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The Role of Customer Satisfaction in Mediating Service Quality, Price, and Word of Mouth on Customer Loyalty in the National Strategic Tourism Area (KPSN) Borobudur Transportation Service

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Abstract: The rapid development of the transportation and tourism sectors in Indonesia has prompted the government to improve connectivity through the National Strategic Tourism Area Transportation (KSPN) program, one of which is in the Borobudur area. The Borobudur KSPN Transportation Service was introduced to support accessibility to priority tourist destinations with affordable fares and scheduled services. However, the low load factor indicates a gap between the program's objectives and the public's perception of the services provided. This study highlights the importance of service quality, price perception, and word of mouth (WOM) as key factors influencing customer satisfaction. Service quality, which includes reliability, comfort, and empathy, as well as prices that are in line with the value received, has the potential to increase satisfaction and encourage positive WOM that strengthens the image of the service. The research method used in this study is a quantitative method with SEM PLS as the analysis method. The results show that customer satisfaction can mediate the relationship between service quality, price, and word of mouth on customer loyalty. The results of this study have strategic implications for public transportation service providers and policymakers, particularly in designing policies to improve service quality and communication strategies based on customer experience. With increased satisfaction, KSPN services can encourage loyalty and organic promotion through word of mouth, which will lead to a sustainable increase in the number of users.

Keyword: Service Quality, Price, Word of Mouth, Customer Satisfaction, Customer Loyalty

INTRODUCTION

Transportation development is one of the fundamental factors supporting economic growth, increasing community mobility, and advancing the tourism sector. In the modern era, the demand for transportation systems that are fast, safe, comfortable, affordable, and integrated

continues to increase alongside the growth of social and economic activities. Transportation is no longer viewed merely as a means of moving people and goods but also as an important instrument for improving interregional accessibility and strengthening national connectivity. An effective transportation system can facilitate the distribution of resources, promote the movement of tourists, increase community productivity, and accelerate regional economic growth. Therefore, the development of the transportation sector has become one of the priorities of the Indonesian government in supporting sustainable national development, particularly in strategic areas with significant economic and tourism potential.

One form of implementation of this policy is the development of the Borobudur National Strategic Tourism Area (Kawasan Strategis Pariwisata Nasional/KSPN) as a super-priority tourism destination. Since 2014, the Government of Indonesia has designated the Borobudur–Yogyakarta–Prambanan area as one of the National Strategic Tourism Areas, with the objective of making it a driving force for economic growth through the tourism sector. Subsequently, through Presidential Regulation No. 18 of 2020, Borobudur was designated as one of five super-priority destinations receiving special attention in infrastructure development, destination development, and improvements in transportation accessibility. This policy was further strengthened through the development of the Borobudur Integrated Tourism Master Plan (ITMP), which recommended the establishment of an integrated transit area based on an intermodal integration concept, including the development of the Palbapang Smart Pavilion (Anjungan Cerdas Palbapang) as the main gateway to the Borobudur tourism area, supported by several feeder stops at strategic locations. This concept aims to establish a transportation system capable of connecting tourists from various transportation hubs to tourism destinations effectively through first-mile and last-mile services.

To support the implementation of this policy, the Ministry of Transportation, through the Directorate General of Land Transportation, assigned Perum DAMRI as the operator responsible for providing transportation services within the National Strategic Tourism Area (KSPN). The DAMRI KSPN Borobudur Transportation Program represents a form of government intervention aimed at providing affordable, safe, comfortable, and integrated public transportation to support tourist mobility to the Borobudur area and surrounding tourist destinations. Unlike commercial tourism transportation services that operate under a charter system, DAMRI KSPN services receive government subsidies, resulting in relatively lower fares for the public. In addition to improving tourist accessibility, the program is also expected to reduce dependence on private vehicles, alleviate congestion in tourism areas, improve transportation system efficiency, and support the development of sustainable transportation.

The development of public transportation to tourism destinations has become increasingly important, considering that the tourism sector is one of the major sources of foreign exchange and makes a significant contribution to national economic growth. Before the COVID-19 pandemic, the number of tourists visiting the Borobudur area showed a considerable upward trend. In 2019, the number of domestic tourists visiting Borobudur Temple exceeded 3.7 million, while the number of international tourists surpassed 242,000. Although the pandemic caused a drastic decline in tourist visits during 2020–2021, the tourism sector began to recover in 2022 and 2023 following its reopening. The increasing number of tourists should have provided an opportunity for public transportation operators to increase the number of users of tourism transportation services. However, empirical conditions indicate that the increase in tourist arrivals has not yet been accompanied by an optimal increase in the utilization of DAMRI KSPN Borobudur transportation services.

