

## **ABSTRACT**

*Indonesia is the largest archipelagic country in the world, so it requires commercial aircraft as one of the transportation that can become the backbone of economic growth. In Indonesia there are two types of business models in the airline, namely Full Service and Low Cost Carrier. The Low Cost Carrier is the choice for the Indonesian people, especially the airline Lion Air. However, with the number of passengers leading the market, Lion Air still often has problems related to Service Quality.*

*The formulation of the problem in this study is whether Airline Service Quality has an effect on Customer Satisfaction and has an impact on Word of Mouth. The purpose of this study was to determine the effect of Airline Service Quality on Customer Satisfaction and its impact on Word of Mouth on the airline Lion Air.*

*In this study, the theoretical foundation used is sourced from books, e-books, and international journals. Previous research in this study used sources from international journals which were all related to the object of research, namely airlines. The thinking framework in this study there are three independent variables namely airline tangible, tangible terminal, and empathy, one mediator variable is customer satisfaction, and one dependent variable is word of mouth. There are four hypotheses that will be answered in this study.*

*This study uses quantitative methods, the nature of this study is conclusive, the type of investigation is causal, the involvement of researchers is not to intervene data, based on individual units of analysis, research settings are non contrived settings, and based on research time, this study is cross sectional. The measurement scale used is the Likert scale. The population in this study were consumers in Indonesia who had used Lion Air with a total sample of 400 respondents. The sampling technique is non probability sampling and quota sampling. Data sources in this study were obtained from primary and secondary data. Data analysis techniques were carried out by multivariate techniques, Structural Equation Modeling (SEM) Partial Least Square (PLS), and hypothesis testing by partial T test.*

*The results of this study are three hypotheses accepted and one hypothesis rejected from a total of four hypotheses. Furthermore, based on the findings of the research conducted, it was concluded that the research questions had been answered in accordance with the expectations of the researchers. The recommendation of this study is Lion Air must improve its service quality in order to create good customer satisfaction because customer satisfaction on Lion Air is the most important part to be developed.*

*Keywords: Airline Service Quality, Customer Satisfaction, Word of Mouth*