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The Influence of Service Quality and Price on Customer Satisfaction: Case Study of PT. Lion Mentari Airlines

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ABSTRACT

The purpose of this research is to examine the influence of service quality and price partially or simultaneously to customer satisfaction level on using services from PT. Lion Air flight operation at Soekarno Hatta Airport. Quantitative research method is used in this study through questionnaires to 160 respondents. Purposive sampling method was chosen to collect the data, then the data were then analyzed using SPSS to achieve the study's objective. The results showed that service quality and price have significant effect on customer satisfaction simultaneously and partially. This study give contribution for the practitioners in aviation industry to put service quality and price as one of their strategy to increase customer satisfaction, and this study also can be used by academicians and future researchers to enhance their knowledge in the field of marketing and strategic management.

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INTRODUCTION

The As the largest archipelago country in the world located in the Southeast Asian region, Air transportation in Indonesia has become one of the main transportations where people can travel from one place to another easily. This sector has been growing fast in Indonesia since the era of 2000 and it still growing rapidly during 2018 by 15%. Aviation service providers see some potential from the public high interest in air transportation services. This has been proven with many airlines company operating in Indonesia, which reached a total of 13 airlines,

namely: Batik Air, Garuda Indonesia, Citilink, AirAsia, NAM Air, Trans Nusa, Indonesia AirAsia, Sriwijaya, Travel Express, Wings Air, Lion Air, Susi Air. (Dickson, 2018).

Aviation service providers have 2 service categories, namely full service and low-cost carrier (LCC). The concept of full service is a flight that prioritizes full service to passengers in terms of comfort, safety, quality services, entertainment, excess baggage, and other services that are not available in the concepts of Low-Cost Carrier (LCC). In other words, full service has many additional services that add value to the main service offered, while LCC is a concept of aviation with low cost and limited service.

Currently, the local LCC based airline is PT. Lion Mentari Airlines (operating as Lion Air). Within the last 16 years, Lion Air has been able to manage its position as the top airline of choice for Indonesia's domestic market customers. In 2018, Lion Air will again become a flight service company with the most domestic passengers. The Ministry of Transportation noted that Lion Air managed to transport 26.48 million domestic passengers in 2018, or 35% of the total domestic passengers of 76.62 million passengers (industri.business, 2018).

However, there are several issues related to the services provided by Lion Air regarding flight delays, accidents, and baggage security. According to table 1, Lion Air is ranked 11th from the number of flights on time with a percentage of 64.32%. Meanwhile, the airline that successfully recorded as the best OTP is Batik Air with 91.33%, followed by Garuda Indonesia and Citilink Indonesia were ranked second and third with 90.23% and 86.4% respectively.

Table 1. Indonesian Airline Flying Time Accuracy in 2018

No	Name of Airlines	On-Time Performance (OTP)
1	Batik Air	91,33%
2	Garuda Indonesia	90,23%
3	Citilink	86,40%
4	Air Asia	85,46%
5	NAM Air	85,39%
6	Trans Nusa	82,92%
7	Indonesia AirAsia Extra	82,27%
8	Sriwijaya	76,28%
9	Travel Express	70,00%
10	Wings Air	69,76%
11	Lion Air	64,32%
12	Susi Air	50,18%
13	Trigana Air	40,06%

Source: Rio Sandy Pradana, 2018

As for the case of accidents, Lion Air has a dubious safety record and has had more accidents than other airlines in the country. According to BBC (2018), the total of Lion Air flight incidents for the period 2000 – 2018 was sixteen (16) where one incident killed 189 people and another incident killed 25 people. According to table 2, major causes of those incidents were technical problems, and the plane was not airworthy. This case has affected the reputation of Lion Air as the local LCC based flight. Based on the information in airlinequality.com about customer rating, Lion Air received a rate of 4 out of 10 from 180 reviews. The majority of respondents choose 1 star for food & beverages, 2 stars for seat comfort and staff service, and 3 stars for value for money.