Operational data from the Directorate of Land Transportation indicate that passenger occupancy rates (load factors) on most DAMRI KSPN Borobudur routes remained relatively low from 2023 to 2024. Several routes even experienced a decline in passenger numbers despite government subsidies for fares and various efforts to expand the service network. This condition indicates that the availability of public transportation services has not yet made them the

primary choice for local communities and tourists traveling to the Borobudur area. This phenomenon suggests a gap between the objectives of the transportation program and the level of service utilization by the public. The low fleet occupancy rate also has the potential to reduce the effectiveness of government subsidies and hinder the achievement of sustainable public transportation system development objectives.

Several empirical conditions indicate that the low utilization of DAMRI KSPN services is influenced by various factors. From an operational perspective, the frequency of departures on several routes remains relatively limited and has therefore not fully accommodated the needs of tourists seeking greater flexibility in travel schedules. Information regarding departure schedules, bus stop locations, travel routes, and ticket booking procedures has also not been disseminated optimally, resulting in many members of the public remaining unaware of the availability of these services. In addition, intermodal integration to tourism destinations has not yet been fully implemented effectively, meaning that tourists may still experience difficulties when transferring between modes of transportation from airports, railway stations, terminals, or city centers to tourist destinations. On the other hand, private vehicles, rental vehicles, and travel services remain more popular transportation options because they are perceived to provide greater travel flexibility, despite the relatively higher costs involved.

In addition to service quality, price is also an important factor influencing consumers' decisions to use public transportation. The government has set relatively affordable fares for DAMRI KSPN Borobudur through a subsidy mechanism, with fares ranging from IDR 19,600 to IDR 33,600 depending on the travel route. Theoretically, this policy is expected to increase the attractiveness of public transportation and encourage people to shift from private vehicles to public transit. However, low prices do not necessarily become the primary factor influencing service usage decisions when the benefits perceived by customers do not meet their expectations. Price perceptions are determined not only by the nominal fare paid but also by the extent to which the cost incurred is commensurate with service quality, travel comfort, accessibility, punctuality, safety, and other benefits received by customers. Therefore, the concept of perceived value is important in explaining how consumers evaluate the overall worth and attractiveness of a transportation service.

Customer satisfaction is a key indicator for measuring the success of public transportation services. According to Expectation Confirmation Theory, satisfaction is formed when the performance of the service received meets or exceeds customers' expectations. Conversely, when the service performance falls below expectations, customers are likely to experience dissatisfaction and seek alternative modes of transportation. In the context of DAMRI KSPN Borobudur transportation services, customer satisfaction is influenced not only by operational service quality but also by the ease of obtaining information, vehicle comfort, driver professionalism, punctuality, fare affordability, and accessibility to tourism destinations.

Service quality is one of the fundamental concepts in service marketing and continues to be widely used to explain consumer behavior. The SERVQUAL model developed by Parasuraman, Zeithaml, and Berry explains that service quality can be measured through five main dimensions: tangibles, reliability, responsiveness, assurance, and empathy. These five dimensions provide a basis for evaluating the extent to which service providers are able to meet customers' needs and expectations. In the public transportation sector, high service quality can enhance users' positive perceptions, create satisfaction, and encourage repeated use of the service in the future. Conversely, poor service quality can reduce customer trust and hinder the success of public transportation programs.

In addition to service quality and price perceptions, information dissemination through Word of Mouth (WOM) also plays an important role in increasing the use of public transportation. WOM refers to informal communication among consumers based on their actual experiences when using a particular product or service. Information derived from personal experiences is generally perceived as more objective, credible, and influential in shaping

potential customers' decisions than promotional activities conducted by companies. In the tourism sector, positive recommendations from tourists are among the key factors influencing other tourists' decisions when selecting a mode of transportation. Conversely, negative experiences can spread rapidly through direct communication and social media, potentially affecting the image and reputation of the service. Therefore, achieving customer satisfaction is an important prerequisite for generating positive WOM that can increase the number of users of DAMRI KSPN Borobudur services.

