The Low Cost Airline Consumer Price Sensitivity.
An Investigation on The Mediating Role of Promotion and Trust in Brand

Janfry Sihite, Tabby Wihasari Harun, Arissetyanto Nugroho

Mercu Buana University, Kebon Jeruk, Jakarta

ARTICLE INFO	ABSTRACT
	The ASEAN Open Sky Policy is one of ASEAN policy to open the airspace between the ASEAN member countries. Aviation services based companies including the Low Cost airlines will experience tight competition among ASEAN airline companies. This research aim to explore the effect of price on customer loyalty through the mediating role of promotion and trust in brand. The original sample collected from 100 Indonesian low-cost airline Citilink consumer that just arrived in Soekarno-Hatta International Airport, the bootstrapped techniques conducted for 500 sub-samples and further analyzed with structural equation modelling partial least square. The research findings support the low cost airline consumer price sensitivity, furthermore price affect the trust in brand more severe compared with the promotion. Price effect fully mediated through the trust in brand and promotion toward the consumer loyalty. Further research should consider the sensitivity of price to elaborate the decision making process for the low cost airline consumer.
Corresponding author: janfry_sihite@yahoo.com	

INTRODUCTION

The consumer demand for an airline services increase in the last decade (UNWTO, 2015). This passenger growth increases the intensity of airline competition, a new category of low-cost airlines (low-cost carriers) like Lion Air, Air Asia, and Citilink born. The low-cost airlines term for airlines that offer reduced services, such as baggage facilities, small seat space and meals, compare with the full service airline.

The competition in the ASEAN will be more competitive in the future. ICAO (International Civil Aviation Organization) and IATA (International Air Transport Association) predicted that the airline industry competition in the Asia-Pacific region will be more stringent for a low-cost airline in Indonesia, since the majority of the airline companies (14 of 17) are low-cost airlines (OECD, 2014), the competition will be intense.

The airline industry is a service industry, which means that the overall marketing activities should meet the expectations of the consumer, therefore the service meet the consumer satisfaction. These marketing activities begin with delivering service offerings to the customer through the process of fulfilling promises. The services consist of the the development of new routes, price (cost), the queue in the airport, the plane, an appealing promotion, and cooperation with a network of airlines that ease of transit moving between airlines (Driver, 1999).

The entire process is a holistic of services in the airline consumer decision making process (Aksoy, Atilgan, & Akinci, 2003). However, price competition has become the main attribute the airline company delivers, along with the new category of low-cost airlines. This proposition supported by a meta-analysis of the factors that influence the low-cost airline passenger loyalty, findings shows that the low-cost airline focuses on low prices (Akamavi, Mohamed, Pellmann, & Xu, 2015).

Low prices is part of the the airline performance (Turner & Lim, 2015) similar with the services company. A service company can maximize the performance by providing a competitive advantage either a good quality service nor the price advantage for the consumer. These mix of advantage will drive more sales, customer satisfaction, and finally the company will earn a good revenue stream. Nevertheless, competing through price will reduced the profit margin of the company and increasing the price for the service offered might decrease the customer (Anuwichanont, 2011) (Tolbert, Kohli, & Suri, 2014).

Furthermore, research exposed that trust relate with the price and influence the customer intention to buy (Edward, 2012) (Setiawan & Achyar, 2012). Therefore fundamental research is needed to uncover the role of price and the other variable (trust in brand and promotion) on the loyalty of low-cost airline (Hamilton & Chernev,

2013). Since price affect trust and promotion, and all the variables intend to influence the loyalty of the customer. This research will applied the new term which is the price sensitivity (Danes & Lindsey-Mullikin, 2012) toward loyalty and the other mediating role of trust and promotion through loyalty.

Since the theory propose that price is the dominant factor to influence the loyalty, especially in the low cost airline service attribute, preliminary research conducted to 10 Citilink consumer to gather empirical insight. All the 10 consumer had flight experience with the other Indonesian airlines. There are some reason they had other flight due to ticket price, they consider the other airline that propose a cheaper price than Citilink. Another reason is because the Citilink did not provide the flight route therefore they should take another airline, and some consumer said the are unsatisfied with the Citilink service.