In addition, the Lion Air has removed the free baggage allowances up to 20 kilograms for the domestic flight tickets. This new policy affects the ticket price where the customer has to pay a higher price for domestic flight.

In a very intense competition, many airlines have opened LCC-based flights, for example, Garuda Indonesia established Citilink as their LCC-based subsidiary and Sriwijaya established Nam Air. The intense competition in this sector encourages each company to implement a good service quality strategy in order to increase the number of customers.

Service quality is expected to be able to meet customer expectations so that it will create customer satisfaction and increase a company's positive image in the public. A good corporate image is a valuable asset to maintain the survival of a company in increasingly fierce competition. According to Nazaruddin Aziz (2019), the definition of service quality is the perception of consumers of the real service they receive/ get with the service they actually expect/want of service attributes of a company.

A relatively inexpensive company price will make it easier for companies to market their products or services. While high prices are not matched by the quality of service will cause consumers to switch to competing companies. Price plays an important role in the marketing mix, because Table 2. The Lion Air Accident Record

No.	Date	List of Accidents
1	14-01-2002	Lion Air plane with flight no. 386 PK-LID, Boeing 737-200 with route from Jakarta to Batam and transit in Pekanbaru, failed to fly and crashed after the fuselage left the runway at Sultan Syarif Kasim II Airport, Pekanbaru, more than five meters. Seven passengers were injured in this incident.
2	30-11-2004	Lion Air plane with flight no. 538 PK-LMN, MD-82 on the Jakarta-Solo-Surabaya route slipped after landing at Adisumarmo Airport, Solo. In the accident, 25 passengers died.
3	13-04-2013	Lion Air plane from Bandung to Bali fell at sea near to Ngurah Rai Airport, Bali, when it was about to land.
4	20-02-2016	Lion Air plane with flight no. 263 from Sultan Aji Muhammad Sulaiman Balikpapan Airport to Juanda International Airport in Surabaya, slipped on the runway when landing. There were no victims in this incident.
5	29-04-2018	Lion Air plane with flight no. 892 Boeing 737-800 slipped on Gorontalo Jalaluddin Airport runway after landing under heavy rain.
6	29-10-2018	The Lion Air Flight JT 610, the Boeing 737 MAX 8, crashed in the Java Sea in 13 minutes after taking off from Jakarta, with all 189 passengers and crew missing, presumed dead.

Source: Sugiono (2018)

determining prices is directly related to the income received by the company. Pricing decisions are also very important in determining how far the service or service is valued by consumers, and also provides an image. Pricing also gives a certain perception in quality. According to Kotler and Armstrong (2016: 324), price is the amount of money charged for a product or service, to get the benefit / value exchanged by customers for the benefit of owning or using a product or service.

Consumer satisfaction is largely determined by the quality of service in the field. If the performance of the service is not the same or not in accordance with consumer expectations, then the service is given poorly rated by consumers, The negative impact of customer satisfaction:

1. Performance <Expectation

If this happens, then the consumer says that the service provided is bad, because consumer expectations are not met or the service is not good, not satisfying consumers.

2. Performance = Expectation

When this situation occurs, then for consumers there is no special, the service provided is mediocre, because it has not satisfied consumers.

Based on these explanations, the objective of this study is to examine whether service quality and price have a positive effect on customer satisfaction at PT. Lion Mentari Airlines simultaneously and partially.

LITERATURE REVIEW Theoretical Background

Service Quality

The word "quality" consists of many definitions and meanings. According to Hidayati (2014), quality is a dynamic containing two kinds of concepts, namely absolute concepts and relative concepts. In everyday life, the concept of quality is more of an absolute concept, which implies goodness, beauty and truth, is ideal without compromise, with the highest standards so that many people admire and few who can afford it. In this case, scarcity and high price are the characteristics of quality in the absolute concept. The concept of absolute quality contains "luxury and status". Overall, this concept displays high standards. Nazaruddin Aziz (2019) added that the definition of service quality is the consumer's perception of the real service they receive / get with the real service they expect / want for the service attributes of a company.

