

## **ABSTRACT**

*Aviation industry in Indonesia during the year 2007 to 2008 experienced strong growth. Until the end of 2008 recorded 16 domestic airlines. From the many companies, there are only a few big players, namely Garuda Indonesia, Lion Air and Batavia Air. PT. Mentari Lion Air is a pioneer in low-cost airlines in Indonesia. During the year 2007 the number of passengers Lion Air for domestic flights about 6,500,000 passengers. While the year 2008 recorded 9,147,942 passengers. There was an increase in the percentage of the number of passengers by 28%. To achieve these accomplishments is not easy, because currently customers are demanding quality and excellent service. Companies must provide high quality value, which is capable of creating customer satisfaction and customer loyalty.*

*On this research the author conducted a case study in PT. Mentari Lion Air using the four independent variables, product value, personnel value, and image value. Dependent variable is customer satisfaction and customer loyalty. On this research, the author interested to know how big the influence arising from all independent variables to dependent variables, and whether all independent variables is influence the dependent variable simultaneously. And also, author interested to know which independent variable that has big influence to dependent variable. Author spread the questionnaire to the 120 respondent ( the passenger of Lion Air ), which are spread in Terminal 1A Soekarno Hatta International Airport.*

*After the research is done, it was found that the answer all customer value (product value, service value, personnel value, and image value) has a partial effect on customer satisfaction. The independent variable which has big influence to customer satisfaction is image value. Customer satisfaction can be explained by customer value as much as 79.1%, where as the remaining 20.9% as described by other, perhaps by other variable or because of the company condition or the environmental conditions associated with the company. Research also found that customer satisfaction influence customer loyalty. Customer loyalty can be explained by customer satisfaction as much as 45.9%, where the remaining 54.1% described with other factor.*