This preliminary findings exposed the problem regards to loyalty of the Citilink consumers. Finally the research conducted to find out the relationship of the price on promotion, and trust in the brand toward the consumer loyalty. The hypothesis developed stated whether the price directly influence customer loyalty of the Citilink airline services, whether the promotion directly affect consumer loyalty, whether trust in brand directly affect consumer loyalty, and whether trust in brand nor promotion act as a mediating role for price indirect effect toward the consumer loyalty (Figure 1).
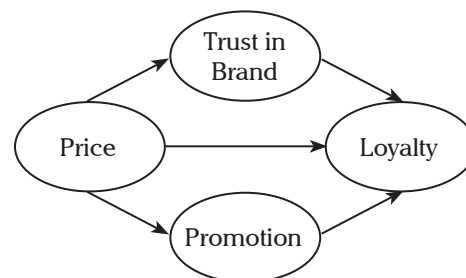

Figure 1. Company Financial Sources

Source: Author

Literature Review

The ASEAN Economic Community 2015 open sky policy is one of the policies from ASEAN to open the airspace between the ASEAN's member countries. A window of opportunity and challenges for the Indonesian aviation services company in Indonesia.

The ministry of transportation in the aviation industry respond the open sky policy and develop a new policy delivered by the Ministry of Transportation in 2015, which are the regulation of the minimum price of airline tickets, and not to sale tickets at the airport. This policy challenge the airline to perform a good online website and social media engagement toward the potential customer.

Since the potential customer could accessed the airline website in hand, price comparison will be easy to conduct. The price comparison in the website is likely to occur as result of the policy not to sale ticket in the airport, but the floor price policy secure the lowest fare aimed to prevent the price war competition damages.

This research focus on Citilink, the low cost airline from Garuda Indonesia Airways. Citilink is a well-known brand among other airlines, Citilink established under the patronage of Garuda Indonesia National Carrier which has been already active in the aviation services industry in Indonesia. Therefore this research assumed that Citilink has a good image and trust.

Due to increased competition, Citilink is trying to maintain excellence as well as its advantages in many respects. Therefore, the strategy taken by Citilink to maintain and increase customer loyalty is by doing the right strategy through the ticket price, promotional programs participating intensified, furthermore building customer trust towards the brand in their products or services.

Citilink Attribute

Citilink is a low-cost carrier, an airline that propose lower ticket price for the consumer. An exploratory factor analysis for Citilink tweet from October 2014 until December 2014 reveal that Citilink deliver attributes which are the promotion program Citilink Shield (the travel insurance), CitilinkSF (Sounds Fair Concert), Boarding Pass (Hotel discount), Hotel (Hotel Discount), CitilinkDekatDiHati (which encourages the follower to use the tweet hashtag #citilinkdekatdihati). Citilink also delivers Quiz, Surprise Activity, Activation and proposes Ticket promotions for the follower in the marketspace.

The Exploratory Factor Analysis of the @Citilink retweets from October 2014 until December 2014 reveal that the retweet attributes are CitilinkDekatDiHati, HiddenTixIdn (a hidden ticket game that encourages the follower to interact and guess the game), and finally the Ticket promotion. The Citilink also deliver the airline main attributes which are Smooth Landing, Smooth Take Off, and On-Time Performance. Finally, there are many retweets from the First Timer Flight experience of the follower.

The Exploratory Factor Analysis of the @Citilink tweets from January 2015 untuil March 2015 shows that the @Citilink data can be used to develop many promotional programs for the potential customer. The attributes are Boarding Pass, Hotel, CitilinkDekatDiHati, IndosatSnapWithCitilink (Indosat Citilink Co Program), Bicycle (proposing a bicycle gift and free luggage benefit).

The @Citilink also delivers Quiz, Surprised Activity, Activation and proposes Ticket promotions to engage the follower. The @Citilink also delivers the varieties of Thank You Citilink wishes and service satisfaction. Furthermore, the @Citilink account delivers information about the company's Public Relations activities and the Citilink Route. Finally, the @Citilink delivers Gimmicks and Tourism experiences that are geared toward the follower.

