Advances in Economics, Business and Management Research, volume 222
Proceedings of the Eighth Padang International Conference On Economics Education, Economics, Business and Management, Accounting and Entrepreneurship (PICEEBA-8 2021)

Service-profit Chain Model: Citilink Indonesia

Ilham Thaib[1], Arief Maulana[2]*

[1,2] *Universitas Negeri Padang, Padang, Indonesia*
[*] *Corresponding author. Email: arief@fe.unp.ac.id*

ABSTRACT
PT Citilink Indonesia is a low-cost airline, with low costs PT Citilink Indonesia provides a simple modern quality service, but PT Citilink Indonesia has Sales Revenue continues to increase. This examine aims to observe the impact of Service Quality on Pricing with Customer Satisfaction, and Reuse Intention as intervening variables with the service-profit chain model at PT Citilink Indonesia. The population of this study is the passengers of PT Citilink Indonesia, West Sumatra. Meanwhile, the sample of this study was 287 and the research data was collected by accidental method, that is, the data was taken by chance and found by the researcher in the sample city by using a questionnaire. Testing the research hypothesis using Structural Equation Modelling with Smart PLS devices. The direction of the influence of the original sample value shows a positive value, there is an increase product quality variable while other variables remain the value of purchasing decisions will increase. The positive direction indicates that service quality has a positive effect on reuses intention. According on the test results, it is complete that the hypothesis is accepted, Except Service quality influence Pricing.

Keywords: *service quality, satisfaction, reuse intention, pricing*

1. INTRODUCTION

The aviation service industry is vital industry in Indonesia. Indonesia is dotted with about 17.000 islands and has a coastline of more than 5.000 kilometres. Airline (Air Transport) is an important part of connecting some more than 250 million people with an annual population growth of 1,49% [1] The air transport (airline) is going through a many companies and difficult time are looking for segmentation of service strategies to serve different target market segments. [2]

Service quality is becoming a requirement that the aviation industry must meet in order to survive and remain competitive. Passenger complaints about this service include cancellations, delays, ticketing, boarding, responsiveness, meals, treatment of delays, aircraft accidents and incidents. Such complaints can affect customer satisfaction and trust. Maintaining customer satisfaction is expected to build trust, which requires research into the impact of quality of service on trust and customer satisfaction [3]

2. LITERATURE REVIEW

Service Quality is a tool that adds value to passengers, leading to passenger loyalty and satisfaction [4] Passenger satisfaction and loyalty are essential to success in the aviation industry. It is vital for airlines to provide high-quality service to achieve loyalty and customer satisfaction. [5] airline; terminal; personnel services; visible image and empathy have a positive, significant impact and direct on Malaysia Airlines customer satisfaction [6] Service Quality is used as a competitive factor to differentiate it and create customers [7].

From previous research, it can be stated as follows: The quality of food on board is undoubtedly something that is very important in the aviation industry so that in research the food quality has a significant positive effect on Re-Flying Intention and Satisfaction [8], Service Quality Affects Perceptions of Price and WOM influence to increase Revisit Intention [9], Online aviation services and customer flight experiences are consistent with customer satisfaction and there is a link satisfaction and reuse services between, but Cost Value has a negative impact on Reuse Intention and Satisfaction Service Quality Significantly affect Reuse Airport and Destination Revisit [10] .Service Quality has a significant effect on Reuse Airport and Destination Revisit [10] Customers online aviation services and flight experiences are consistent with satisfaction of customer and there is a relationship between reuse services and satisfaction, but cost values negatively impact reuse intent and satisfaction. [11].

Customer Satisfaction, Reuse Intention, Service Quality and Sales Revenue. From previous research, it can be stated as follows: Satisfaction of Employee, and Loyalty affect Satisfaction of Customer, and affect Sales Revenue Using the Service Profit Chain Model [12]. In Yee's research, he tested the effect of Employee Satisfaction and Loyalty on Sales Revenue. Based on this, the researchers conducted research on Customer Satisfaction, Reuse Intention and Service Quality on Sales Revenue as Novelty in this study.

