

THE EFFECT OF CUSTOMER EXPERIENCE AND SERVICE QUALITY ON TELKOMSEL CUSTOMER LOYALTY

Didi Tarmidi¹, Aris Frianto Pani²

^{1,2}Business & Economy Faculty, Widyatama University, Bandung, Indonesia

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ABSTRACT

Telkomsel is one of the country's operators facing customer retention issues in Indonesia. The aim of this study is to determine the influence of customer experience and service quality on Telkomsel's customer loyalty. The research method used in this study is a quantitative method with a descriptive research character. Sampling was performed using a non-probabilistic sampling technique used for targeted sampling of a total of 100 respondents using Telkomsel service provider users in of Bandung city. In turn, the data analysis techniques used are descriptive analysis and multiple linear regression analysis. The results showed that customer experience and service quality had a positive and significant impact on customer loyalty, with a large impact of 39.3% and the remaining 60.7% being influenced by other unstudied factors.

Corresponding Author:

E-mail:

didi.tarmidi@widyatama.ac.id

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1. INTRODUCTION

Telkomsel is one of the providers with various customers with up to 190 million users in 2018. This figure also makes Telkomsel the largest provider in Indonesia and even Southeast Asia with the title of Most Provider User. As one of the brands dedicated to digital communication services, Telkomsel is always innovating to provide the widest and most stable network to maintain customer convenience and create excellent service to meet customer needs or complaints [1]. However, according to APJII and Memo, Telkomsel lost million subscribers in 2018-2020, leaving 170 million active subscribers in Q4 2020 [2]. Mobile Open Signal is misled in investigating various reasons why Indonesians switch network from one mobile operator to another and the result is internet speed, signal stability and also a better experience with the new operators than the old ones. This means that the new provider has a reason to win the hearts of other providers' customers in terms of network quality and positive customer experience. Sooner or later, this will certainly shake Telkomsel as the market leader.

Customers are those people who buy goods and services from the market or business that meet their needs and wants. Customers purchase products to meet their expectations in terms of money. Therefore, companies should determine their pricing with the quality of the product that attracts the customer and maintains the long-term affiliation [3]. Many factors affect customer retention, from in-product features to non-product support features such as quality of service and customer experience. Using the Amazon.com research topic in [4] showed that there is an impact of service quality on customer loyalty. Other literature by [5] found that customer experience in building customer loyalty is closely related to the telecom industry. Businesses that can provide excellent service and improve a good customer experience will be able to achieve higher business performance. The purpose of this study is to test the researcher's hypothesis as well as the relevance of the results to previous research, considering that consumer behavior is highly dynamic and marketing trends change rapidly, allowing the current factor of consumer loyalty to be extrapolated to others. Therefore, it should be further explored as an update of the outcomes of the electronic service quality and customer experience variables in customer retention.

A positive experience that consumers feel can build a company's image and encourage them to become loyal consumers. Mascarenhas, Kesavan, and Bernacchi (2016) stated that an organization must *The Effect of Customer Experience and Service Quality on Telkomsel Customer Loyalty*, **Didi Tarmidi**

understand the concept of customer experience and systematically apply customer experience principles and tools to establish, strengthen, and maintain customer loyalty [6]. Nasermodeli (2017) Customer experience is when a customer receives a feeling or knowledge that arises from different levels of interaction with different elements created by service events [7]. The acquired feeling or knowledge is automatically stored in the client's memory. According to Chen and Lin (2018), the customer experience consists of five dimensions, namely: 1) Sense, 2) Feel, 3) Think, 4) Act and 5) Relate [8]. According to Kotler and Keller (2017), service quality is the set of features and character of a product or service that can satisfy specific or implicit needs [9]. The quality of service can be manifested in the satisfaction of consumer needs and expectations and the accuracy of their delivery to compensate for consumer expectations. Lovelock and Wirtz (2017) describe service quality as a long-term cognitive assessment of how businesses provide services to consumers [10]. Service quality consists of five dimensions according to Tjiptono and Chandra (2017), namely: 1) Tangibles, 2) Reliability, 3) Responsiveness, 4) Assurance, and 5) Empathy [11].

According to the Great Indonesian Dictionary, loyalty is loyalty, obedience, obedience. Customers who are loyal to a particular brand tend to be attached to that brand and will buy the same product repeatedly despite many other alternatives being available [12]. According to Lovelock and Wirtz (2017), customer loyalty is the customer's desire to remain a long-term subscriber to a company, to repeatedly purchase goods and services only from a specific location, and to be happy to recommend the company's products to others, including: (1) repeat purchase, (2) customer retention, and (3) referrals [10].

2. METHOD

2.1 Type and Data Source

Research essentially consists in showing the truth and solving problems of the studied, to achieve this goal a method appropriate and relevant to the studied purpose is carried out. According to Sugiono (2018), the research method is defined as a scientific method for obtaining valid data with the aim that you can find, develop and test a certain knowledge, in turn to use it for understanding, solving and anticipating problems [13]. The aim of this study is to determine the effect of service quality and customer experience on Telkomsel's customer loyalty.

