

The Effect of Brand Awareness, Service Quality and Airline Pricing Policy on Consumer Preferences

Syofia Sofatunisa Ramdayani

Universitas Terbuka, Indonesia

*Corresponding Author: syofia.sofatunisa@ecampus.ut.ac.id

ARTICLE INFO

Received: 14 August 2026

Revised: 24 September 2026

Accepted: 27 September 2026

Keywords: Brand Awareness, Service Quality, Pricing Policy, Consumer Preference, SEM PLS

ABSTRACT

Recent changes in baggage fee policies and fluctuations in ticket prices on Low-Cost Carrier (LCC) airlines pose a challenge for airlines to sustain passenger loyalty within a highly competitive market. Existing research indicates conflicting findings regarding the impact of price adjustments and service quality on repeat purchase intentions. To address this empirical gap, this study investigates the effect of brand awareness, service quality, and airline pricing policy on Citilink's consumer preference at Hang Nadim Airport. Analyzing survey data from 103 passengers using Partial Least Squares Structural Equation Modeling (PLS-SEM), the validated model accounts for 63.1% of the variance in consumer preference. The results indicate that brand awareness, service quality, and airline pricing policy have a significant effect on consumer preference, with airline pricing policy being the predictor with the largest path coefficient. These findings are expected to be policy material for airlines in implementing low ticket price policies optimally.

DOI: <https://doi.org/10.24036/ecogen.v9.i3.133>



This is an open access article distributed under the Creative Commons 4.0 Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. ©2026 by author.

INTRODUCTION

Transportation services play a crucial role in increasing public mobility as well as developing the economy, especially in Indonesia, an archipelagic country (Mulyono, 2023). To meet the high demand for efficient and fast travel, low-cost carriers (LCCs) have become the top choice for consumers looking for budget-friendly flights (Jaya, 2021). However, the highly competitive airline market forces LCCs to constantly balance affordable ticket prices with adequate service standards. Recent changes in airline pricing policies, especially the introduction of paid baggage regulations, have pushed

consumers to be more rational and selective when choosing airlines. As a result, airlines face a critical challenge in understanding how price adjustments and service quality directly influence passenger preferences and travel decisions. With the existence of a system effective transportation, the public can easily access various facilities important like education, services, health, location jobs, and centers economy others. (Shamdasani, 2021) explained that with existence system transportation is essential for fulfilling need connection economic and social as well as give chance for individual to increase their mobility. In economic terms, transportation becomes the foundation of distribution logistics and trade. Without the existence of service transportation activity, social and economic will experience significant obstacles. The community will experience difficulty in traveling, distribution goods will become slower, and sea area remote will become the more isolated. This ultimately can cause stagnation in development and widen the gap between regions.

As a Low-Cost Carrier (LCC), Citilink operates in a market segment that is very price-sensitive, where consumer preferences are theoretically shaped by specific drivers. First, the airline's pricing policy can be considered the most dominant factor; because LCC consumers essentially seek cost efficiency, additional separated fees like new baggage charges directly affect their perceived value and purchase interest. Second, although passengers accept reduced extra amenities in exchange for lower prices, basic service quality standards including flight routes, ease of check-in, and staff responsiveness remain crucial for maintaining satisfaction and preventing customer churn (Johan, 2024). Finally, in the busy airline market where competitors offer similar routes and pricing structures, brand awareness acts as an important mental shortcut. Well-known brands reduce perceived risk, making consumers more likely to choose a familiar airline over competitors. As an LCC, Citilink seeks to offer airfares at the most economical prices possible (Nur et al., 2022). Collectively, these three constructs theoretically form the foundation of consumer decision-making in the LCC sector, highlighting the need for a comprehensive evaluation Low-Cost Carrier (LCC). Price is a crucial element influencing consumers' interest in purchasing airline tickets, alongside flight routes and the service standards provided by airlines (Johan, 2024). Companies in aviation industry can gain a positive response from consumers by formulating and implementing clear ticket pricing policy. The government sets broad industry parameters, including upper and lower limit tariffs, to ensure market stability and flight safety (Isrami Yuristiana & Sudiro, 2021), while individual airlines have the freedom to create their own commercial pricing, promotional fares, and supplementary fees. A Low-Cost Carrier like Citilink's pricing policy involves structuring and communicating base fares and unbundled service charges, including paid baggage regulations. Following the wide industry

adaption of paid baggage policies, consumers have become more selective and rational in evaluating airlines fares against the travel budget (Putra, A. & T. Nuning, 2023).

The decision to formulate and implement a rule is part of public policy, which according to (Dr. Joko Widodo, 2021; Masiero et al., 2024) define as a series of actions chosen by the government to reach certain objectives in society. In the aviation industry, one concrete step that companies can take to gain a positive response from consumers is to formulate and implement clear ticket pricing policies. Upper limit fare is the highest cost service that can be imposed by the scheduled commercial airline, calculated based on distance component. Upper limit tariff is set to protect user services for airlines with no apply rates tickets are too expensive, whereas the lower limit fare is the lowest that can be imposed by the airline flight commercial scheduled. Meanwhile, the lower limit rate aims to avoid unhealthy competition between airlines and guarantee the continuity operational as well as safety flight. Both upper and lower limit rates must be obeyed by all airline flights, so that the price of aircraft tickets remain under the upper and lower limit rates ((Isrami Yuristiana & Sudiro, 2021).

In the aviation industry, a clear conceptual distinction must be maintained between macro-level government regulations, core airline pricing decisions, and specific ancillary fees. Government-imposed upper and lower limit fare regulations, established under national aviation laws, represent external regulatory policies enforced by authorities to maintain fair market competition, prevent predatory pricing, and ensure operational safety. Regulatory parameters differ from a commercial airline's internal pricing decisions, which include how a carrier like Citilink sets base fares, promotional rates, and unbundled costs such as paid baggage policies. Therefore, the construct of airline pricing policy does not represent macro-level government regulations, rather, it specifically captures the consumer-facing dimension of Citilink's pricing strategy. It reflects passengers's subjective perceptions regarding the fairness, suitability, and cost-efficiency of Citilink's fare structures and supplementary baggage fee policies. By focusing on this specific aspect, the study evaluates how consumers cognitively and emotionally process these pricing decisions when forming their overall travel preferences.