Various previous studies have demonstrated that service quality, price perception, customer satisfaction, and Word of Mouth (WOM) have interconnected relationships. Studies in the transportation sector have shown that service quality and price have positive effects on customer satisfaction, while customer satisfaction encourages the formation of positive WOM, which ultimately contributes to user loyalty. However, most previous studies have focused on transportation modes such as railways, online transportation, airlines, and urban public transportation. Research specifically examining the relationships among service quality, price perception, and WOM in relation to customer satisfaction within subsidized public transportation in national tourism areas remains very limited. This is particularly relevant because DAMRI KSPN services differ from commercial transportation modes in terms of their public service objectives, government subsidy support, and function in strengthening connectivity to nationally prioritized tourism destinations.

Based on the foregoing discussion, a research gap remains to be addressed, both in terms of the research context and the conceptual model employed. Previous studies have generally examined the relationship between service quality and customer satisfaction or between price and customer loyalty separately, whereas studies integrating service quality, price perception, and Word of Mouth within the context of subsidized public transportation services to tourism destinations remain relatively limited. Therefore, this study aims to analyze the effects of service quality, price perception, and Word of Mouth on customer satisfaction among users of DAMRI KSPN Borobudur transportation services. The findings are expected to make a theoretical contribution by enriching the literature on consumer behavior in the tourism public transportation sector, while also providing practical contributions to the Ministry of Transportation, Perum DAMRI, and relevant stakeholders in formulating strategies to improve service quality, enhance the effectiveness of transportation subsidy policies, increase customer satisfaction, and develop an integrated and sustainable transportation system to support the successful development of the Borobudur National Strategic Tourism Area.

METHOD

This study employs a quantitative approach using a survey method to analyze the effects of service quality, price, and Word of Mouth on customer loyalty through customer satisfaction among users of DAMRI transportation services in the Borobudur National Strategic Tourism Area (KSPN). The research was conducted from February to March 2025 in the Borobudur area, Magelang, and along the DAMRI KSPN service corridors connecting various major tourist destinations in Yogyakarta and its surrounding areas. This research period was selected because it coincided with the peak tourist season, thereby providing a representation of service operations during a period of relatively high passenger demand. The study population consisted of all users of DAMRI KSPN Borobudur transportation services during 2024, totaling 13,063 passengers distributed across five service corridors. The sample was determined using a stratified random sampling technique to ensure that each service corridor received proportional representation. The sample size was calculated using the Slovin formula with a 5% margin of error, resulting in 388 respondents (Lubis, 2021; Siregar, 2017).

Data were collected through field observations, a literature review, and the distribution of questionnaires to respondents. To improve data quality, the study implemented several measures to mitigate potential response bias, sampling bias, and recall bias. These measures

included designing neutral questions, distributing questionnaires proportionally across all service routes, ensuring the confidentiality of respondents' answers, conducting the survey immediately after the journey, and training enumerators to ensure that the data collection process was carried out objectively (Sugiarto, 2022; Mardawani, 2020; Zulkarnain et al., 2019; Rahardjo, 2018). The research variables consisted of service quality, price, and Word of Mouth as independent variables; customer satisfaction as a mediating variable; and customer loyalty as the dependent variable. Service quality was measured using five dimensions: punctuality, safety, security, regularity, and comfortability (Shen & Li, 2014). Price was measured based on price affordability, price competitiveness, price suitability in relation to service quality, and price suitability in relation to the benefits received (Nurhayati, 2022). Word of Mouth was measured through the dimensions of obtaining information, motivation to use the service, and recommendations to others (Krisyanti & Rahanatha, 2019). Customer satisfaction was measured based on the dimensions proposed by Kotler and Keller, as cited in Tafonao et al. (2024), while customer loyalty was measured through the willingness to share information, communicate positive experiences, and recommend the service to others (Hidayati et al., 2021).

