

ABSTRACT

Business competition in the airline industry is quite strict, and cannot be avoided. It takes a lot of innovations and knowledges of what needs are needed by the community so that people will be loyal to the product. The purpose of this study is to find out the effect of price and service quality that affect customer satisfaction which may also have an impact on customer loyalty

The population in this study was airline consumers in the city of Semarang. The number of sample used was 126 people selected using nonprobability sampling and purposive sampling through questionnaires. Data were then processed and analyzed using Structural Equation Modeling (SEM) as an analytical tool

The results showed that price affects customer satisfaction, service quality affects customer satisfaction, and customer satisfaction affects customer loyalty. In this study service quality is the most influential variable on customer satisfaction. Customer satisfaction is also found to have a mediating function in the influence relationship between price and service quality to customer loyalty.

Keywords : Price, Quality Service, Satisfaction and Loyalty Customer