3. METHOD

The survey site was Sumatra Barat, and the survey target was Citilink, a domestic airline, and this survey was conducted in 2021. This study analyses the quality of service, satisfaction, intent to reuse, and price impact. Depending on the study, the study was described the causal relationship between variables, also known as descriptive research that identifies and explains the influence of variables between existing hypotheses and other variables. additional hypothesis. In addition to tests, this research was descriptive study to provide description of the variables. The method used this survey is the survey method. Therefore, survey a sample of the population and use the survey as primary of data collection. [1]. The samples of Citilink, a customer of a domestic air transport. The respondents to this survey are domestic passengers originating from Sumatra Barat. Questionnaire distributed to all passengers by questionnaire (Google Forms). The sample for this study was adjusted under the assumption of using Structural Equation Modelling (SEM). Haar et al. 1995. According on opinions, the sample size of survey is 10 times that of the metric survey (10 x 21 = 210). This survey contains a sample of 287 respondents.

The size of sample for this study was adjusted under the assumption of using Structural Equation Modelling. Haar et al, 1995. According on opinions, the sample size of this survey is 10 times that of the metric survey (10 x 21 = 210). This survey contains a sample of 287 respondents.

4. RESULT

The empirical models propose in this study, the test of the path coefficients in the structural equation model on the hypothesis test. the results of the validity check are show in table 1:

Table 1. Validity Test

	Pricing	Pricing_	Reuse Intention	Satisfaction	Service Quality
P1	0,788				
P1		0,787			
P3	0,862				
P3		0,882			
P4	0,757				
P4		0,736			
X1				0,847	
X2				0,867	
X3				0,892	
X4				0,890	
Y1			0,883		
Y2			0,853		
Y3			0,859		
Z2					0,815
Z3					0,875
Z4					0,899
Z5					0,845
Z6					0,933
Z7					0,902

The results of loading factors on all variables can be shown in the figure 1.

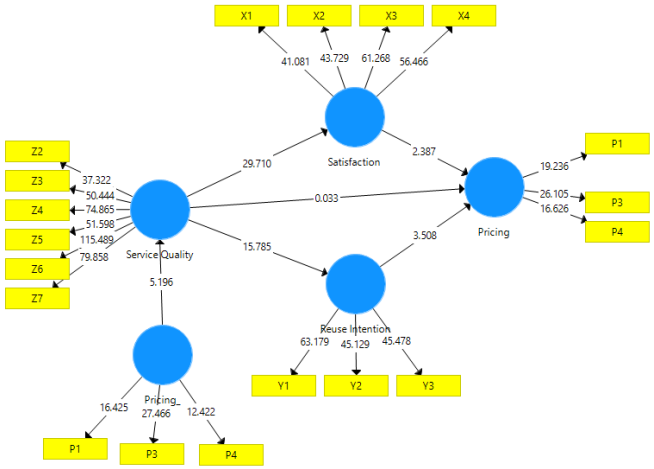

Figure 1. A Validity Test

According to the results of the validity test, it can be seen that the variables used have a value greater than the established criterion, namely 0.70. This means that the questionnaire is used consistently as a measurement tool.

Table 2. Reliability test results

	Cronbach's Alpha	Composite Reliability
Pricing	0,724	0,845
Pricing_	0,724	0,845
Reuse Intention	0,832	0,899
Satisfaction	0,897	0,928
Service Quality	0,941	0,953

According to results of the reliability test, it could be seen that the variables used already have values above the established criteria, namely 0.70. This means that the questionnaire used has consistency as a measuring tool.

The evaluation of the predictive model importance in structural model testing can be seen from the P-Value, if the P-value is less than 0.05 or 5%, it means the relationship has an influence. significant and if P-Value is greater than 0.05 or 5%, it means it is insignificant. Judging from the initial sample, if the initial sample value is positive, the direction of the effect is positive, and if the initial sample value is negative, the direction of the effect is negative. between the dependent and independent variable on the Path Factor array on the SmartPLS output. The value of test this study hypothesis can be presented in Table 3 as follows:

Table 3. P-Value

	P Values
Pricing_ -> Service Quality	0,000
Reuse Intention -> Pricing	0,000
Satisfaction -> Pricing	0,017
Service Quality -> Pricing	0,973
Service Quality -> Reuse Intention	0,000
Service Quality -> Satisfaction	0,000

Table 3, we can see that the original sample value is 0.270 and has a significance of 0.05 or less than 5%, and the Pvalue is 0.000 and is less than 0.05. This means that it has a big impact on the relationship. The direction of the influence of the original sample value shows a positive value, there is an increase product quality variable while other variables remain the value of purchasing decisions will increase. The positive direction indicates that quality of service has a positive effect on reuse intention. Based on the test results, it can be concluded that the hypothesis is accepted, Except Service quality influence Pricing.