Data analysis was conducted using Partial Least Squares–Structural Equation Modeling (PLS-SEM), as this method is suitable for analyzing complex relationships among latent constructs, examining both direct and indirect effects, and providing strong predictive capabilities without requiring the data to follow a normal distribution (Prayitno, 2021; Gevisioner, 2022; Amrita et al., 2023). Evaluation of the measurement model (outer model) was performed through tests of convergent validity, discriminant validity, Cronbach's Alpha, and Composite Reliability. Meanwhile, evaluation of the structural model (inner model) was conducted using R-square and Q-square values, along with significance testing of path coefficients through the bootstrapping procedure to test the research hypotheses (Rukajat, 2018; Setiawan et al., 2022; Wangsajaya, Muhammad Zarlis, et al., 2023).

RESULTS AND DISCUSSION

This study involved 388 respondents who were active users of DAMRI KSPN Borobudur services. All data obtained through the questionnaire distribution process underwent data checking, editing, coding, and processing using SmartPLS 4 software. Prior to conducting the structural model analysis, all research instruments were first subjected to validity testing. The results showed that all indicators had correlation coefficients greater than the critical *r*-table value; therefore, all statement items were declared valid and suitable for use in the study. Based on the respondents' characteristics, the majority of DAMRI KSPN Borobudur service users were female, totaling 212 respondents (54.64%), while male respondents accounted for 176 respondents (45.36%). In terms of age, most respondents were between 32 and 38 years old, totaling 137 respondents (35%), indicating that the service users were predominantly within the productive-age group. Regarding educational background, the majority of respondents had completed senior high school or an equivalent level, totaling 201 respondents (51.80%). In terms of occupation, most respondents were private-sector employees, totaling 118 respondents (30.41%). These characteristics indicate that DAMRI KSPN Borobudur services are widely utilized by people of productive age with relatively high mobility, particularly for tourism-related travel and other supporting activities.

The evaluation of the research model began with a Goodness-of-Fit assessment using the Standardized Root Mean Square Residual (SRMR). The analysis produced an SRMR value of 0.083, which is below the maximum threshold of 0.10, indicating that the research model meets the acceptable fit criteria. Therefore, the conceptual model developed adequately represents the relationships among the variables and can be used to test the research hypotheses. The evaluation was then continued with the assessment of the outer model to ensure that each indicator validly and reliably measures its respective latent construct. The results of the Convergent Validity test showed that all indicators had outer loading values above 0.70, ranging

from 0.706 to 0.919. Thus, all indicators were considered valid in representing the research variables. The Discriminant Validity test using cross-loading analysis also showed that each indicator had the highest correlation with its respective construct compared with the other constructs. Furthermore, the Average Variance Extracted (AVE) results indicated that all constructs had AVE values above 0.50: Service Quality = 0.651, Price = 0.697, Word of Mouth = 0.626, Passenger Satisfaction = 0.646, and Passenger Loyalty = 0.670. These results demonstrate that each construct is able to explain more than 50% of the variance in its respective indicators and therefore meets the requirements for convergent validity.

The reliability test also produced very good results. All variables had Composite Reliability values above the minimum threshold of 0.70, namely Service Quality = 0.903, Price = 0.901, Word of Mouth = 0.833, Passenger Satisfaction = 0.879, and Passenger Loyalty = 0.724. These results indicate that all indicators have a high level of internal consistency. Therefore, the research instrument can be considered reliable and capable of providing stable measurement results. In the inner model evaluation stage, the model's ability to explain the endogenous variables was assessed using the R-Square value. The results showed that Service Quality, Price, and Word of Mouth were able to explain 51.4% of Passenger Satisfaction (Adjusted $R^2 = 0.514$), while the remaining 48.6% was explained by other variables outside the research model. Furthermore, Service Quality, Price, Word of Mouth, and Passenger Satisfaction were able to explain 54.2% of Passenger Loyalty (Adjusted $R^2 = 0.542$), while the remaining 45.8% was influenced by other factors not included in the research model. Both values fall within the moderate category, indicating that the research model has a reasonably good explanatory and predictive capability.

The magnitude of the contribution of each independent variable to the dependent variables was analyzed using F-Square (Effect Size). All relationships among the variables showed F^2 values within the moderate effect size category. The effect of Service Quality on Passenger Satisfaction had a value of 0.261, while the effect of Price on Passenger Satisfaction was 0.254, and the effect of Word of Mouth on Passenger Satisfaction was 0.285. Meanwhile, the effect of Service Quality on Passenger Loyalty was 0.152, Price on Passenger Loyalty was 0.250, Word of Mouth on Passenger Loyalty was 0.253, and Passenger Satisfaction on Passenger Loyalty was 0.242. These findings indicate that all independent variables make a meaningful contribution to explaining changes in the endogenous variables within the research model.

