## **ABSTRACT**

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Civil Aviation

The aeronautics industry is of major importance for a country such as Indonesia that comprises of islands. Apart from that matter, global development makes this industry as one of the main factor of creating communication among nations. But it is such a shame that in recent years, Indonesia's aeronautic industry has been in dire states. This was caused by low safety flying standards, indicated by major airline accidents that prohibited Indonesia's airlines to enter the European Union.

The heart of the matter in this thesis is "Why are Indonesia's airline's security standards still so low?" By knowing the crux of the matter of such low security levels in the airlines industry, I thereby, have certain strategies to increase such security standards in Indonesia's aeronautics industry.

The methodology in this thesis is divided into two parts, the first being a method of evaluating the airlines institution performances to create safety flying procedures. From the result of undergoing such a research, it was found that each airlines institution contributes towards such low-key safety flying standards. The result of research on consumer behaviour shows that the majority of Indonesian airlines consumers do prefer cheaper rates. Making strategies of cheaper tariffs is quite an effective application.

This, therefore, brings to conclusion that each airlines institution in Indonesia lacks quality performance, and therefore, every sector is contributing towards low safety flying procedures. Cheap tariffs is surely a potential risk towards low maintenance costs for the airplanes, which would eventually cause low safety conditions in Indonesia's airlines industry.

Key Word: Low Safety Flying Standards, Aeronautics Institutions, Consumer Behavior. Low Rates.

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