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The findings from (Nugroho & Sihite, 2015) confirm that Citilink is a low-cost carrier that proposes lower ticket price and promotes the ticket through the new media channel. This finding also support this research toward the importance of the ticket price for the consumer loyalty.

Price

Price is the amount of money charged for a product or service, the amount of value exchanged for the benefit of consumers as having or using the product or service (Kotler & Armstrong, 2010). Price is the prerequisite of the exchange, if the consumer consider the price and the benefit appropriate the the exchange wil be realized.

(Adeleke & Suraju, 2012) defined price as the amount of money charged for a product or service, or the amount of value which customer trade as the benefits of having used the product or service. Furthermore, they explained that the mobile phone company in Nigeria must have a fair fee rates and acceptable to consumers who subscribe with being aware of their price sensitivity, therefore price is one of consideration for consumers when purchasing a product or service (Adeleke & Suraju, 2012). (Adeleke & Suraju, 2012) exposed that the term price sensitivity is an important condition that influence the consumer decision making process whether to consume the product.

Price definition according to (Lupiyoadi & Putra, 2014) considered the difference between the benefit and cost. The greater the positive difference between the benefits received and the perceived costs, the greater the net amount of value, and if the product require consumer to pay outweigh the benefits the consumer received then the product

considered a negative value.

In the context of the low cost airline, (Amiruddin, 2013) explains that "the consumer demand lower fares but the consumer did not want the airline to reduce the service standard, they want a reduction in cost through efficiencies of the airline operation». Therefore lower price will be beneficial for the consumer, but the service should meet the standard services.

Pricing decisions are important to find out the consumer rating on the services, whether the consumer willing to pay higher prices for given services. Therefore the pricing decision influence the level of consumer loyalty (Lupiyoadi & Putra, 2014).

Pricing decision also important in the low cost airline since the price image constructed is lower fare prices. Therefore the variety of pricing decision should be consistent with the overall marketing strategy. This statement could be considered that the variety of pricing decisions should consistent with the promotion program. If the consumer consider that the price is higher than the benefit, then the promotion program will not successful. Furthermore since the product require consumer to pay greater than the benefits received, than the product has a negative value so that the level of consumer loyalty will also decrease, and vice versa (Lupiyoadi & Putra, 2014).

Promotion

Promotion is an attempt to communicate, introduce products or services to consumer, persuade the consumer to purchase and earn revenue from the sales. Maintain stable sales during a recession, acquire new consumer and maintain consumer loyalty. Delivering product differentiation and product benefit compared to the competitor. Promotion finally should be taken into account as an investment or cost, therefore, the success of the promotion reflected with the profit earn by the company.

In the context of the low cost airline, the airline promote the services frequently through the new media. Since the airline cannot sell the ticket inside the airport because of the regulation from the ministry of transportation, then the marketplace for the airline ticket transformed to the marketspace.

In the marketspace, the consumer frequently engaged with the company through the promotion program. The airline twitter also considered as the big five twitter follower for the company account (Socialbakers, 2015).

The exploratory service attribute research conducted in the Citilink twitter from October until March 2015 (Nugroho & Sihite, 2015) findings support that the twitter deliver promotional program such as the routes, quizzes and ticket promotion, call center information, tourism destination exposure and promotional gimmicks for the public in the market space. These promotional program (attached) reach many potential consumer in the market space, that will contribute sales for the company.

Therefore, the promotion program as part of the marketing mix influences the consumer loyalty through the engagement of the information to support the consumer repeat purchase. Vice versa, the consumer who didn't have the information about the product will not be able to repeat purchase, therefore, decrease the consumer loyalty (Pi & Huang, 2011).

Trust in Brand
Trust is an important factor in exchange, relate the seller and the buyer (Lin, 2013). Trust will create a sense of security and credibility, reducing the consumer's perception of risk in exchange (Bennett & Gabriel, 2001). Furthermore, brand trust is the willingness of consumers receive the benefit and also the risks. To receive the benefit of the brand and earn positive value for consumer. Therefore brand trust yield consumer confidence

toward the brand, and choose the goods or services a reference for consumer.

