight during the COVID-19 pandemic. The instrument scale that used in this study was the Likert scale, using data



collection techniques by distributing online questionnaires through social media. The data analysis technique used in this study was validity test, reliability test, multiple linear regression, F-test, and T-test using the help of SPSS STATISTIC V.23 software.

Figure 2. Framework Conceptual

Hypothesis

H1: There is a positive and significant relationship between Price (X1) and Purchase Intention (Y).

H2: There is a positive and significant relationship between Promotion (X2) and Purchase Intention (Y).

H3: There is a positive and significant relationship between Price (X1) and Promotion (X2) simultaneously with Purchase Intention (Y).

Discussion and Result

Respondent Characteristic

From the data that obtained through questionnaire with total amount of 122 respondents, it is obtained the characteristics of respondents such as:

Table 1. Respondents Characteristics

Respondents' Characteristic		Amount	Percentage
1	Age		
	< 18 years old	0	0.0%
	18 – 30 years old	75	61.5%
	30 – 45 years old	72	59.0%

	45 – 57 years old	33	27.0%
	> 57 years old	1	0.8%
	Total	122	100%
2	Gender		
	Male	58	47.5%
	Female	64	52.5%
	Total	122	100%
3	Last Education		
	Elementary School	0	0.0%
	Junior High School	3	2.5%
	Senior High School	44	36.1%
	Academy/University	75	61.5%
	Total	122	100%
4	Occupation		
	Private Employee	44	36.1%
	Entrepreneur	9	7.4%
	Civil Servant/Soldier/Police	8	6.6%
	Teacher/Lecturer	1	0.8%
	Housewife	6	4.9%
	Student	46	37.7%
	Freelancer	3	2.5%
	Retired	1	0.8%
	Didn't have/Not yet working	4	3.3%
	Total	122	100%
5	Frequency of Traveling by Plane per Year		
	1-2 times	74	60.7%
	3-4 times	21	17.2%
	> 5 times	27	22.1%
	Total	122	100%
6	Reason Traveling by Plane		
	Holiday	39	32%
	Work	39	32%
	Family Event/Go to Hometown	31	25.4%
	Medical Treatment	0	0%
	Study	13	32%
	Total	122	100%

Source: Questionnaire, table processed by author (2021)

From the data above, it could be concluded that the average of respondents age is 18 – 30 years old with 74 people or 60.7% The average of respondents' gender is Female with 64 people or 52.5%. Furthermore, the average of respondents' occupation is Student with 46 people or 37.7%, the average of

respondents' frequency of traveling by plane per year is 1-2 times with 74 people or 60.7%, and the average of respondents' reason traveling by plane is holiday with 39 people or 32%.

Validity and Reliability Test

Table 2. Validity and Reliability Test

Variable	Item	Corrected Items - Total Correlation	Cronbach Alpha	Rtable	Cronbach Alpha Standard	Description
Price (X1)	X1_1	0.786	0.842	0.1779	> 0.60	Valid
	X1_2	0.822		0.1779	> 0.60	Valid
	X1_3	0.665		0.1779	> 0.60	Valid
	X1_4	0.706		0.1779	> 0.60	Valid
	X1_5	0.786		0.1779	> 0.60	Valid
	X1_6	0.733		0.1779	> 0.60	Valid
Promotion (X2)	X2_1	0.748	0.857	0.1779	> 0.60	Valid
	X2_2	0.849		0.1779	> 0.60	Valid
	X2_3	0.793		0.1779	> 0.60	Valid
	X2_4	0.791		0.1779	> 0.60	Valid
	X2_5	0.759		0.1779	> 0.60	Valid
	X2_6	0.650		0.1779	> 0.60	Valid
Purchase Intention (Y)	Y1	0.655	0.855	0.1779	> 0.60	Valid
	Y2	0.738		0.1779	> 0.60	Valid
	Y3	0.849		0.1779	> 0.60	Valid
	Y4	0.814		0.1779	> 0.60	Valid
	Y5	0.849		0.1779	> 0.60	Valid
	Y6	0.748		0.1779	> 0.60	Valid

Source: SPSS V.23, table processed by author (2021)

Based on the table 2 which the analysis of the data was processed with SPSS 23, the validity test for each questionnaire statement on each price variable (X₁), promotion (X₂), and purchase intention (Y) is declared valid because it has a value of Corrected Item Total Correlations > 0.1779 ($t_{\text{count}} > t_{\text{table}}$) obtained from the distribution of t_{table} . Reliability test for each variable. The price variable (X₁) of all statement items has a total reliability statistics-

cronbach alpha of 0.842 > 0.60, promotion (X₂) of 0.857 > 0.60 and purchase intention variable (Y) alpha of 0.855 > 0.60, then the statement on the variable price (X₁), promotion (X₂), and purchase intention (Y) are declared reliable.