Table 1. Number of Citilink Airline Passengers at Hang Nadim Airport in 2025

January	February	March	April	May
34861	30.274	40.444	37.341	21.210

Source: Citylink Hang Nadiem (2025)

Table 1 show number of Citilink airline passengers in five months last, namely, January to May 2025, which experienced a quite fluctuation during this five-months period. Meanwhile, the ticket rates are influenced by external factors such as fluctuations in the price of aviation fuel, airline-related capacity policies, and weather conditions that may influence operational timetables.

A previously study showed that the effect of pricing and service quality on airline consumer choice have yielded inconsistent results which can be attributed to various theoretical, contextual, methodological, and population specific factors. From a methodological perspective, differences often arise due to variations in the analytical framework for example, comparing traditional regression models with structural equation modeling (SEM-PLS) which capture direct relationships versus complex multidimensional relationships differently. Contextually and theoretically, studies showing insignificant price effects (e.g., Arif, 2019) usually evaluate full-service airlines or general purchase intentions under stable market conditions where brand loyalty diminishes the impact of small fare changes. On the other hand, studies showing significant negative or positive impacts (e.g., Fadhila et al., 2019); (Hi & Rahman, 2023); (Nur et al., 2022); mostly occur in Low-Cost Carrier (LCC) environments or periods characterized by sharp regulatory cost adjustments, such as the implementation of mandatory baggage fees and post-pandemic mobility recovery. Meanwhile, research (Hidayat & Samputra, 2020) gives a corner view evaluative, which analyzes that quality service of airline often considered no satisfying after policy increase rates ticket exist, which shows there are any gap between price and perception accepted value customers. Even though these contributions exist, there's still a clear empirical gap: the existing literature mostly treats airline pricing policies, service quality, and brand awareness as separate constructs without comprehensively examining their predictive hierarchy together at secondary airports like Hang Nadim Airport in Batam where regional route networks and specific airline operating models create unique consumer sensitivities. While previous research shows that fare changes affect travel interest, it's still unclear how an integrated framework of brand introduction, core service delivery, and separate pricing structures collectively shapes passenger preferences in the regional LCC market. This study tackles this unresolved gap by using PLS-SEM to evaluate these simultaneous dynamics among Citilink passengers at Hang Nadim Airport.

Collectively, previously literatures underline the importance of balancing policy competitive rates with quality adequate service to maintain the interest and satisfaction of consumers in the middle aviation market. Increases rates of tickets policy in Citilink become a challenge for company to maintain faithfulness customers and sales tickets. The passengers who previously enjoyed service-free baggage or with low rates now must adapt budget journeys with cost enough extra high. The higher price of the tariff

can lower request of customers journey to choose aircraft (Fadhila et al., 2019). This matter can lower interest in service airline Citilink, especially among sensitive customers to price. These consequences can also harm Citilink competitor's position in the increasingly competitive domestic aviation market. Therefore, it is essential to conduct analysis about effect policy rates tickets to amount passengers to produce optimal profit. In addition, brand awareness plays a crucial role as a cognitive mechanism in shaping consumer preference, alongside pricing and service quality, in the airline industry. Brand awareness is defined as the consumer's ability to remember and recognize a brand in various situations. In the highly competitive low-cost carrier (LCC) market, where many airlines offer the same routes at much lower prices, a strong brand becomes an important shortcut in decision-making because it reduces perceived purchase risk and simplifies the decision-making process. Empirical literature often overlooks how brand recognition interacts with structural pricing policies and service quality simultaneously at secondary regional hubs, while previous studies mostly focus on brand awareness in the context of full-service airlines or general brand choices. It's still unclear whether familiarity with a brand can reduce negative consumer reactions to separate price changes, like paid baggage fees. This study bridges the empirical gap by combining brand awareness with service quality and pricing policy to offer a comprehensive assessment of passenger preference in regional low-cost carrier operations.

This study integrates Perceived Value Theory and Brand Signaling Theory to explain the mechanisms underlying consumer preference in the low-cost carrier (LCC) sector. The concept of consumer choice, as outlined by Perceived Value Theory, hinges on a cognitive balancing act between the perceived advantages (including core transportation and service quality) and the perceived drawbacks (comprising base fares and additional charges such as paid baggage fees) that customers must endure (Balkhis et al., 2021). In a low-cost carrier setting, pricing policy is a primary factor in determining economic sacrifice; when fare structures or extra charges are seen as fair and transparent, the overall perceived value rises, thereby increasing consumer preference. Service quality acts as a qualitative benefit that offsets monetary costs, thereby preventing cost-efficiency from compromising basic operational reliability (Johan, 2024; Namukasa, 2013).

According to Brand Signaling Theory, services with high credence and intangible attributes lead to information asymmetry for consumers. In competitive airline markets where multiple carriers offer similar routes, brand awareness serves as a potent external indicator of reliability, market stability, and a firm's credibility. A consumer's familiarity with a brand decreases perceived purchase risk and cognitive uncertainty, acting as a mental shortcut that influences decision-making (Koech et al., 2023). Collectively, brand awareness, service quality, and pricing policy operate through distinct psychological

and economic mechanisms, including risk reduction, benefit evaluation, and sacrifice assessment, to shape passenger preferences.