Trust is the expectation of brand reliability and good intention (Delgado-Ballester & Munuera-Alemán, 2005), based on this definition of trust, brand reflects two important components, which are reliability and intention. Reliability means the consumer believe that the products able to meet the promised value, the consumer expectation toward the brand and fulfill the need and satisfaction.

Intention mean that the consumer make a priority to consume the brand when the consumer need to satisfy the needs and wants. Consumer that trust in the brand will try to receive the same risk for the same brand.

Brand trust affect consumer satisfaction (Hess & Story, 2005) and loyalty (Morgan & Hunt, 1994). Trust in the brand is an experience based on consumer experience with a brand that would affect consumer decision making process, and satisfaction toward the brand.

Trust and commitment are the keys developing consumer loyalty, trust is a fundamental part of the commitment formation. Commitment has a tendency to stabilize the preference which is a key factor for loyalty (Morgan & Hunt, 1994).

Consumer Loyalty
Consumer loyalty is a major concern in the service industry, loyalty related with the consumer lifetime value and finally the revenue for the company. Long-term consumer for the company defined as a consumer loyalty. The Loyal consumer has some kind of permanent fanaticism toward the service (Lin, 2013).

The consumer loyalty reflected from the communication media such as the word of mouth, consumer action to recommend to the other consumer, and also the consumer repeat

purchases (Lin, 2013). The consumer loyalty represents a potential of sales occurred in the future.

The Loyal consumer is the consumer who is willing to repeat purchase from the same company. Didn't make any other purchase for other product lines. Earn a positive word of mouth for the company, and yield a bonding of service choices with the consumer.

There are 4 variabel described in the literature which are price, promotion, trust in brand and loyalty. These variable further reflected by several indicator. 4 of the price indicator derived from (Adeleke & Suraju, 2012), 5 of the promotion indicator derived from (Pi & Huang, 2011). 7 of the trust in brand indicator derived from (Koschate-Fischer & Gärtner, 2015), and finally there are 4 loyalty indicator derived from (Lin, 2013). These indicator delivered in table 1.

METHODS

The method to test the hypothesis of this research is the technique of structural equation modeling. Structural Equation Modelling (SEM) is a statistical model that is useful to explain the relationship between several variables.

SEM examine the structure of the association in a series of equations. These equations derived from the entire relationship between the constructs which consist of independent and dependent variables (Hair, Hult, Ringle, & Sarstedt, 2013).
In this research, SEM methods used are the Partial Least Square (PLS). PLS called as soft SEM for relaxed assumption compare with Covariance-based SEM.

Some of things that distinguishes PLS with other SEM analysis model: The data should not be multivariate Gaussian. Minimum of 30 > samples can be used in the analysis. PLS can be used to confirm the theory, and also can be used to

Table 1. Variabel and Indicator

Variable	Indicator
Price (X1)	I am paying the right price for Citilink service quality
(Adepoju, 2012)	I am not willing to pay higher price for Citilink service
	I am considering other airline if Citilink offer higher price
	I am considering to buy lower ticket price
Promotion (X2)	Citilink advertising is appealing
(Pi & Huang, 2011)	Citilink deliver a good information in the media promotion
	Citilink ticket promotion satisfy the consumer
	Consumer like the Citilink promotion program
	Citilink promotion program beneficial for me
Trust In Brand (X3)	I am confident Citilink deliver a good service
(Koschate-Fischer & Gärtner, 2015)	I believe in Citilink airline
	I am counting on Citilink airline
	I believe Citilink fullfill the promise
	I believe in the Citilink service
	I believe Citilink pay respect for the commitment
(Pi & Huang, 2011)	I believe Citilink make a priority for the customer value
Loyalty (Y)	I am not going to switch to the other airline
Lin (2013)	I am willing to buy Citilink other service
	I will recommend other to buy Citilink service
	I will deliver positive thing about Citilink

Source: Author

describe the relationship between latent variables. PLS simultaneously analyze constructs that consist of formative and reflective indicators. PLS able to estimate a large and complex models with latent variables and hundreds of thousands of indicators (Falk & Miller, 1992).

SEM PLS is very useful and powerful as a tool of analysis because the results are robust. Critics said that PLS result have a great bias, but on the basis of a simulation carried out, bias in PLS-SEM is very low in value.