Hypothesis testing showed that all research hypotheses were accepted, as all relationships had P-values below 0.05. Service Quality was found to have a positive and significant effect on Passenger Loyalty, with a path coefficient of 0.108 ($P = 0.044$), as well as on Passenger Satisfaction, with a coefficient of 0.177 ($P = 0.036$). These results indicate that the better the quality of service provided by DAMRI—including punctuality, comfort, safety, and staff professionalism—the higher the levels of customer satisfaction and loyalty. The Price variable also had a positive and significant effect on Passenger Loyalty, with a coefficient of 0.216 ($P = 0.011$), as well as on Passenger Satisfaction, with a coefficient of 0.127 ($P = 0.035$). These findings indicate that customers' perceptions of fare affordability and the alignment between price and the benefits received from the service are important factors in increasing satisfaction and building loyalty among DAMRI service users. Furthermore, Word of Mouth demonstrated the strongest effects among the independent variables. Word of Mouth had a positive effect on Passenger Loyalty, with a coefficient of 0.269 ($P = 0.038$), and a particularly strong effect on Passenger Satisfaction, with a coefficient of 0.725 ($P = 0.000$). This finding indicates that recommendations, positive experiences, and information shared by customers with others make a substantial contribution to shaping positive perceptions of DAMRI services, thereby increasing customer satisfaction.

The results also showed that Passenger Satisfaction has a positive and significant effect on Passenger Loyalty, with a path coefficient of 0.136 ($P = 0.035$). This indicates that the higher

the level of satisfaction experienced by customers after using DAMRI services, the greater their tendency to reuse the service, recommend it to others, and maintain a long-term relationship with the company. In addition to the direct effects, this study also examined the indirect effects through Passenger Satisfaction as a mediating variable. The results showed that Passenger Satisfaction significantly mediates the relationships between Service Quality, Price, and Word of Mouth and Passenger Loyalty. The indirect effect of Service Quality on Passenger Loyalty through Passenger Satisfaction had a coefficient of 0.327 ($P = 0.003$). The indirect effect of Price through Passenger Satisfaction was 0.220 ($P = 0.013$), while the indirect effect of Word of Mouth through Passenger Satisfaction was 0.113 ($P = 0.035$). These findings demonstrate that Passenger Satisfaction functions as an intervening variable that strengthens the relationships between the independent variables and Passenger Loyalty. In other words, improvements in service quality, price perceptions, and positive Word of Mouth can enhance passenger satisfaction, which subsequently contributes to stronger passenger loyalty toward DAMRI services.

Based on the Total Effect analysis, the relationship exerting the strongest influence on Passenger Loyalty was Word of Mouth through Passenger Satisfaction, with a total effect of 0.838, followed by Service Quality with a total effect of 0.435, and Price with a total effect of 0.347. These findings indicate that the company's ability to create positive customer experiences that encourage word-of-mouth recommendations has a greater impact on building passenger loyalty than the other factors examined. The final assessment, Collinearity Statistics, showed that all indicators had Variance Inflation Factor (VIF) values below 10, ranging from 1.058 to 2.201. Therefore, the research model was considered free from multicollinearity problems. This indicates that there are no excessive linear relationships among the indicators or independent variables, allowing the model estimation results to be considered reliable.

Overall, the research findings indicate that all research hypotheses were accepted. Service Quality, Price, and Word of Mouth were found to have positive and significant effects on both Passenger Satisfaction and Passenger Loyalty. Furthermore, Passenger Satisfaction was found to significantly mediate the effects of all three independent variables on Passenger Loyalty. Among all the variables examined, Word of Mouth was the most dominant factor influencing Passenger Satisfaction, while Passenger Satisfaction played an important role in strengthening the formation of Passenger Loyalty. Therefore, DAMRI KSPN Borobudur should prioritize improving service quality, establishing prices that provide value to customers, and developing customer-experience-based marketing strategies that encourage positive Word of Mouth. These efforts are expected to increase passenger satisfaction while strengthening customer loyalty in a sustainable manner.