This study addresses a critical theoretical gap by offering a simultaneous, integrated structural model, whereas prior literature mainly examines pricing, service quality, and brand awareness independently or within full-service airline contexts, within a secondary regional aviation hub, namely Hang Nadim Airport. The primary theoretical contribution of this research is in demonstrating the predictive hierarchy and trade-off dynamics among competing consumer drivers in a regional LCC market, unlike previous studies which treat these constructs in isolation. This study reveals how cognitive risk-reduction mechanisms (brand awareness) and experiential benefits (service quality) interact with economic sacrifice evaluations (pricing and baggage policies) in the context of post-pandemic mobility recovery and revised low-cost carrier cost structures. This study extends consumer behaviour theory and pricing elasticity models by establishing the relative dominance of pricing policy over brand and service constructs in a secondary hub's operational ecosystem of regional archipelagic aviation. Based on the description, the purpose of this study is to evaluate the effect from brand awareness, service quality and existence policy about change rate on aircraft's user preference of Citilink in Batam. Focus from this study is very important because the brand, service, and air pricing policy can directly influence the behavior of customers and performance airline. Broad understanding about the mentioned variables can help flight company recognize the most affected market segments so that the service strategy can be customized better. Through a comprehensive approach, company flight can reduce risk lost customer consequence policy price that is not appropriate and strengthen position in an increasingly market competitive.

METHOD

This study used a quantitative explanatory approach and the data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). According to (Purwono et al., 2021), quantitative research focus on testing hypothesis, which involves measured variables using instrument standard, analyzed through procedure statistics, and then the result served in form numbers. The construct consisted of brand awareness (X1), service quality (X2) and airline pricing policy (X3). The population of this study consisted of all passengers who utilised Citilink services at Hang Nadim Airport, Batam. The accessible population was defined as all eligible Citilink passengers departing from Hang Nadim Airport during the specific survey observation period, who had flown with the airline at least once and met the inclusion criteria. The target population of this study consisted of all passengers who utilised Citilink airline services. The accessible population was defined as Citilink passengers departing from Hang Nadim Airport in

Batam, given the practical boundaries of the operational area. Respondents were chosen using a non-probability sampling method, namely purposive sampling, which was guided by specific selection criteria: participants had to be at least 17 years old, have the authority to make decisions about ticket purchases, and have flown with Citilink at least once in the preceding months.

Although the sample size consists of 103 respondents, it is methodologically adequate for estimating the proposed Partial Least Squares Structural Equation Modeling (PLS-SEM) model. In accordance with established guidelines for PLS-SEM (such as the "10-times rule" or minimum sample size requirements for structural models with a maximum of three predictors pointing at a single endogenous construct), a sample size exceeding 100 observations provides sufficient statistical power. The variables in this study consist of three independent variables and one dependent variable. The independent variables are brand awareness, service quality, and airline pricing policy, while the dependent variable is consumer preference. Each variable was measured using indicators developed from the questionnaire distributed to Citilink passengers at Hang Nadim Airport. The measurement used a Likert scale, ranging from 1 to 5, where a higher score indicates a stronger positive perception of the measured construct. The analysis involves assessing the measurement model via outer loading, Cronbach's Alpha, Composite Reliability, Average Variance Extracted, and HTMT, and subsequently evaluating the structural model using path coefficient, bootstrapping, R-square, and Q-square.

Data Collection Procedure

Data were collected using a structured survey at Hang Nadim Airport, Batam. Passengers were approached in the public departure waiting areas and boarding lounges before their flights. The questionnaire was administered in a hybrid format, using both paper-based questionnaires and digital forms accessed via QR codes, allowing respondents to complete it during their waiting time. Respondents were selected using purposive sampling, with a mandatory screening question at the beginning of the instrument to ensure that only passengers who had flown with Citilink at least once could proceed. An introductory statement explained the academic purpose of the study, guaranteed the confidentiality and anonymity of responses, and emphasized that participation was voluntary, with respondents free to withdraw at any stage. After screening for completeness and eligibility, a total of 103 valid responses were retained for the PLS-SEM analysis.

Hypotheses Development

The Effect of Brand Awareness on Consumer Preference

A consumer's ability to recall and recognise a brand within a specific category is represented by brand awareness, which plays a vital role as a cognitive heuristic during purchase decisions. In the highly competitive Low-Cost Carrier (LCC) sector, passengers often compare and evaluate several airlines offering similar routes and basic fares. A well-established brand, based on Brand Signaling Theory, serves as an external indicator of market stability, reliability, and firm credibility, thereby decreasing consumer-perceived purchase risk and cognitive uncertainty. Passengers who are more familiar with an airline's identity are more likely to choose that carrier when planning their travel. Research by (Fauziah, S., & Daraja, 2022; Koech et al., 2023) has provided further evidence that brand recognition has a significant impact on consumer attitudes and purchasing decisions towards airline services. It is hypothesised that brand awareness will have a positive effect on consumer preference.

The Effect of Service Quality on Consumer Preference

The overall excellence, reliability, and convenience of service touchpoints, including ticket purchasing, check-in procedures, baggage handling, and in-flight assistance, are evaluated by consumers as part of service quality. Service quality serves as a primary qualitative benefit component, as per Perceived Value Theory, which passengers consider in relation to their monetary sacrifices. Customer expectations demand that a minimal threshold of reliable service delivery be met, even if primary motivation for passengers of Low Cost Carriers (LCC) is economic efficiency, which if unfulfilled could lead to a high risk of customer churn (Johan, 2024; Namukasa, 2013). Airline passenger satisfaction and preference increase when consistent service reliability is maintained across operational touchpoints (Jiang & Zhang, 2016). It is hypothesised that service quality is consequently as follows.

The Effect of Airline Pricing Policy on Consumer Preference

Airline pricing policies are influenced by passengers' subjective views on the fairness, affordability, and suitability of base fares and additional charges, including paid baggage fees. According to Perceived Value Theory, pricing policy represents the direct economic sacrifice demanded from consumers. Fare adjustments and additional cost structures in price-sensitive LCC markets heavily influence how consumers evaluate net value. Consumer preference for travel is strongly reinforced when pricing policies and fee structures are perceived as fair, transparent, and aligned with market standards, but is diminished by perceived excessive or uncompensated costs (Fadhila et al., 2019; Hi &

Rahman, 2023). Airline pricing policy is thus hypothesised to have a significant impact on consumer preference.