(Hair et al., 2013) said that the SEM PLS methods is the silver bullet, a straight forward with accurate results if implemented correctly. In addition, SEM PLS also still have shortcomings in terms of model fit, because unlike covariance-based SEM that assumes tight statistics.

The SEM PLS method using the linearity assumption so it can gain a meaningful interpretation of the results of the regression coefficients (Darlington, 1990). Research done trying to understand reality existing in the consumer loyalty research. Through linear regression, we can use the data to test the assumption of linierity.

The regression analysis method in this study built from the models with Y as a result and X as a predictor (Hayes, 2013). The term predictor variables which are price, promotion, and trust in brand predict the dependent variables consumer loyalty.

This method also has the option for bootstrapping, Smart PLS generate the bootstrap confidence intervals for the measurement (Stine, 1989) (Efron & Tibshirani, 1994) (Bollen & Stine, 1993). Bootstrapping is an option to generate sub-samples from the original samples, this approach will strengthen the value of the coefficient.

This method will through several phases to evaluate the structural model, the first is to do a test of multicollinearity, followed by analyzing the relationships in the model, as well as estimating the effect from the model. Stages starting with test validity and reliability as well as collinearity (Hair, Anderson, Tatham, & William, 1998).

Multicollinearity test carried to find out there are no significant correlations between the predictor variables or independent variable in a model. A statistical test that is often used is the Variance Inflation Factor (VIF), the score of a good VIF is under 10. This research will be referring to the score suggested by (Hair et al., 1998) for the value of the VIF under 5.

The next step is to calculate the level of the R2 of dependent variables, that explain how the dependent variables can be explained by the predictor variables. Whereas the value of f2 illustrates that the independent variables having a predictive relevance against the dependent construct.

RESULTS AND DISCUSSION

The researcher collected 100 questionnaires in Soekarno-Hatta Airport at terminal 1C. The data collection divided into two sessions, the first session was conducted on October 31st, 2015 in the arrival hall and a second session was conducted November 4th, 2015 in the terminal of departure.

The descriptive profile of the respondent elaborated. There are 58% male respondent compare with 42% female respondent. 70% respondent are 17-27 years old, 14% respondent 28-38 years od and 14% respondent 39-49 years old. Furthermore there are 42% respondent have the income between Rp 2.500.001 – Rp 5.000.000, 37% respondent have the income less than Rp 2.500.001. There are 39% respondent are student / college student. 39% are private company employee.

This descriptive profile explains that the sample

of this research ids mostly student and a private employee, they have an of income less than Rp 5.000.000 and still young. This profile clearly implies that the respondent concern about the ticket prices, therefore they chose to travel with Citilink, the low-cost airline.

Validity & Reliability

All the indicator valid, furthermore the next phase is to conduct a reliability for the measurement indicator. Testing reliability is related to the suitability of the instrument (Hair et al., 1998). for the research. In this study, the estimate is Cronbach Alpha, a construct of reliability considered reliable if the value of Cronbach Alpha > 0.6 (Hair et al., 1998). Table 2 represent the reliability of the construct.

Table 2. Construct Reliability

Variable	Cronbach's	Remarks
Price	0,630	Reliable
Promotion	0,863	Reliable
Trust in Brand	0,907	Reliable
Loyalty	0,827	Reliable

Source: SPSS for Windows

Multicolinieity

Multicollinearity test conducted to see the value of VIF (Variant Inflated Factor). The results of these measurements delivered on table 3.

Table 3 show that the value of tolerance of each variable is greater than 0.1 and the VIF is smaller than 10. Therefore, there is no multicollinearity or a high correlation between independent variables.

SEM PLS Analysis

Simple analysis to test whether the variable X (Price, Promotion, Trust in Brand) directly affecting the variable y (Loyalty) conducted with the SmartPLS software. The test conducted for a direct relationship between Price → Loyalty (Not Significant).

Confidence intervals for bias-corrected bootstrap for direct influence (c =0.033) based on a sample of 500 bootstraps and not entirely located above 0 (-0.146 to 0.165). The results of this model also convey that Loyalty can be explained by the variable Price, Promotion and Trust in Brand as 58,5% (table 4). These results indicate that the Increasing price will influence the improvement of loyalty (Not Significant).