Multiple Correlation Analysis

Table 3. Multiple Correlation

Reg	Coefficient of Correlations	Sig	Conclusion
X1 toward Y	0,669	0,000	Strong
X2 toward Y	0,678	0,000	Strong
X1 and X2 toward Y	0,7565	0,000	Strong

Source: SPSS V.23, table processed by author (2021)

Based on the table 3 analysis relations between Price (X₁) and Promotion (X₂) on Purchase Intention (Y) which is calculated by the correlation coefficient with an R value of 0.756, this shows the degree of a strong relations between the variables.

Multiple Linear Regression Analysis

Table 4. Multiple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2,562	1,715		1,494	,138
Price	,461	,083	,414	5,576	,000
Promotion	,446	,076	,434	5,839	,000

Source: SPSS V.23, table processed by author (2021)

Based on the table 4, it is analyzed using SPSS V.23, the regression equation was obtained with the following formula:

$$Y = a + b_1X_1 + b_2X_2$$

$$Y = 2.562 + 0.461 X_1 + 0.44 X_2$$

The constant value in data analysis is 2.562, the value of the regression coefficient of the price variable (X_1) is 0,461, and the regression coefficient of the promotion variable (X_2) is 0,446.

T-Test (Partial)

Table 5. T-Test (Partial)

		Unstandardized Coefficients		Standardized Coefficients		
	Model	B	Std. Error	Beta	t	Sig.
1	(Constant)	2,562	1,715		1,494	,138
	Price	,461	,083	,414	5,576	,000
	Promotion	,446	,076	,434	5,839	,000

Source: SPSS V.23, table processed by author (2021)

Based on the table 5, the Effect of Price variable (X_1) on Purchase Intention (Y) (H_1). It is known that the value of significance for the influence of price (X_1) on the purchase intention (Y) is less than 0,05 and value of $t_{\text{count}} 5,57 > t_{\text{table}} 1,98010$, then H_0 is rejected and H_1 accepted. It was concluded that H_1 is accepted so that there is a positive effect of price variables and Citilink ticket purchase intention during the COVID-19 pandemic.

The Effect of Promotion on Purchase Intention (H_2). It is known that the value of significance for the influence of promotion (X_2) on the purchase intention (Y) is less than 0,05 and $t_{\text{count}} 5,839 > t_{\text{table}} 1,98010$, then H_0 is rejected and H_2 is received. So that there is a positive influence on promotion variables and Citilink ticket purchase intention during the COVID-19 pandemic.

F test (Simultaneous)**Table 6. F-Test (Simultaneous)**

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1011,044	2	505,522	79,215	,000 ^b
	Residual	759,415	119	6,382		
	Total	1770,459	121			

Source: SPSS V.23, table processed by author (2021)

Based on the table 6 analysis using SPSS V.23, the significant value of the influence of price variable (X_1) and Promotion (X_2) simultaneously on the Purchase Intention (Y) with the significance value 0,05 and $F_{\text{count}} 79,215 > F_{\text{table}} 3,07$. It can be concluded that H_0 is rejected and H_3 received, which means there is a positive effect of price and promotion variables simultaneously on Citilink tickets purchase intention during the COVID-19 pandemic.

Coefficient of Determination**Table 7. Coefficient of Determination**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,756 ^a	,571	,564	2,526

a. Predictors: (Constant), Promotion, Price

Source: SPSS V.23, table processed by author (2021)

According to the data analysis, the amount of the contribution and the influence of the price variable (X_1) and Promotion (X_2) on the purchase intention (Y) was 57,1% and the remaining 42,9% is a variable that is not found in this study.

Conclusion

Based on this study the effect of price and promotion on Citilink ticket purchase intention during the COVID-19 pandemic, it can be concluded that:

The results of the T-test shows that H_0 is rejected and H_1 is accepted so that there is a positive effect of price variable on Citilink tickets purchase intention during the COVID-19 pandemic.

The results of the T-test show that H_0 is rejected and H_2 is accepted so that there is a positive effect of promotion variable on Citilink tickets purchase intention during the COVID-19 pandemic

The results of the F-test show that H_0 is rejected and H_3 is accepted therefore, there is a simultaneous positive effect of price and promotion variables on Citilink ticket purchase intention during the COVID-19 pandemic.

Managerial Implications

The study implications of the authors for companies based on this study:

The company as a service provider must consider the ticket price according to the quality of the product provided, such as class services and other facilities that are comparable to the selling price. Citilink ticket price is quite expensive than the other LCC airline, so that Citilink should give an affordable price to increase the purchase intention. An affordable price for passenger still has to be balanced with appropriate services and meet the safety standards.

Companies must also pay attention to how to deliver promotions to customers, such as increasing the frequency of promotions by actively carrying out several promotions mixed with such as advertising through social media, print media, or radio, besides being able to carry out sales promotions by holding shows or exhibition bazaars, and providing promotions with more affordable discounts to increase and encourage customer purchase intention.

Afterward, the company should provide clear and up-to-date information on promotional programs and information related to flight conditions due to the

COVID-19 pandemic situation. As well as convincing customers to fly safely and comfortably using Citilink airlines during the COVID-19 pandemic.

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