Model fit		
	Saturated model	Estimated model
SRMR	0,083	0,083
d_ULS	1,299	1,299
d_G	0,547	0,547
Chi-Square	1117,447	1117,447
NFI	0,732	0,732

Figure 1. Results of the Standardized Root Mean Square Residual (SRMR) Test

Source: Data Processing Results Using SmartPLS 4.0

Outer loadings – Matrix					
	Price	Passenger Satisfaction	Service Quality	Customer Loyalty	Word Of Mouth
KL1			0,786		
KL2			0,763		
KL3			0,826		
KL4			0,825		
KL5			0,832		
H1		0,919			
H2		0,772			
H3		0,711			
H4		0,918			
WOM1					0,744
WOM2					0,777
WOM3					0,848
KP1		0,843			
KP2		0,843			
KP3		0,706			
KP4		0,816			
LP1				0,764	
LP2				0,735	
LP3				0,793	

Figure 2. Results of the Outer Loading Test
Source: Data Processing Results Using SmartPLS 4.0

Discriminant Validity - Cross Loadings					
	Price	Passenger Satisfaction	Service Quality	Customer Loyalty	Word Of Mouth
KL1	0,249	0,418	0,786	0,283	0,330
KL2	0,112	0,289	0,763	0,182	0,223
KL3	0,314	0,495	0,826	0,323	0,393
KL4	0,184	0,417	0,825	0,350	0,348
KL5	0,230	0,429	0,832	0,250	0,353
H1	0,919	0,504	0,274	0,369	0,445
H2	0,772	0,406	0,229	0,395	0,389
H3	0,711	0,330	0,239	0,334	0,269
H4	0,918	0,461	0,199	0,378	0,433
WOM1	0,354	0,674	0,356	0,365	0,744
WOM2	0,352	0,685	0,329	0,405	0,777
WOM3	0,399	0,677	0,319	0,491	0,848
KP1	0,444	0,843	0,492	0,436	0,692
KP2	0,467	0,843	0,384	0,489	0,730
KP3	0,318	0,706	0,344	0,329	0,532
KP4	0,409	0,816	0,439	0,449	0,769
LP1	0,417	0,331	0,175	0,764	0,285
LP2	0,153	0,300	0,412	0,735	0,291
LP3	0,323	0,450	0,187	0,793	0,498

Figure 3. Results of the Discriminant Validity / Cross Loading Test
Source: Data Processing Results Using SmartPLS 4.0

Construct reliability and validity - Overview					Copy to Excel/Word
	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)	
Price		0,903	0,903	0,651	
Service Quality	0,884	0,902	0,901	0,697	
Word of Mouth	0,793	0,834	0,833	0,626	
Passenger Satisfaction	0,854	0,880	0,879	0,646	
Passenger Loyalty	0,678	0,726	0,724	0,670	

Figure 4. Results of the Average Variance Extracted (AVE) Test

Source: Data Processing Results Using SmartPLS 4.0

Construct reliability and validity - Overview					Copy to Excel/Word
	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)	
Kualitas layanan	0,888	0,903	0,903	0,651	
Harga	0,884	0,902	0,901	0,697	
Word of Mouth	0,793	0,834	0,833	0,626	
Kepuasan penumpang	0,854	0,880	0,879	0,646	
Loyalitas penumpang	0,678	0,726	0,724	0,670	

Figure 5. Results of the Composite Reliability Test

Source: Data Processing Results Using SmartPLS 4.0

R-square - Overview		
	R-square	R-square adjusted
Passenger Satisfaction	0,517	0,514
Passenger Loyalty	0,654	0,542

Figure 6. Results of the R-Square Test

Source: Data Processing Results Using SmartPLS 4.0

f-square - Matrix						Copy to Excel/Word
	Price	Passenger Satisfaction	Service Quality	Customer Loyalty	Word of Mouth	
Price		0,718	0,458			
Passenger Satisfaction			0,764	0,837		
Service Quality				0,791	0,862	
Customer Loyalty					0,771	
Word of Mouth				0,748		