Meanwhile, according to Fandy Tjiptono (2014), service quality is a level of excellence (excellent) which is expected to meet consumer needs. It can be said that the service quality is good or not depends on the ability of service providers to meet consumer expectations consistently. Quality is closely related to customer satisfaction. Quality provides an incentive for consumers to form strong relationships with the company. In relation to that the company can understand consumer expectations better and increase customer satisfaction by maximizing pleasant customer experiences and minimizing unpleasant customer experiences.

According to Kotler (2012), there are five dimensions of service quality that must be fulfilled, namely:

- Tangibles (Physical Evidence) The ability of a company, in showing its existence to external parties.
- 2. Empathy (Empathy)

Giving attention, sincerely, and individually or personally to customers by trying to understand customer desires, where a company is expected to have an understanding and knowledge of customers, understand specific customer needs, and have a comfortable operating time for customers.

- Reliability
 The company's ability to provide services as
 promised accurately and reliably, must comply
 with high accuracy.
- Responsiveness (Quick Response) A company willingness to provide fast and precise service to customers, by conveying clear information.
- 5. Assurance (Guarantee)

The knowledge, politeness and ability of company employees to foster customer trust in the company. Consists of communication components, credibility, security, competence and courtesy.

Price

Price is a value that is made to be a benchmark value of a good or service. to Kotler and Armstrong (2016), price is an amount of money charged for a product or service, to get benefits or value that is exchanged by customers for the benefit of owning or using a product or service. According to Kotler and Keller (2016), there are several objectives of setting price for product or services as follows:

1. Ability to survive (Survival)

As long as prices cover variable costs and some variables are fixed, then the company

remains in business. Ability to survive is a short-term goal. In the long term, companies must learn how to add value or deal with extinction.

2. Maximum current profit

Many companies try to set a maximum cash flow or rate of return on investment. This strategy assumes that the company has knowledge of its demand and cost functions. In reality, this function is difficult to estimate. In emphasizing current performance, firms may sacrifice their long-term performance regardless of the influence of other marketing mix variables, competitor reactions and legal constraints on pricing.

3. Maximum Market Share Some companies want to maximize their market share. The company believes that the higher the sales volume, the lower the unit cost and the higher the long-term profit.

According to Bob Sabran (2012), there are four measures that characterize price as follows:

1. Price affordability

Consumers can reach the price set by the company. Products usually have several types in one brand, the price is also different from the cheapest to the most expensive. With the price set, many consumers buy the product.

- 2. Match price with product quality Price is often used as an indicator of quality for consumers, people often choose a higher price between two goods because they see a difference in quality. When the price is higher, people tend to think that the quality is better.
- 3. Price compatibility with consumer benefits Customer decide to buy a product if the benefits that are felt are greater or equal to what has been spent to get it. If consumers feel that the benefits of the product are less than the money spent, consumers will think that the product is expensive and consumers will think twice about making repeat purchases.
- 4. Prices as an ability or price competitiveness Consumers often compare the price of a product with other products, in this case the

high cost of a product is considered by consumers when buying the product.

Customer Satisfaction

According to Kotler (2014), customer satisfaction is a feeling of pleasure or disappointment that arises after comparing the performance (results) of the product against the expected performance (or results). According to Tjiptono (2014) the word "satisfaction" comes from the Latin "satis" (meaning good enough, adequate) and "facio" (doing or making). In simple terms, satisfaction can be defined as "an effort to fulfill something" or "to make something adequate".

According Nugroho (2019), there are five types of customer satisfaction as follows:

1. Demanding

This type is an active type of satisfaction. Relationships with service providers are filled with positive emotions, especially optimism and trust. Based on positive past experiences, customers with this type of satisfaction hope that the service provider will be able to satisfy their increasing expectations in the future. In addition, they are willing to continue a satisfying relationship with the service provider. However, loyalty will depend on the ability of service providers to improve their performance in line with increasing customer demands.