RESULT AND DISCUSSION

RESULTS

Descriptive Statistic

The descriptive statistics reveal that all variables have mean values exceeding the midpoint of the Likert scale. Respondents generally provided positive responses towards all variables in the study.

Table 2. Descriptive Statistic

Statistic	Brand Awareness	Service Quality	Airline Pricing Policy	Consumer Preference
Mean	4.427184	4.326213592	3.645631068	4.104368932
Standard Error	0.0475	0.047774798	0.112858576	0.059895949
Median	4.5	4.1	4	4
Mode	4	4	4	4
Standard Deviation	0.48207	0.484861243	1.145389453	0.607877487
Sample Variance	0.232391	0.235090425	1.311917	0.369515039
Range	1.5	2.1	4	2.5
Minimum	3.5	2.9	1	2.5
Maximum	5	5	5	5
Sum	456	445.6	375.5	422.75
Count	103	103	103	103

Source. Data Processed in 2026

Based on table 2, respondents generally provided positive responses towards all variables in the study. Brand awareness variable has the highest mean value of 4.427, indicating that respondents' perceptions of Brand Awareness are in the very high category. The median value of 4.5 and mode value of 4 show that most respondents tended to answer agree or strongly agree. The standard deviation of 0.482 indicates that respondents' answers were relatively homogeneous. The minimum value of 3.5 and maximum value of 5 suggest that there were no very low responses for brand awareness. Therefore, brand Awareness was perceived very positively by the respondents. The service quality variable has a mean value of 4.326, signifying a very high category. The median response of 4.1 and mode response of 4 suggest that the majority of respondents concurred with the statements associated with service quality. A standard deviation of 0.485 suggests that the variation in respondents' answers was relatively low. Most respondents had a consistent perception of service quality. The fact that the minimum

value is 2.9 and the maximum value is 5 suggests that although some respondents gave lower ratings, the overall perception of service quality is positive. The airline pricing policy variable has a mean value of 3.646, suggesting that respondents perceive airline pricing policy as high, albeit lower than brand awareness, service quality, and consumer preference, while its standard deviation of 1.145, the highest among all variables, indicates greater variability in respondents' answers regarding airline pricing policy. The range of 1 to 5 indicates that some respondents gave very low ratings, while others provided very high ratings. A skewness value of -0.955 indicates that the distribution is negatively skewed, implying that the majority of responses were high, but a few low responses dragged the distribution downwards. Airline pricing policy was viewed positively, it showed greater inconsistencies and lower overall ratings compared to the other variables.

The mean value of 4.104 for the consumer preference variable indicates that consumer preference falls within the high category. The median and mode values of 4 suggest that most respondents agreed with the statements related to consumer preference, indicating a high level of consensus. The standard deviation of 0.608 implies that respondents' answers were relatively stable, albeit slightly more varied than those for brand awareness and service quality. Consumer preference was generally positive, with a small number of respondents giving moderate evaluations, as indicated by the fact that the minimum value was 2.5 and the maximum value was 5.

Measurement Model Evaluation

The measurement model was assessed to guarantee that the constructs utilised in the study were valid and reliable. The assessment comprised outer loading, Cronbach's Alpha, Composite Reliability, and Average Variance Extracted. The results are shown in Table 3.

Table 3. Reliability and Convergent Validity

Construct	Cronbach's Alpha	Composite Reliability	AVE	Minimum Outer Loading	Decision
X1	0.770	0.897	0.813	0.886	Valid and reliable
X2	0.956	0.963	0.721	0.745	Valid and reliable
X3	0.816	0.916	0.844	0.918	Valid and reliable
Y	0.864	0.909	0.715	0.724	Valid and reliable

Source. Data Processed in 2026

Table 3 results indicate that all constructs satisfy the recommended standards for reliability and convergent validity. The Cronbach's Alpha values are above 0.70,

suggesting that the indicators within each construct exhibit satisfactory internal consistency. The Composite Reliability values are above 0.70, further confirming the reliability of the constructs. The AVE values are above 0.50, suggesting that each construct accounts for more than half of the variance in its indicators. All minimum outer loading values are greater than 0.70. The indicators employed in this study are deemed to be valid and reliable for assessing their corresponding constructs.

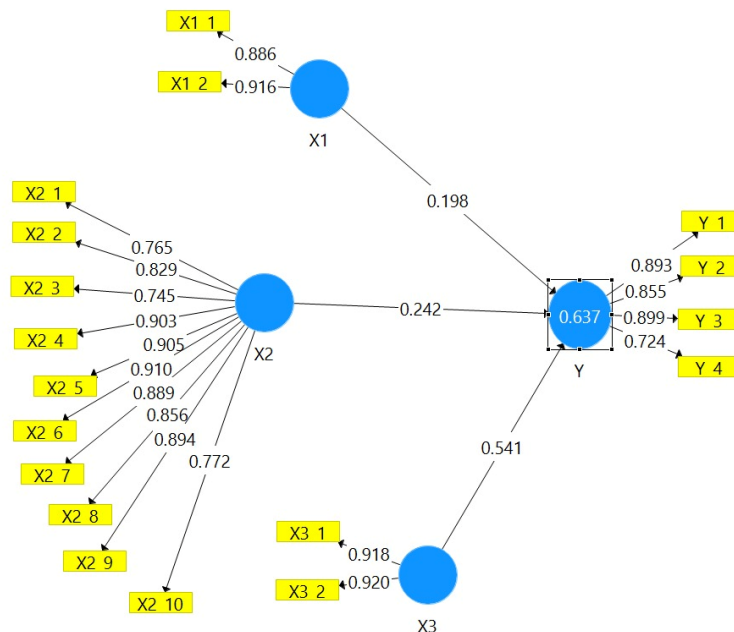


Figure 1. SEM-PLS Algorithm Result

Source. Data Processed in 2026

The results of the PLS-SEM algorithm are depicted in Figure 1, demonstrating the relationship between brand awareness, service quality, airline pricing policy, and consumer preference. The model consists of three exogenous constructs, namely brand awareness, service quality, and airline pricing policy, and one endogenous construct, namely consumer preference, with all indicators showing loading values greater than 0.70. The brand awareness construct is measured by two indicators, with factor loadings of 0.886 and 0.916 respectively. The service quality construct is measured by ten indicators, with loading values ranging from 0.745 to 0.910. The airline pricing policy construct is measured by two indicators with factor loadings of 0.918 and 0.920. The Y construct is measured by four indicators, with loading values ranging from 0.724 to 0.899. The results suggest that all indicators are reliable in measuring their corresponding underlying constructs.