Figure 7. Results of the F-Square Test

Source: Data Processing Results Using SmartPLS 4.0

Path coefficients - Mean, STDEV, T values, p values					
	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Price → Passenger Satisfaction	0,127	0,125	0,030	2,113	0,035
Price → Passenger Loyalty	0,216	0,214	0,057	2,793	0,011
Passenger Satisfaction → Passenger Loyalty	0,136	0,160	0,135	2,115	0,035
Service Quality → Passenger Satisfaction	0,177	0,176	0,037	2,279	0,036
Service Quality → Passenger Loyalty	0,108	0,104	0,068	2,017	0,044
Word of Mouth → Passenger Satisfaction	0,725	0,727	0,037	9,621	0,000
Word of Mouth → Passenger Loyalty	0,269	0,254	0,118	2,951	0,038

Figure 8. Results of the Direct Effects Test
Source: Data Processing Results Using SmartPLS 4.0

Specific indirect effects - Mean, STDEV, T values, p values					
Path	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Price -> Passenger Satisfaction -> Passenger Loyalty	0,220	0,021	0,018	2,496	0,013
Service Quality -> Passenger Satisfaction -> Passenger Loyalty	0,327	0,029	0,026	3,116	0,003
Word Of Mouth -> Passenger Satisfaction -> Passenger Loyalty	0,113	0,115	0,098	2,065	0,035

Figure 9. Results of the Indirect Effects Test
Source: Data Processing Results Using SmartPLS 4.0

Specific indirect effects - Mean, STDEV, T values, p values					
Path	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Service Quality -> Passenger Loyalty	0.435	0.438	0.085	5.117	0.000
Service Quality -> Passenger Satisfaction	0.347	0.349	0.079	4.399	0.000
Price -> Passenger Loyalty	0.216	0.219	0.067	3.239	0.001
Price -> Passenger Satisfaction	0.347	0.348	0.075	4.647	0.000
Word of Mouth -> Passenger Loyalty	0.269	0.271	0.069	3.897	0.000
Word of Mouth -> Passenger Satisfaction	0.838	0.839	0.056	14.964	0.000
Passenger Satisfaction -> Passenger Loyalty	0.136	0.138	0.058	2.331	0.020

Figure 10. Results of the Total Effects Test
Source: Data Processing Results Using SmartPLS 4.0

Figure

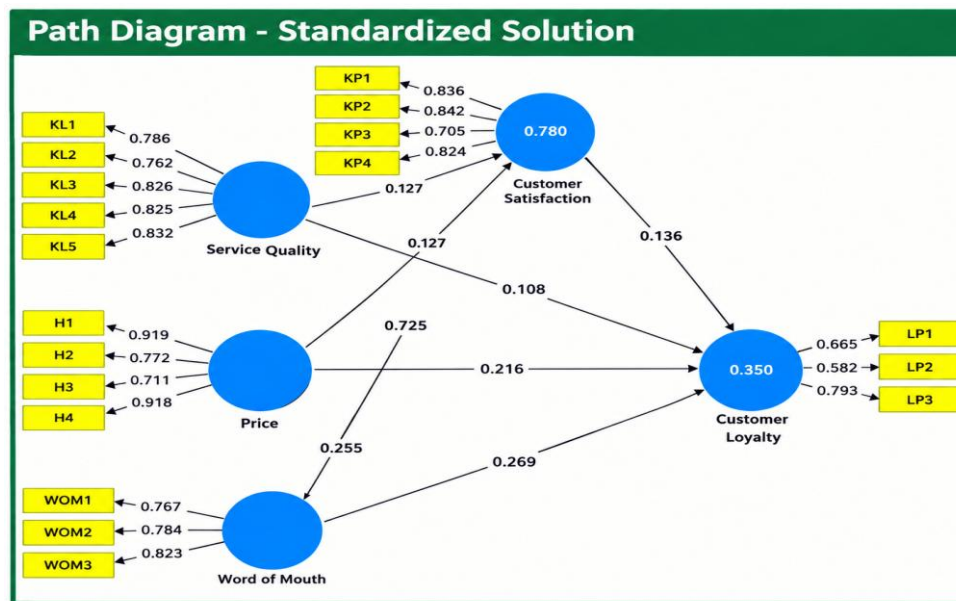


Figure 11. The output of the Partial Least Squares (PLS) outer model
 Source: Data Processing Results Using SmartPLS 4.0