2. Stable

Customers with this type of satisfaction have a level of passive aspirations and demanding behavior. His positive emotions towards service providers are characterized by steadiness and trust in the current relationships. They want things to stay the same. Based on the positive experiences that have been formed to date, they are willing to continue their relationship with the service provider.

3. Resigned

Customers with this type are also satisfied. However, the customer's satisfaction is not caused by meeting expectations, but rather based on the impression that it is unrealistic to expect more. This type of consumer behavior tends to be passive. They are not willing to make various efforts to demand an improvement in the situation.

Nugroho (2019) added that there are six core concepts that can be taken from various ways to measure customer satisfaction, namely:

- Overall Customer Satisfaction The simplest way to measure customer satisfaction is to directly ask customers how satisfied they are with the specific product or service offered.
- 2. Dimensions of Customer Satisfaction
- This is the process of sorting customer or customer satisfaction into its components. Generally, such a process consists of four steps. First, identify the key dimensions of customer or customer satisfaction. Second, ask customers to rate products or services based on specific items such as speed of service or friendliness of customer service staff. Third, ask customers to rate competitors' products or services based on the same specific items. And fourth, asking customers or consumers to determine which dimensions they think are most important in assessing overall customer satisfaction.
- 3. Confirmation of Expectations Satisfaction is measured using the suitability or mismatch between consumer expectations of the services provided. In this case, service quality is emphasized more, as it has a component in the form of customer expectations for the services provided.
- 4. Repurchase Intent Customer satisfaction is measured behaviorally by asking whether the customer will shop or reuse the services that have been provided.
- Willingness to Recommend The willingness to recommend products to friends or family is an important measure to be analyzed and followed up.
- Customer Dissatisfaction
 It contains aspects that are used to determine customer dissatisfaction, including:
 - Complain
 Recall
 - Warranty costs Defections

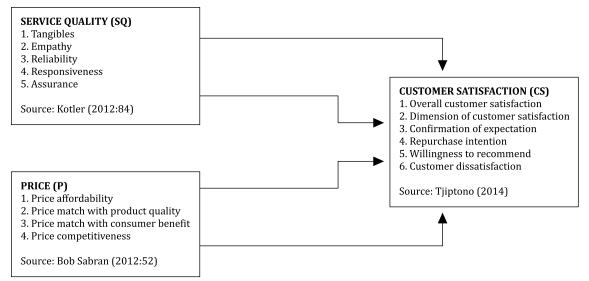


Figure 1. Theoretical Framework

Previous Study

There have been numerous studies discussed the influence of price and service quality on customer satisfaction. Here are some of the previous studies that relate to the context of this study:

Hypothesis Development

H2: Service quality and price have a positive effect on customer satisfaction simultaneously of PT. Lion Mentari Airlines at Soekarno Hatta Airport.

Table 3. Previou	ıs Studies
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No.	Authors (Year) and Title	Variable	Result
1.	Mandang Cristo, David P. E Saerang, dan Frederik G. Worang. The influence of price, service quality, and physical environment on customer	Independent variables: - Price (X1) - Service Quality (X2) - Physical Environment (X3) Dependent variable: Customer Satisfaction (Y1)	Price, service quality, and physical environment were simultaneously influence customer satisfaction. Price and physical environment have no partially significant effect, while service quality has partially significant effect on customer satisfaction.
2.	Amir Mahmud, Kamaruzaman Jusoff, and St. Hadijah. The effect of service quality and price on satisfaction and loyalty of customer of Commercial Flight Service Industry	Independent variables: - Service Quality (X1) - Price (X2) - Loyalty(X3) Dependent variable: - Customer Satisfaction (Y1)	The study found that service quality has positive but no significant effect on customer satisfaction and loyalty. In addition to that, price also has no significant effect on customer satisfaction.
3.	Ishmael Mensah, and Rebecca Dei Mensah Effects of service quality and customer satisfaction on repurchase intention in restaurants on University of Cape Coast Campus	Independent variables: - Service Quality (X1) - Customer Satisfaction(X2) Dependent variable: - Repurchase Intention(Y1)	The study found that service quality and customer satisfaction have positive influence towards repurchase intention
3.	Muhammad Arif Analysis of service quality and brand image on customer satisfaction on the Batik Air airline, route Pekanbaru city to Jakarta	Independent variables: - Service quality (X1) - Brand image(X2) Dependent variable: - Customer satisfaction (Y1)	Service quality and brand image have positive influence towards customer satisfaction