The test conducted for a direct relationship from Promotion → Loyalty (Significant). Confidence intervals for bias-corrected bootstrap for direct influence (c =0.355) based on a sample of 500 bootstraps and not entirely located above 0 (0.213 to 0.545). This result indicates that the Increasing promotion will influence the improvement of loyalty (Significant).

The test conducted for a direct relationship from Trust in Brand → Loyalty (Significant). Confidence intervals for bias-corrected bootstrap for direct influence (c =0.529) based on a sample of 500

Table 3. Multicolinieity Test

Model		Unstd Coeff		Std Coef	Collinearity Stat	
		B	SE	Beta	Tolerance	VIF
1	(Constant)	-2.528	2.397			
	Price	0.036	0.109	0.023	0.945	1.058
	Promotion	0.31	0.071	0.333	0.751	1.331
	Trust in Brand	0.351	0.05	0.542	0.727	1.376
a. Dependent Variable: Loyalitas						

Source: SPSS for Windows

Table 4. SmartPLS Result on Loyalty

Outcome: Loyalty							
Model Summary	R2	**Bias**	**LLCI**	**ULCI**	**se**	**t**	**p**
	0.585	0.008	0.453	0.737	0.077	7.45	0
Model	Coeff	Bias	LLCI	ULCI	se	t	p
Price	0.033	-0.007	-0.146	0.165	0.078	0.503	0.615
Promotion	0.355	0.013	0.213	0.545	0.086	3.694	0
Trust in Brand	0.529	-0.016	0.305	0.691	0.104	5.244	0
Effect Size	F2						
Price	0.033						
Promotion	0.355						
Trust in Brand	0.529						

Source: SmartPLS

bootstraps and entirely located above 0 (0.305 to 0.691). This result indicates that the Increasing trust in the brand will influence the improvement of loyalty (Significant).

Furthermore simple analysis to test whether the variable X (Price) directly affecting the variable y (Promotion) conducted with the SmartPLS software. The test conducted for a direct relationship from Price → Promotion (Significant).

Confidence intervals for bias-corrected bootstrap for direct influence (c =-0.216) based on a sample of 500 bootstraps and entirely located above 0 (-0.026 to -0.446). The results of this model also convey that Promotion can be explained by the variable Price as 5,2% (table 5). This result indicates that the Increasing price will influence the decreasing promotion (Significant).
Furthermore simple analysis to test whether the

variable X (Price) directly affecting the variable y (Trust in Brand) conducted with the SmartPLS software. The test conducted for a direct relationship between Price → Trust in Brand (Significant).

Confidence intervals for bias-corrected bootstrap for direct influence (c =-0.256) based on a sample of 500 bootstraps and entirely located above 0 (-0.452 to -0.182). The results of this model also convey that Trust in Brand can be explained by the variable Price as 6,4% (table 6). This result indicates that the Increasing price will influence the decreasing trust in the brand (Significant).

The findings can be summarized as follow. The path from price to loyalty fully mediated by variable promotion and trust in the brand, since the direct influence from price to loyalty is not significant. These finding also exposed that trust in the brand

Table 5. SmartPLS Result on Promotion

Outcome: Promotion							
Model Summary	R2	**Bias**	**LLCI**	**ULCI**	**se**	**t**	**p**
	0.052	0.025	0.001	0.184	0.044	0.596	0.551
Model	**Coeff**	**Bias**	**LLCI**	**ULCI**	**se**	**t**	**p**
Price	-0.216	-0.026	-0.446	-0.081	0.121	1.574	0.116
Effect Size	F2						
Price	-0.216						

Source: SmartPLS

Table 6. SmartPLS result on Trust in Brand

Outcome: Trust in Brand							
Model Summary	**R2**	**Bias**	**LLCI**	**ULCI**	**se**	**t**	**p**
	0.064	0.021	0.023	0.194	0.04	1.076	0.282
Model	**Coeff**	**Bias**	**LLCI**	**ULCI**	**se**	**t**	**p**
Price	-0.256	-0.007	-0.452	-0.182	0.088	2.603	0.01
Effect Size	F2						
Price	-0.256						

