

ABSTRACT

This study aims to analyse the effect of price perception, service quality on customer satisfaction and customer loyalty of Lion Air Airlines users in Special Region of Yogyakarta. Variables used in this study are price perception, and service quality as exogeneous variables. Then the variables customer satisfaction and customer loyalty as endogenous variables. This study was conducted on customers of Lion Air Airlines in Special Region of Yogyakarta with predetermined criteria, and taken as many as 130 respondents using purposive sampling method. Analysis tool used in this study is SEM (Structural Equation Modeling) that operated through AMOS software in version 22.

The study found that: (1) price perception has no significant effect on customer satisfaction. (2) service quality has positive and significant effect on customer satisfaction. (3) price perception has no positive and significant effect on customer loyalty. (4) service quality has positive and significant effect on customer loyalty. (5) customer satisfaction has positive and significant effect on customer loyalty. (6) customer satisfaction is able to mediate the variable price perception and service quality on customer loyalty.

Keywords: Price Perception, Service Quality, Customer Satisfaction, and Customer Loyalty.