- H2: Service quality has a positive effect on customer satisfaction partially of PT Lion Mentari Airlines at Soekarno-Hatta Airport.
- H3: Price has a positive effect on customer satisfaction partially of PT. Lion Mentari Airlines at Soekarno Hatta Airport.

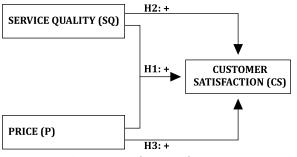


Figure 2. Hypothesis Development

RESEARCH METHOD

Research Design

This study used quantitative method through survey with the aim to achieve the research's objectives: to examine whether service quality and price have a positive effect on customer satisfaction at PT. Lion Mentari Airlines simultaneously and partially. The independent variables used in this study were price and service quality, while the dependent variable was customer satisfaction.

Data Collection Method

The survey instrument was a two-section selfadministered questionnaire. The instruments used to measure each of the constructs were multi-items scales. Each of these constructs was using established. measured close-ended questions, which were conveniently distributed to respondents. Section 1 provides demographic profile of respondents. Some of the anchors are: (1) Gender, (2) Age group, (3) Occupation, (5) Frequency of using flight services from PT. Lion Mentari Airlines. Section 2 explores price and service quality towards customer satisfaction in using the services from Lion Airlines. This section is using five-likert scale as follows: (1) Strongly Disagree, (2) Disagree, (3) Neutral, (4) Agree and (5) Strongly Agree.

Sampling

Data used in this study was collected via self-

administered questionnaire completed by consumers who have used flight services from PT. Lion Mentari Airlines, conducted in Jakarta, Indonesia. Purposive sampling method was used in this study where the sample should fulfill the requirements as follows:

- a. Respondents are based in Jakarta
- b. Have used flight services from Lion Airlines for minimum 1 time in the last three months period
- c. Young and middle generation from 15 to 45 years old

Data Analysis

The data was analyzed using SPSS obtain meaningful results to answer research questions. Validity and reliability test was used to check the accuracy and the validity of the instruments used in this study. With the test criteria, if r counts > 0.3, then the measuring instrument is valid (Sugiyono, 2009). If the Cronbach's alpha > than 0.60 then the research is reliable. In regards to classical assumption test, the normality test can be done using One Sample Kolmogorov Smirnov with the criteria if the significant value is above 0.05, the data is normally distributed (Ghozali 2016). If the tolerance value > 0.10 and the VIP value <10, then the research passed the multicollinearity. Heteroscedasticity test is used to check whether the regression model has an inequality of variants from the residuals of one observation to another. One of way to detect heteroscedasticity is to look at the plot graph between the predicted value of the dependent variable and its residual and see whether there is a certain pattern on the scatter plot graph.

The multiple linear regression model for this study is as follows:

CS = a + b1SQ + b2P

In which: CS = Customer satisfaction P = Price SQ = Service quality a = constanta b = regression coefficient

RESULT AND DISCUSSION

Demographic of Respondents

Based on the result in table 4, majority of respondents were male (53%) with age range 22 – 30 years old (44%), students (32%), and have used services from Lion Airlines for less than 2 times (65%).