Collinearity statistics (VIF)	
	VIF
KL1	1,788
KL2	1,920
KL3	1,897
KL4	2,004
KL5	2,201
H1	2,035
H2	1,553
H3	1,435
H4	2,027
WOM1	1,326
WOM2	1,356
WOM3	1,459
KP1	1,885
KP2	1,910
KP3	1,432
KP4	1,752
LP1	1,079
LP2	1,058
LP3	1,124

Figure 12. Results of the Collinearity Statistics Test
 Source: Data Processing Results Using SmartPLS 4.0

CONCLUSION

This study aims to analyze the effects of Service Quality, Price, and Word of Mouth on Passenger Loyalty, with Passenger Satisfaction as a mediating variable, among users of KSPN Borobudur transportation services. Based on the results of SEM-PLS analysis involving 388 respondents, all research hypotheses were accepted. The findings indicate that Service Quality, Price, and Word of Mouth have positive and significant effects on Passenger Loyalty, both

directly and indirectly through Passenger Satisfaction. Service Quality was found to directly increase Passenger Loyalty while also enhancing Passenger Satisfaction, which subsequently strengthens loyalty. Competitive and transparent pricing that is commensurate with the benefits provided by the service also contributes to increased customer satisfaction and loyalty. Furthermore, Word of Mouth was found to be the most influential variable in determining Passenger Satisfaction, indicating that positive recommendations from existing users play an important role in shaping customer loyalty. The findings also demonstrate that Passenger Satisfaction functions as a significant mediating variable. This means that Passenger Loyalty is influenced not only directly by Service Quality, Price, and Word of Mouth, but also indirectly through the level of satisfaction experienced by customers after using KSPN Borobudur transportation services. Therefore, customer satisfaction represents a strategic factor that should be prioritized in the management and development of tourism transportation services.

Based on the research findings, DAMRI, as the operator of KSPN Borobudur transportation services, needs to continuously improve service quality by implementing measurable service standards, enhancing punctuality, cleanliness, safety, and fleet comfort, as well as improving staff competencies through regular excellent-service training. The company should also pursue digital transformation by developing an integrated application that supports information retrieval, ticket purchasing, digital payments, fleet tracking through a fleet management system, and integration with Online Travel Agents (OTAs) such as Traveloka. This digitalization is expected to improve service accessibility while enhancing the overall customer experience. In terms of pricing, DAMRI should implement a value-based pricing strategy, maintain fare transparency, offer promotional programs, subscription fares, special rates for students and tourists, and develop bundling schemes that combine transportation fares with Borobudur tourism destination tickets or other modes of transportation. These initiatives are expected to make travel more efficient, affordable, and attractive to the public.

The company should also develop a Word of Mouth-based marketing strategy by encouraging customers to provide positive reviews through social media and digital platforms, providing an online feedback system, and offering incentives to customers who actively recommend the service to others. Prompt and professional complaint handling is also essential for maintaining the company's image and reputation. In addition, the government and operators should strengthen monitoring of Minimum Service Standards (MSS), implement reward and punishment mechanisms for operators, improve bus stop and waiting-area facilities, expand outreach and service promotion among students and university students, and integrate transportation services with the tourism sector. These measures are expected to increase the utilization of KSPN transportation services and strengthen their role in supporting tourism mobility in the Borobudur area.

The research findings provide theoretical implications that the relationship model among Service Quality, Price, Word of Mouth, Passenger Satisfaction, and Passenger Loyalty is capable of explaining the behavior of users of tourism transportation services. Customer Satisfaction was found to function as a mediating variable that strengthens the relationship between the independent variables and Customer Loyalty. From a practical perspective, this study demonstrates that increasing customer loyalty cannot be achieved solely by improving service quality or adjusting prices; rather, these efforts must be integrated with strategies aimed at creating satisfying customer experiences. Therefore, the company should prioritize three key strategies: improving operational service quality, implementing value-based pricing strategies, and strengthening Word of Mouth through digital transformation and customer relationship management. At the policy level, this study implies that the development of transportation services in National Strategic Tourism Areas should be supported by service digitalization, intermodal integration, collaboration with tourism stakeholders, and the implementation of green transportation principles through the use of environmentally friendly fleets. Synergy among the government, transportation operators, and the tourism sector is expected to improve

the quality of public transportation services, strengthen the competitiveness of the Borobudur tourism destination, and support sustainable national transportation and tourism development.

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