The structural model results indicate that all exogenous variables have a positive impact on consumer preference. Airline pricing policy has the highest path coefficient at 0.541,

followed by service quality with a path coefficient of 0.242, and then brand awareness with a path coefficient of 0.198. Air pricing policy has the greatest influence on consumer preference, with service quality being the second most significant factor and brand awareness being the least influential. Airline pricing policy seems to have the greatest impact on consumer preference, with service quality and brand awareness also playing a positive role.

Discriminant Validity

The Heterotrait-Monotrait Ratio was used to assess discriminant validity. The HTMT criterion was employed to establish whether each construct in the model represented a distinct concept. The results are shown in Table 4.

Table 4. HTMT Results

Construct Relationship	HTMT
X1 – X2	0.844
X1 – X3	0.330
X1 – Y	0.624
X2 – X3	0.521
X2 – Y	0.692
X3 – Y	0.843

Source. Data Processed in 2026

The HTMT results show that all construct relationships have values below 0.85. This indicates that the constructs in the model have adequate discriminant validity. In other words, X1, X2, X4, and Y represent different concepts and do not overlap excessively. Therefore, the model satisfies the discriminant validity requirement and can be continued to the structural model assessment.

Structural Model Evaluation

The structural model was then evaluated to assess the impact of brand awareness, service quality, and airline pricing policy on consumer preference, following validation of the measurement model's validity and reliability. The results of the hypothesis testing are shown in Table 5.

Table 5. Path Coefficient and Hypothesis Testing

Hypothesis	Relationship	Path Coefficient	T-statistic	P-value	Decision
H1	X1 → Y	0.198	2.192	0.029	Supported
H2	X2 → Y	0.242	2.043	0.042	Supported
H3	X3 → Y	0.541	5.75	0.000	Supported

Source. Data Processed in 2026

The results show that all hypothesized relationships are positive and statistically significant. Brand awareness (X1) has a positive and significant effect on consumer preference, with a path coefficient of 0.198 and a p-value of 0.029. This indicates that fare-related considerations remain relevant in shaping consumer preference for Citilink at Hang Nadim Airport.

The variable Service quality (X2) has a significant and positive impact on consumer preference, with a path coefficient of 0.242 and a p-value of 0.042. The discovery suggests that service-related factors play a significant role in passengers' preference for choosing Citilink. Passengers evaluate airlines on more than just ticket prices, taking into account the quality and convenience of the services they receive.

The most significant effect is observed in the relationship between airline pricing policy (X3) and consumer preference (Y). The path coefficient of 0.541 and p-value of 0.000 in airline pricing policy indicate a strong and significant effect. The research findings indicate that the factor represented by airline pricing policy has the greatest influence on consumer preference. The greatest impact on enhancing passenger preference for Citilink is expected to come from improvements in this area. The explanatory power of the model is shown in Table 6.

Table 6. Coefficient of Determination and Predictive Relevance

Endogenous Variable	R-square	Adjusted R-square	Q-square
Consumer Preference	0.637	0.626	0.567

Source. Data Processed in 2026

The R-square value of 0.637 signifies that brand awareness, service quality, and air pricing policy account for 63.7% of the variance in consumer preference. The model has considerable explanatory power in explaining passengers' preference for Citilink at Hang Nadim Airport. The model's stability is confirmed by an adjusted R-square value of 0.626, even after taking into account the number of predictors. The model's predictive relevance is indicated by a Q-square value of 0.567 being greater than zero. For ease of reading and comprehension, findings are presented first, followed by discussion. It should provide a concise and precise description of the experimental results, the interpretation, and the conclusions that can be drawn. The Result subtitle and Discussion subtitle are presented separately.

DISCUSSION

The Effect of Brand Awareness on Consumer Preferences

The structural model reveal a positive and statistically significant structural relationship between brand awareness and consumer preference for Citilink at Hang Nadim Airport.

The hypothesis that brand awareness significantly influences consumer preference is supported, as the associated p-value is less than 0.05. Passengers' familiarity with the Citilink airline brand appears to have a significant impact on their preference for the airline when making a travel choice. In the context of low-cost carrier competition, passengers tend to select airlines that are familiar to them, easily remembered, and perceived as trustworthy. A well-established airline brand can mitigate uncertainty in the decision-making process, particularly when travellers compare multiple airlines offering similar routes and comparable price points. This outcome is in line with the findings of (Koech et al., 2023) who discovered that airline brand awareness and perceived quality are significant determinants of airline brand choice. Research indicates that brand awareness is not only a consequence of marketing communication, but also a significant consideration in passengers' airline choice. (Camarillo et al., 2025) suggest that brand knowledge, encompassing both brand awareness and brand image, significantly influences consumer reactions to marketing initiatives. Passengers with prior experience of Citilink may be more inclined to include the airline in their decision-making process when planning a journey. The descriptive findings provide further support for this outcome. The majority of respondents reported being familiar or very familiar with Citilink. The data suggests that Citilink has already achieved a high level of recognition among passengers at Hang Nadim Airport. Passengers tend to prefer airlines with high brand recognition, as familiarity with a brand is a significant factor in their decision-making process. This finding is consistent with the research of (Fauziah, S., & Daraja, 2022), which demonstrated that brand awareness and perceived quality are significant factors influencing the decision to utilise airline services. The results of this research support the notion that airline brand recognition is a significant factor in consumer preference, extending beyond its role as a promotional tool. Citilink must ensure sustained and enhanced brand visibility among passengers, particularly on competitive domestic routes originating from Hang Nadim Airport. Effective brand awareness can be fostered through consistent service experiences, targeted digital promotions, customer engagement strategies, and transparent communication of Citilink's value proposition as a low-cost airline. Strong brand recognition is crucial in enhancing the likelihood that passengers will continue to consider and choose Citilink for future travel.