	01	•
Category	Frequency Distribution	Cumulative Frequency Distribution
	Gender	
Male	85	53%
Female	75	47%
	Age	Age
15 - 17	20	12 %
18 - 21	35	22%
22 - 30	70	44%
31 - 45	35	22%
	Occupation	
Student	51	32%
Private Employees	38	24%
State Employees	29	18%
Entrepreneur	32	20%
Others	10	6%
Freque	ncy to use Lion A	\ir flight
< 2 times	104	65%
2 - 3 times	30	19%
3 - 5 times	22	14%
> 5 times	19	12%

Table 4. Demographic of Respondents

Validity and Reliability Test

Based on the result in table 5 and 6, this study can be considered as valid and reliable because the value of Cronbach's alpha is higher than 0.6 and the value for r count were higher than 0.3 for all variables.

Table 5.Reliability Test					
Variable	Cronbach's Alpha (α)	r _{critics}	Result		
Service Quality	0,717	0,600	Reliable		
Price	0,670	0,600	Reliabel		
Customer Satisfaction	0,711	0,600	Reliabel		
Та	ble 6. Validity Te	est			
No.	Variable		Result		
1 Service Quality			Valid		
2 Price			Valid		
3 Customer Satisfaction			Valid		

Classical Assumption Test

Based on the result in table 7, this study passed the normality test where the study follows normal distribution model (the significance value 0.200 is higher than 0.05). The result in table 8 shows that the VIF (Variance Inflation Factor) value of all independent variables (service quality is 1.208 and price is 1.208) are less than 10, and the tolerance value of all independent variables (service quality is 0.828 and price amounting to 0.828) are more than 0.10 which means there is no multicollinearity symptom. The result in figure 3 shows that the data moves along a linear diagonal line so that it can be concluded that the data used is normally distributed and meets the assumption of heteroscedasticity test.

Table 7. Normality Test

One-Sample Kolmogorov-Smirnov Test

	Unstandar	dized Residual
N		160
Normal	Mean	0,0000000
Parameters ^a , ^b	Std. Deviation	3,36643827
Most	Absolute	0,064
Extreme	Positive	0,064
Differences	Negative	-0,035
Test Statistic		0,064
Asymp. Sig. (2-tailed)		.200 ^c , ^d

a. Test distribution is Normal.

b. Calculated from data.

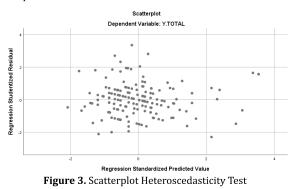
c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Table 8. Multicollinearity Test

	Collinearity Statistic		
Model	Tolerance	VIF	
(Constant)			
Service Quality (SQ)	0,828	1,208	
Price (P)	0,828	1,208	

a. Dependent Variable: Customer Satisfaction



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Table 9. R-Squared for Price, Service Quality, and Customer Satisfaction Model Summary^b

Model Summary					
Model R R Square Adjusted R Square Std. Error of the Estim					
1	.888 ^a	0,588	0,561	3,38781	

a. Dependent Variable: Customer Satisfaction

Table 10. Multiple Linear Regression

		Coefficients ^a			
Standardized Unstandardized Coefficients Coefficients					
Model	В	Std. Error	Beta	Т	Sig.
1 (Constant)	24,062	3,882		6,199	0,000
SQ.TOTAL	0,278	0,084	0,260	3,310	0,001
P.TOTAL	0,399	0,117	0,267	3,399	0,001

a. Dependent Variable: CS.TOTAL

Table 11. Correlations test for Price, Service Quality, and Customer Satisfaction

 Correlations

			SQ.TOTAL	P.TOTAL	CS.TOTAL
Spearman's rho	SQ.TOTAL	Correlation Coefficient	1,000	.246**	.335**
		Sig. (2-tailed)	160	0,002	0,000
		N	.246**	160	160
	P.TOTAL	Correlation Coefficient	0,002	1,000	.250**
		Sig. (2-tailed)	160	160	0,001
		N	.335**	.250**	160
	CS.TOTAL	Correlation Coefficient	0,000	0,001	1,000
		Sig. (2-tailed)	160	160	160
		N			

**. Correlation is significant at the 0.01 level (2-tailed).

Hypothesis Testing

According to the value of R-Squared in table 9, it shows that the percentage of the influence of Service Quality and Price on Customer Satisfaction at 55.8%. In other words, the consumer satisfaction variable can be explained or influenced by the variables of Service Quality and Price for 55.8%, while the remaining 44.2% is explained or influenced by other variables.