Source: SmartPLS

Table 7. Multi Step Model

Path	coeff	Path	coeff
Price → Promotion	-0.216	Promotion → Loyalty	0.355
Price → Trust in Brand	-0.256	Trust in Brand → Loyalty	0.529

Source: Author

Table 8. SmartPLS result on Price (Indirect effect)

Outcome: Loyalty							
Model	**Coeff**	**Bias**	**LLCI**	**ULCI**	**se**	**t**	**p**
Price (Indirect)	-0.216	-0.025	-0.398	-0.161	0.074	2.586	0.01

Source: SmartPLS

is the greatest effect size (0.529) toward loyalty compare with the promotion (0.355).

Table 7 also exposed the price sensitivity toward promotion, trust in brand and loyalty. Trust in the brand is the most sensitive variable affected by price (-0.256) compare to promotion (-0.216).

This findings reveal that price will affect trust in brand more severe compare with the promotion, nevertheless promotion and trust in brand is affected by price. Price itself affect the loyalty through the promotion and trust in brand variable. This findings in a line with the indirect effect findings. Table 8 show that there is an indirect effect (-0.216) between the variable price toward loyalty.

MANAGERIAL IMPLICATIONS

This research propose price as the predictor of loyalty, therefore the hypothesis is not significant. Price is mediated by the other variable which is trust in brand and promotion. Since loyalty is an enduring concept and price are an instrument of the marketing mix, these findings might elaborate that loyalty as an enduring concept influence by the most abstract concept such as the trust in the brand.

Trust itself developed within time and also an enduring concept. Trust developed by the company through interaction, just as the loyalty developed through interaction and repeat purchase.

The interesting findings for the managerial

implication are the price sensitivity toward the variable. These findings recommend practitioner to pay attention the level to maintain the trust of the consumer, since the price influence the loyalty bigger compare with the promotion.

There might be a threshold of the price that considered a fair price for a low-cost carrier. If the price delivered higher than the fair price for a low-cost carrier, the consumer will respond negatively to the brand.

Citilink image as a low-cost carrier also influences the perception of the consumer toward Citilink. The consumer expects lower price for the service delivered, and if they found out that Citilink offers higher prices compare with the other low-cost carrier, they will be disappointed.

Another managerial implication from the research findings is to deliver an information about prices through the promotion. Price affect promotion but promotion effected less severe compare with the brand. Therefore, the company could deliver information regards the ticket price via the promotion program.

The company could communicate the higher price through a promotion regards the service improvement. This kind of strategy could mitigate the harmful effect of higher price toward the consumer.

Furthermore, the consumer loyalty indicator with the highest mean loyalty was 3, I recommend my friends to use airline Citilink with mean + 3.43. This shows that the attitude of consumers who actively recommend good experience after using Citilink airlines. While the lowest indicator was loyalty, i.e. I don't want to move to other airlines with a mean

2.94, this shows that the majority of consumers still have options other than the Citilink.

Another managerial implication toward the ASEAN Economy Community (AEC) and a fierce competition ahead. Citilink should pay attention for the consumer trust in the brand. This reputation of the good name has achieved various awards, as well as Citilink parent company, Garuda Indonesia.

Citilink should be consistent in terms of timeliness of flights that the consumer can rely on. Furthermore, as a low-cost carrier, Citilink should retain the LCC concept by improving service quality, increase promotion elements in various media. Thus the promotion of well presented, easy to understand by the consumer.

CONCLUSION

Price do not have any effect on the Citilink airline's customer loyalty. These findings show that there are other influences that may affect customer loyalty airline Citilink through the mediating variable.

Price sensitivity affect trust in brand more severe compare to promotion, and trust in the brand is more effective to influence the consumer loyalty to compare with the promotion. Therefore, the consumer loyalty highly influenced by the mediating role of trust in the brand from the price.

The next research should take into account the moderating variable nor the moderated mediation in the model. This is due to the earlier findings that expose the existence of indirect effect from price to consumer loyalty. This indirect effect might be an interaction among another variable in the model. ∎

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