The Effect of Service Quality on Consumer Preference

The result showed a positive and statistically significant relationship between service quality and consumer preference. The discovery showed that brand awareness has a significant impact on consumer preference highlights the crucial function of cognitive heuristics in the aviation industry. This finding is consistent with (Jiang & Zhang, 2016) who discovered a significant correlation between airline service quality and passenger

satisfaction and loyalty within China's airline market. The research highlights the significance of service quality as a key source of competitive advantage within the airline industry. This finding is consistent too with (Namukasa, 2013), who demonstrated that pre-flight, in-flight, and post-flight service quality have a significant impact on passenger satisfaction and loyalty. In the context of airline services, passengers is not only assessing the core transportation function but also the overall service process before, during, and after the flight. Consumers in the crowded low-cost carrier (LCC) market face significant information asymmetry and uncertainty when making purchases due to the principles of Brand Signaling Theory. A well-known brand reputation acts as a mental shortcut that gives passengers a sense of security about operational stability and service reliability, thereby reducing perceived risk. Unlike previous studies conducted in full-service environments, where brand prestige usually trumps cost concerns, the contextual conditions at secondary regional hubs show that brand awareness functions more as a threshold mechanism to reduce risk rather than as a primary factor in customer choice. This study builds upon existing research by showing that although brand recognition initially secures a place in the passenger's consideration set, its relative impact is ultimately subordinate to economic evaluations in budget-driven travel segments. The structural relationship between service quality and consumer preference is consistent with Perceived Value Theory, where operational touchpoints serve as essential qualitative benefits that offset monetary sacrifices. Passengers in regional low-cost carrier markets continue to anticipate fundamental standards of reliability, efficient check-in processes, and effective baggage handling, with these expectations being reinforced when they are consistently met. The effect, which is moderate compared to pricing policies, shows a typical trade-off in budget travel. In the low-cost airline sector, exceptional service often isn't enough to outweigh cost-based decisions, even when passengers are very satisfied. This study contributes to the existing service management literature by explaining the boundary conditions of service quality, showing that its predictive power is only a basic foundation, not a main differentiator in the price-sensitive airline market. Airline pricing policies show significant predictive power on consumer preferences, highlighting the fundamental economic rationality of low-cost airline passengers, whose decisions are strongly influenced by assessments of trade-offs. Passenger preference is significantly influenced by subjective assessments of pricing fairness, transparency, and the equity of unbundled ancillary fees, including baggage charges. Policies governing fares and fees are perceived as equitable when they align with the travel utility received, resulting in a peak in net perceived value, which strongly influences carrier selection. This study contributes to the existing body of pricing research by reorienting the analytical focus from static ticket

prices to dynamic, perception-driven assessments of airline pricing tactics within regional archipelagic transit hubs.

Although most previous aviation literature has focused more on passenger satisfaction and brand loyalty, empirical findings in this field remain theoretically relevant for understanding consumer preferences through the lens of behavioral continuity and decision-making frameworks. Conceptually, satisfaction represents a post-purchase evaluative affective state that comes from accumulated service experiences, whereas loyalty reflects a deep behavioral commitment to consistently repurchase over time. On the other hand, consumer preferences function as an ex-ante or transitional cognitive disposition reflecting passengers' relative evaluations, priorities, and intentions to choose a particular airline among competing alternatives.

Even though there are clear conceptual boundaries, studies on satisfaction and loyalty provide important theoretical insights because cumulative satisfaction and brand attachment directly affect the formation of future preferences. According to cognitive consistency and expectation disconfirmation models, passengers who experience high service quality and fair prices develop positive emotional associations that make the airline stand out in their mental consideration, directly shaping their next preference and choice intention. So, even though satisfaction and loyalty can't be treated as direct empirical equivalents of consumer preferences, evidence from previous studies on this concept provides an important theoretical foundation for understanding how preliminary factors influence passengers' selection behavior in the low-cost airline market.

The descriptive findings of this study indicate that the majority of respondents provided positive assessments of Citilink's services. Respondents generally found the payment process, check-in and baggage handling, flight information, cabin crew service, and airport staff service to be good or satisfactory. The provision of service quality offers further benefits to passengers in addition to the affordability of ticket prices. This finding also supports (Johan, 2024), who found that service quality and ticket prices simultaneously influence passengers' purchase intention for airline services. This assertion is consistent with (Hidayat & Samputra, 2020) who highlighted the significance of service quality in assessing passenger satisfaction, particularly in relation to airline fare policy modifications. Previous studies indicate that passengers anticipate a service quality from airlines that is commensurate with the fares they incur. For Citilink, which operates under the low-cost carrier model, maintaining high service quality is a critical aspect of its operations. Passengers' expectations of affordable fares are often accompanied by a need for reliable and acceptable service. Passengers are more likely to perceive an airline as offering good value for money if it can provide affordable fares while maintaining adequate service quality. Service quality should be regarded as a

fundamental element in sustaining consumer preference rather than a subordinate consideration. Citilink should continue to improve its service touchpoints that directly influence passenger experience, including check-in efficiency, baggage handling, flight information clarity, and staff responsiveness. Improving these areas can increase passenger satisfaction and enhance preference for Citilink, particularly among travellers who evaluate airlines based on both service quality and cost.

The Effect of Airline Pricing Policy on Consumer Preference

The results of the research indicate that airline pricing policy has the strongest positive and significant effect on consumer preference. These findings indicate that Citilink's pricing strategy is the primary determinant of consumer preference at Hang Nadim Airport. Citilink is closely associated with budget-friendly ticket prices as a low-cost airline. Passengers' preference is highly sensitive to fare-related policies, which encompass ticket price suitability, fare affordability, price fairness, and supplementary charges such as baggage fees.

