ABSTRACT

This study aims to cover the factors that influence customer loyalty to users of the UNDIP campus bus service. In more detail, this study will assess the relationship between customer loyalty and service quality through customer satisfaction as a mediating variable.

Data collection in this study was carried out using the survey method through a convenience sampling technique to students who had used the campus bus service more than once. A total of 177 data from respondents' answers were collected and then analyzed using the partial least square structural equation model (PLS-SEM).

The results of this study indicate that service quality does not have a significant positive effect on customer loyalty directly, but has a significant positive effect indirectly through customer satisfaction as a mediating variable. Then service quality has a significant positive effect on customer satisfaction and customer satisfaction has a significant positive effect on customer loyalty. Based on the existing findings, campus bus service managers can develop strategies to provide easier and better quality services so that students are more satisfied with the service and thus increase their loyalty to use the UNDIP campus bus.

Keywords: service quality, customer satisfaction, customer loyalty, campus buses, students