EFFECT OF CUSTOMER SATISFACTION, SWITCHING COSTS, AND PERCEIVED SERVICE QUALITY ON CUSTOMER LOYALTY AT THE CONTAINER SHIPPING INDUSTRY IN PT LINTAS INDONESIA TIMUR LINES

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APPROVAL PAGE

THESIS

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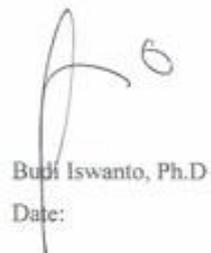
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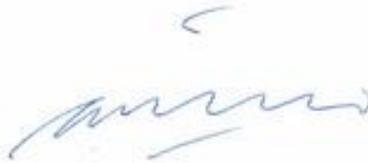
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Acknowledge that this final assignment report is authentically written by me. If it is proved that this paper is a plagiarism, I am ready to receive any sanctions from the Business Faculty of Widya Mandala Catholic University Surabaya. I also approve that this papers to be published/showed in the internet or other media (Widya Mandala Catholic University Repository) for academic importance to the extent of copyright law.

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FOREWORDS

Give thanks to the God for His blessing and guidance bestowed upon the author so that the author managed to complete the thesis well. This thesis titled "Effects of Customer Satisfaction, Switching Cost, and Perceived Service Quality on Customer Loyalty at the Container Shipping Industry in PT Lintas Indonesia Timur Lines" is formed as one of the requirements to complete Bachelor program in Business Faculty, Widya Mandala Catholic University Surabaya. During the process of the thesis, the author obtained many help from various sources. Therefore, the author would like to express gratitude to:

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Surabaya,   April 2019
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ABSTRACT

This study aims to examine the customer satisfaction, switching costs, and perceived service quality on customer loyalty at the container shipping industry in PT Lintas Indonesia Timur Lines. Data for this study were obtained directly from respondents who knew and used the service of PT Lintas Indonesia Timur Lines for at least 3 months. The sample used in this study is 150 respondents with the age of $\geq$ 17 years. Using purposive sampling and SEM analysis technique with LISREL 8.70 program.

Based on the respondents in this study, customer satisfaction have an influence on switching costs, where if the customer satisfaction is low than customer choose to switch to other service company high and vice versa. As well as perceived service quality have an influence on switching costs, where if the service quality is good than customer will remain loyal to the service company and vice versa. As switching costs have negative and significant impact to customer loyalty, it caused by customer in PT Lintas Indonesia Timur Lines already satisfied and service quality is good so customer choose to remain loyal to the service company.

Keywords: Customer Loyalty, Customer Satisfaction, Switching Costs, and Perceived Service Quality

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ABSTRAK

Penelitian ini bertujuan untuk menguji pengaruh *Customer Satisfaction, Switching Costs, dan Perceived Service Quality terhadap Customer Loyalty* di PT Lintas Indonesia Timur Lines. Data untuk penelitian ini diperoleh langsung dari pelanggan PT Lintas Indonesia Timur Lines yang mengetahui dan menggunakan jasa selama minimal tiga bulan terakhir. Sampel yang digunakan sebanyak 150 responden dengan usia $\geq$ 17 tahun. Menggunakan teknik *purposive sampling* dan menggunakan teknik analisis SEM dengan program LISREL 8.70.

Berdasarkan responden dalam penelitian ini, kepuasan pelanggan memiliki pengaruh terhadap peralihan biaya, dimana jika kepuasan pelanggan rendah dari pelanggan memilih untuk beralih ke perusahaan jasa lain yang lebih baik dan sebaliknya. Serta kualitas layanan yang dirasakan memiliki pengaruh pada peralihan biaya, di mana jika kualitas layanan baik maka pelanggan akan tetap loyal kepada perusahaan jasa dan sebaliknya. Karena peralihan biaya memiliki dampak negatif dan signifikan terhadap loyalitas pelanggan, hal itu disebabkan oleh pelanggan di PT Lintas Indonesia Timur Lines yang sudah puas dan kualitas layanan baik sehingga pelanggan memilih untuk tetap loyal kepada perusahaan.

Kata Kunci: *Customer Loyalty, Customer Satisfaction, Switching Cost, and Perceived Service Quality*