Based on the results in table 10, the equation for multiple linear regression can be changed into the value of its coefficients as follows:

```
CS = 24.062 + 0.278SQ + 0.399P
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The result for correlation in table 11 shows that

service quality has a real correlation evidenced by the high Pearson correlation value of 0.335 and price has a real correlation evidenced by the high Pearson correlation value of 0.250. In addition to that, the result for correlation in table 12 shows that service quality has a real correlation evidenced by the high Pearson correlation value of 0.335. Table 13 shows that the price has a real correlation evidenced by the high pearson correlation value of 0.250.

According to the F-test result in table 14, the pvalue 0.000 is smaller than 0.05, the regression model can be used to predict customer satisfaction or it can be said that both independent variables (service quality and price) have a significant simultaneously effect on customer satisfaction.

			SQ.TOTAL	CS.TOTAL
Spearman's rho	SQ.TOTAL	Correlation Coefficient	1,000	.335**
		Sig. (2-tailed)		0,000
		N	160	160
	CS.TOTAL	Correlation Coefficient	.335**	1,000
		Sig. (2-tailed)	0,000	
		N	160	160

Table 12. Correlations test for Service Quality and Customer Satisfaction **Correlations**

**. Correlation is significant at the 0.01 level (2-tailed).

Table 13. Correlations test for Price and Customer Satisfaction Correlations

			P.TOTAL	CS.TOTAL
Spearman's rho	P.TOTAL	Correlation Coefficient	1,000	.250**
		Sig. (2-tailed)		0,001
		N	160	160
	CS.TOTAL	Correlation Coefficient	.250**	1,000
		Sig. (2-tailed)	0,001	
		N	160	160

**. Correlation is significant at the 0.01 level (2-tailed).

Table 14. F-Test Result ANOVA^a

Model Sum of Squares Df F **Mean Square** Sig. .000^b 441,668 2 220,834 19,241 1 Regression Residual 1801,932 157 11,477 Total 2243,600 159

a. Dependent Variable: CS.TOTAL

b. Predictors: (Constant), SQ.TOTAL, P.TOTAL

Table 15. T-Test Result Coefficients^a

	Unstandardized Coefficients		Standardized Coefficients		
Model	В	Std. Error	Beta	Т	Sig.
1 (Constant)	24,062	3,882		6,199	0,000
SQ.TOTAL	0,278	0,084	0,260	3,310	0,001
P.TOTAL	0,399	0,117	0,267	3,399	0,001

a. Dependent Variable: CS.TOTAL

The result of this study is in-line with the previous study conducted by Harjati and Venice (2015). Then, based on to the T-test result (partial test) in table 15, it can be seen that price has a partial effect on customer satisfaction by looking at the variable that has a significance probability value < 0.05, and it is known that the service quality also has a partial effect on customer satisfaction by looking at the significance probability value < 0.05.

CONCLUSION

This study aims to examine the effect of Service

Quality (SQ) and Price (P) on consumer satisfaction (CS) at PT. Lion Mentari Airlines. The study found that service quality and price simultaneously have a positive effect on customer satisfaction of PT. Lion Mentari Airlines. Service quality and price have a partially positive effect on customer satisfaction of PT. Lion Mentari Airlines.

The study can give contribution for the practitioners at airlines company that they should have employees who are ready to respond to customers, and the company should reconsider the price range to suit all income generation, so that consumers can give positive feedback for the services provided by the company. This is one of the ways to improve quality service and good prices which lead to the increase in customer satisfaction.

For further researchers, the factors that influence customer satisfaction in using services from airlines company should be more varied that cover all aspects of customer's characteristics, income level, education, and external factors, such as government support, technology advancement, climate changes, and others. This research is very important to explore other significant factors that could have an effect on increasing customer satisfaction.

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