6. CONCLUSION

- The research it could be concluded that Service quality have positive impact on Pricing, Reuse Intention, and Satisfaction.
- Satisfaction has positive impact on Pricing.
- Reuse Intention has positive impact on satisfaction.
- Pricing has positive impact on service quality.
- here is a positive and important quality of service when it comes to intent and satisfaction, but not when it comes to pricing. Quality of service does not directly affect pricing, but quality of service indirectly affects pricing.

ACKNOWLEDGMENTS

The authors would like to thank Lembaga Penelitian dan Pengabdian Masyarakat Universitas Negeri Padang for funding this work with a contract number: 616/UN35.13/LT/2021.

REFERENCES

[1] Hasniaty. (2015). Customer Perception On Products, Pricing, Service Quality, Towards Customer's Quality Relationships And Loyalty Of Domestic Airlines, Indonesia. INTERNATIONAL JOURNAL OF SCIENTIFIC & TECHNOLOGYRESEARCH, 4(12), 181–188. www.ijstr.org

[2] Gilbert, D., & Wong, R. K. C. (2003). Passenger expectations and airline services: A Hong Kong based study. Tourism Management, 24(5), 519–532. https://doi.org/10.1016/S0261-5177(03)00002-5

[3] Setiawan, E. B., Wati, S., Wardana, A., & Ikhsan, R. B. (2020). Building trust through customer satisfaction in the airline industry in Indonesia: Service quality and price fairness contribution. Management Science Letters, 10(5), 1095–1102. https://doi.org/10.5267/j.msl.2019.10.033

[4] Wahab, Z., Sukati, I., & Li, L. H. (2015). Measuring the malindo airline passenger's satisfaction. Asian Social Science, 11(18), 233–245. https://doi.org/10.5539/ass.v11n18p233

[5] Khudhair, H. Y., Jusoha, A., Mardania, A., Nora, K. M., & Streimikieneb, D. (2019). A Conceptual Model of Customer Satisfaction: Moderating Effects of Price Sensitivity and Quality Seekers in the Airline Industry. Contemporary Economics, 13, 283+. https://link.gale.com/apps/doc/A611171034/AONE?u=anon~98f00679&sid=googleScholar&xid=147a237d

[6] Farooq, M. S., Salam, M., Fayolle, A., Jaafar, N., & Ayupp, K. (2018). Impact of service quality on customer satisfaction in Malaysia airlines: A PLS-SEM approach. Journal of Air Transport Management, 67, 169–180. https://doi.org/https://doi.org/10.1016/j.jairtraman.2017.12.008

[7] Randhir, R. (2018). Assessing The Level Of Service Quality And Customer Satisfaction At Emtel Ltd. Academy of Marketing Studies Journal, 22(2).

[8] Han, H., Lee, K. S., Chua, B. L., Lee, S., & Kim, W. (2019). Role of airline food quality, price reasonableness, image, satisfaction, and attachment in building re-flying intention. International Journal

of Hospitality Management, 80, 91–100. https://doi.org/10.1016/j.ijhm.2019.01.013

[9] Liu, C. H. S., & Lee, T. (2016). Service quality and price perception of service: Influence on word-of-mouth and revisit intention. Journal of Air Transport Management, 52, 42–54. https://doi.org/10.1016/j.jairtraman.2015.12.007

[10] Prentice, C., & Kadan, M. (2019). The role of airport service quality in airport and destination choice. Journal of Retailing and Consumer Services, 47, 40–48. https://doi.org/10.1016/j.jretconser.2018.10.006

[11] Park, E., Jang, Y., Kim, J., Jeong, N. J., Bae, K., & del Pobil, A. P. (2019). Determinants of customer satisfaction with airline services: An analysis of customer feedback big data. Journal of Retailing and Consumer Services, 51. https://doi.org/10.1016/j.jretconser.2019.06.009

[12] Yee, R. W. Y., Yeung, A. C. L., & Cheng, T. C. E. (2011). The service-profit chain: An empirical analysis in high-contact service industries. International Journal of Production Economics, 130(2), 236–245. https://doi.org/10.1016/j.ijpe.2011.01.001