The research by (Balkhis et al., 2021) supports the idea that consumers evaluate value by comparing perceived benefits with perceived sacrifices. In the airline industry, passengers assess ticket prices not solely as monetary values, but also in relation to the services, convenience, and benefits they receive. Passengers tend to have a more pronounced preference for a fare policy when they perceive the price paid to be fair in relation to the service received. Research conducted by (Lichtenstein et al., 1993) demonstrated that price perception has a significant impact on consumer behaviour. Research indicates that consumers' reactions to a price are influenced not only by the actual price, but also by their interpretation and understanding of that price. Moreover, many research in the airline industry indicates that supplementary charges, baggage fees, and perceived price fairness can influence passenger preference, despite the basic ticket fare remaining affordable. The descriptive analysis findings are consistent with this outcome.

A significant proportion of respondents expressed the opinion that fare increases were unwarranted, suggesting that passengers remain highly responsive to variations in ticket prices. Furthermore, numerous respondents viewed baggage fee charges as unsuitable or overly burdensome. Research indicates that passengers may initially accept the base ticket price, but additional charges can significantly impact their perception of fairness and value. Consequently, pricing policy encompasses not only the ticket price, but also the broader cost structure incurred by passengers. Research by (Aryal et al., 2024) highlights the complexity of airline pricing, which frequently incorporates various fare structures and restrictions that can differ among passengers and routes.

Passengers may respond differently to pricing strategies used by airlines to manage demand and revenue, depending on how fair and transparent they perceive the pricing policy to be. In the low-cost carrier market, this issue becomes even more important because passengers are generally more sensitive to fare changes and extra fees. This study's findings indicate that Citilink passengers at Hang Nadim Airport are price-sensitive consumers. Passengers of low-cost carriers typically expect lower fares and greater cost efficiency. Affordable ticket prices must be balanced with transparent and fair pricing policies. Passengers may perceive the airline as less valuable and have a weaker preference if they consider additional charges, like baggage fees, to be excessive or unclear. The discovery corroborates the findings of (Hi & Rahman, 2023), who discovered that higher airline ticket prices impact passengers' interest in utilising air travel services. The study also supports (Fadhila et al., 2019) which found that higher airfares can decrease passenger interest in using flight services. (Nur et al., 2022) discovered that Citilink's low-cost carrier strategy affects ticket purchase choices, thereby validating the significance of competitive pricing in the low-cost airline industry. From a managerial point of view, Citilink should maintain competitive fares while improving transparency in price communication. The airline should review its baggage fee policies and make sure passengers understand the benefits, limitations, and extra charges associated with their tickets. Although consumer trust and perceived value are not directly measured as endogenous constructs in this study's structural model, existing literature suggests that optimizing airline pricing policies and service quality can be key factors in developing these broader psychological dimensions. From a managerial perspective, when an airline sets up a transparent fare structure, fair baggage policies, and reliable service points, these operational practices are theoretically expected to boost passenger trust and perceived value. As a result, airline management should see price fairness and service delivery not just as short-term drivers of choice, but as strategic levers that build long-term consumer trust and strengthen overall perceived value, which previous studies have linked to sustainable brand loyalty.

CONCLUSIONS

This study successfully achieved its research goals by showing that brand awareness, service quality, and airline pricing policies all have a positive and statistically significant impact on passengers' preferences for Citilink at Hang Nadim Airport, with pricing policy being the main predictor. Based on the Perceived Value Theory and Brand Signaling Theory, this research enriches the academic literature by revealing the specific predictive hierarchy of factors affecting consumers in the regional low-cost airline market, showing that economic sacrifice evaluation is more dominant compared to cognitive heuristics and basic service benefits. In the end, these findings provide

practical insights for airline management to optimize price transparency and fare strategies, while also serving as a solid foundation for further research to explore broader behavioral dimensions across larger flight networks. From a managerial perspective, the findings suggest that airline management should prioritize price transparency and fare affordability. Since passengers evaluate costs based on perceived fairness rather than absolute numbers, airlines need to ensure that extra fees, like baggage charges, are communicated clearly and competitively. While brand awareness and service quality remain key factors in reducing risk and ensuring reliable operations, pricing strategy is the main lever to attract passenger preferences.

There are a few limitations that need to be considered in future research. The scope of this study was limited to just one regional airport (Hang Nadim in Batam) with a target sample of 103 respondents, which makes it hard to generalize the results to national or international networks. Also, psychological dimensions that haven't been measured, like consumer trust and perceived value, need to be directly included in the structural model in the future. Future studies are suggested to increase the sample size, compare multiple hubs, and use a longitudinal design to capture changes in consumer preferences amid changing macroeconomic conditions.

AUTHOR CONTRIBUTION

Author 1: Conceptualization, Investigation, Data Curation, Supervision, Methodology, Formal Analysis, Validation, Writing – Original Draft, Writing – Review & Editing. Author have read and approved the final version of the manuscript.

CONFLICT OF INTEREST

The author declare that no conflict of interest related to the research, authorship, or publication of this article. No financial, personal, or professional relationships influenced the conduct of the study, the interpretation of the results, or the preparation of the manuscript.

SIMILARITY STATEMENT

This manuscript has been checked using Turnitin and obtained a similarity index of 13%, which is below the maximum threshold of 20% established by Jurnal Ecogen. The manuscript does not contain plagiarism or self-plagiarism and that all sources and previously published works have been appropriately cited.

