

ABSTRACT

The busyness in the current era of globalization makes human life have activities and a high level of population mobility, accompanied by the increasing number of choices of transportation facilities available today. People will look for means of transportation that are in accordance with their wishes or expectations so that they can provide their own satisfaction. One example of a means of transportation that is in great demand and chosen by the public today is the train. This study aims to determine the effect of service recovery and perceived value on customer loyalty through customer satisfaction as an intervening variable.

The research method used in this research is quantitative method with descriptive analysis where sampling is done by non-probability sampling method with 100 respondents. The data processing technique used in this research is to use Structural Equation Modeling (SEM) using SmartPLS 3.0 software.

The results of this study are the Service Recovery (X1) variable has a positive and significant effect on Customer Satisfaction (Y), Perceived Value (X2) has a positive and significant effect on Customer Satisfaction (Y), Service Recovery (X1) has a positive and significant effect on Customer Loyalty (Z), Perceived Value (X2) has a positive and significant effect on Customer Loyalty (Z), Customer Satisfaction (Y) has a positive and significant effect on Customer Loyalty (Z), the Service Recovery (X1) variable has a positive but insignificant effect on Customer Loyalty (Z) through Customer Satisfaction (Y), and the Perceived Value (X2) variable has a positive but insignificant effect on Customer Loyalty (Z) through Customer Satisfaction (Y).

The results showed that perceived value has a positive but insignificant effect in mediating service recovery and perceived value on customer loyalty. The suggestions given by the author to the company are to further improve the services and facilities offered, pay attention to train fares to make them more affordable for the community, and focus on paying attention to train user satisfaction in order to create customer loyalty.

Keywords: *Advertising, Brand Ambassador, Brand Image, Consumer Purchase Interest*