REFERENCES

Arif, M. E. (2019). the Influence of Electronic Word of Mouth (Ewom), Brand Image, and Price on Re-Purchase Intention of Airline Customers. *Jurnal Aplikasi Manajemen*,

- 17(2), 345–356. <https://doi.org/10.21776/ub.jam.2019.017.02.18>
- Aryal, G., Murry, C., & Williams, J. W. (2024). Price Discrimination in International Airline Markets. *Review of Economic Studies*, 91(2), 641–689. <https://doi.org/10.1093/restud/rdad037>
- Balkhis, K., Widiyanti, M., Shihab, M. S., & Maulana, A. (2021). The Effect of Perceived Value and Service Quality on Depositor Loyalty. *Journal of Economics and Business*, 4(1), 138–144. <https://doi.org/10.31014/aior.1992.04.01.330>
- Camarillo, G. D., Ann E. Lacson, S., S. Que, C., B. Velasquez, V. Y., & B. Kurata, Y. (2025). *Determining Factors Affecting Perceived Airline Preference Among Filipinos: An Integration of SERVQUAL and Rational Choice Theories*. 455–464. <https://doi.org/10.46254/af6.20250104>
- Dr. Joko Widodo, M. S. (2021). *Analisis Kebijakan Publik: Konsep dan Aplikasi Analisis Proses Kebijakan Publik*. MNC Publishing.
- Fadhila, A., Rinaldi, R., & Chandra, D. (2019). Dampak Kenaikan Harga Tiket Pesawat Udara Terhadap Minat Pengguna Jasa Penerbangan di Bandar Udara International Juandaanalisa. *Prosiding SNITP (Seminar Nasional Inovasi Teknologi Penerbangan)*, 3(3), 1–8. <https://doi.org/https://doi.org/10.46491/snitp.v3i3.403>
- Fauziah, S., & Daraja, W. I. F. (2022). Pengaruh Kesadaran Merk dan Persepsi Kualitas Terhadap Keputusan Pemakaian Jasa Penerbangan Garuda Indonesia:(Rute 17 Keberangkatan Dari Pontianak). *Jurnal Akuntansi, Ekonomi Dan Manajemen Bisnis*, 2(3), 373–386. <https://doi.org/https://doi.org/10.55606/jaem.v2i3.385>
- Hi, I., & Rahman, A. (2023). Dampak Kenaikan Harga Tiket Pesawat Udara Terhadap Minat Pengguna Jasa Penerbangan di Bandar Udara Sultan Babullah Ternate. *Jurnal Mahasiswa*, 5(4), 69–77. <https://doi.org/https://doi.org/10.51903/jurnalmahasiswa.v5i4.766>
- Hidayat, F. Z., & Samputra, P. L. (2020). Evaluasi Tingkat Kepuasan Masyarakat Pengguna Maskapai Penerbangan Kelas Ekonomi Sebelum dan Setelah Kebijakan Kenaikan Tarif Tiket. *Akuntabel*, 17(1), 122–132. <https://journal.feb.unmul.ac.id/index.php/AKUNTABEL/article/download/7332/979>
- Isrami Yuristiana, G., & Sudiro, A. (2021). Regulation of Maximum Tariff of Flight Tickets for Economic Class Passangers in Indonesia. *Transnational Business Law Journal*, 1(2), 105–120. <https://doi.org/10.23920/transbuslj.v1i2.358>
- Jaya, W. K. (2021). *Ekonomi Kelembagaan: Studi Kasus pada Transportasi Udara*. PT Elex Media Komputindo.
- Jiang, H., & Zhang, Y. (2016). An investigation of service quality, customer satisfaction and loyalty in China's airline market. *Journal of Air Transport Management*, 57, 80–88. <https://doi.org/10.1016/j.jairtraman.2016.07.008>
- Johan, F. A. El. (2024). Pengaruh Kualitas Pelayanan Dan Harga Tiket Terhadap Minat Beli Penumpang Maskapai Garuda Indonesia Di Bandar Udara Internasional Soekarno Hatta. *JEBI: Jurnal Ekonomi Dan Bisnis*, 2(4), 1154–1164. <https://sociohum.net/index.php/BORJUIS/article/view/423/439>
- Koech, A. K., Buyle, S., & Macário, R. (2023). Airline brand awareness and perceived

- quality effect on the attitudes towards frequent-flyer programs and airline brand choice - Moderating effect of frequent-flyer programs. *Journal of Air Transport Management*, 107(November2021).<https://doi.org/10.1016/j.jairtraman.2022.102342>
- Lichtenstein, D. R., Ridgway, N. M., & Netemeyer, R. G. (1993). Price Perceptions and Consumer Shopping Behavior : A Field Study. *Journal of Marketing Research*, 30(2), 234–245. <https://doi.org/https://doi.org/10.1177/002224379303000>
- Masiero, L., Zoltan, J., Tolkach, D., Pratt, S., Jørgensen, M. T., Schuckert, M., & Chon, K. (2024). Assessing air traveler preferences for pay-per-weight pricing. *Transportation Research Part A: Policy and Practice*, 190(November). <https://doi.org/10.1016/j.tra.2024.104302>
- Mulyono, T. (2023). *Pengantar Transportasi*. Deepublish.
- Namukasa, J. (2013). The influence of airline service quality on passenger satisfaction and loyalty the case of Uganda airline industry. *TQM Journal*, 25(5), 520–532. <https://doi.org/10.1108/TQM-11-2012-0092>
- Nur, S., Hatja, R., & Widagdo, D. (2022). Tiket Pesawat Citilink Di Bandar Udara Haluoleo Kendari Tahun 2021-2022. *Jurnal Kewarganegaraan*, 6(1), 332–337. <https://doi.org/https://doi.org/10.31316/jk.v6i1.2437>
- Purwono, Hasyim, F., Ulya, A. U., Purnasari, N., & Juniatmoko, R. (2021). *Metodologi Penelitian (Kuantitatif, Kualitatif dan Mix Method)*. GUEPEDIA.
- Putra, A., & T. Nuning, Y. (2023). Analysis of the Application of Paid Baggage on the Interests of Lion Air Airline Passengers at Komodo Airport, Labuan Bajo, East Nusa Tenggara. *Jurnal Publikasi Ekonomi Dan Akuntansi (JUPEA)*, 3(3). <http://hubud.dephub.go.id/>
- Shamdasani, Y. (2021). Rural road infrastructure & agricultural production: Evidence from India. *Journal of Development Economics*, 152(May), 102686. <https://doi.org/10.1016/j.jdeveco.2021.102686>