Based on the variables studied, the research method used in this study is a quantitative method with a descriptive quantitative research type. According to Sujarweni (2015), quantitative research is a type of research that produces discoveries that can be obtained (obtained) through statistical methods or other means of quantification (measurement) [14]. This study uses quantitative research methods as it uses statistical calculation numbers and aims to test hypotheses that were made previously.

2.2 Analysis Method

Due to its purpose, this study is descriptive in nature. Descriptive research is a statistic used to analyze data by describing or describing the data collected as they are, with no intention of making any conclusions or generalizations that can be universally accepted Sugiyono (2018) [13]. Meanwhile, in terms of the type of research, this study is causal because it has a causal and consequent relationship, so in this study there are independent variables (variables that affect) and dependent variables (variables that are affected) [13]. This study uses quantitative methods, namely analyzing data and matters relating to numbers or calculation formulas used to analyze the problem being studied. Data analysis using multiple linear regression [15]. The researchers want to know whether there is a connection between the influence of service quality and customer experience on Telkomsel customer loyalty.

3. RESULT AND DISCUSSION

3.1 Validity & Reliability Test

The research data was taken by spreading the questionnaires. Of the 135 answers collected, 100 questionnaires met the requirements and can be processed. Validity and reliability test are used to see if the questionnaire used is valid and reliable. The questionnaire is valid if the r value is greater than r table and positive, and the questionnaire is said to be reliable if the Cronbach Alpha value is greater than 0,60. The results of validity and reliability test show that the questionnaire used is valid and reliable.

This research moreover presents validity and reliability tests by showing the merged validity of data as in table 1.

Table 1. Validity and Reliability Test Results

Construct	Correlation Value	Description	Cronbach's Alpha	Description
Customer Experience				
X1.1	0,581			
X1.2	0,397			
X1.3	0,559	Valid	0,843	Reliable
X1.4	0,396			
X1.5	0,568			
Service Quality				
X2.1	0,696			
X2.2	0,590			
X2.3	0,616	Valid	0,751	Reliable
X2.4	0,737			
X2.5	0,600			
Customer Loyalty				
Y1.1	0,759			
Y1.2	0,785	Valid	0,818	Reliable
Y1.3	0,717			

3.2 Multiple Regression Analysis

The data collected through the questionnaire is then analyzed using multiple regression analysis techniques to determine the impact of service quality and customer experience variables on Telkomsel customer loyalty using SPSS Application 25 [15]. The results of the analyzes provide an overview of the calculation table. represented in the multiple linear regression model equation shown in the table below.

Table 2. Multiple Linear Regression

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.871	1.514		1.896	.000
	Customer Experience	.355	.060	.542	5.879	.000
	Service Quality	.117	.076	.141	1.533	.000

a. Dependent Variable: Customer_Loyalty

$$Y=2,871+0,355X_1+0,117X_2$$

The constant value of 2.871 means the dependent variable, which is a customer retention variable, which is worth 2.871 when the quality of service variable and the customer experience variable are considered constant (value 0). In other words, if the value of the independent variable doesn't change, then the value of customer loyalty doesn't change either. If the price of the regression coefficient of the client level in variable is 0. If this takes place while the Customer Experience variable will increase (1) and the opposite impartial variables are taken into consideration constant (price 0), then the Customer Retention Limit variable will increase with the aid of using an quantity of 0.117 points. A wonderful signal for the

price of the regression coefficient suggests that client revel in has a wonderful effect on client retention. In different words, the higher the client revel in, the better the price of loyalty and vice versa.

If the fee of the regression coefficient of the qualityof carrier variable is 0.117, because of this the qualityof carrier variable has expanded via way of means of one (1) and every other impartial variable, the purchaser enjoy variable, is taken into consideration constant (fee 0), so the sum of the factors for the purchaser loyalty variable is 0.355. A fine signal for the fee of the regression coefficient suggests that carrier first-class has a fine effect on purchaser retention. This manner that the better the first-class of the carrier, the better the purchaser loyalty and vice versa.

Table 3. Simultaneous Hypothesis Testing

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	82.835	2	41.418	31.408	.000 ^b
	Residual	127.915	97	1.319		
	Total	210.750	99			
a. Dependent Variable: Customer_Loyalty						
b. Predictors: (Constant), Service_Quality, Customer Experience						

Based at the evaluation of the above desk, primarily based totally at the tremendous fee withinside the following instances while it's miles beneath andlt; 0.05. From the desk above you could see that the critical fee is 0.000. Therefore, from the fee of its importance, we are able to finish that carrier nice and purchaser enjoy have an effect on purchaser loyalty on the equal time.

Table 4. Determination Coefficient

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.627 ^a	.393	.381	1.14835
a. Predictors: (Constant), Service_Quality, Customer_Experience				
b. Dependent Variable: Customer_Loyalty				

From the effects provided withinside the desk above, the fee of the R-squared coefficient of dedication on this have a look at is 0.393 or 39.3%, this means that that patron loyalty is prompted with the aid of using carrier best and patron enjoy in 39.3%. While the last 607% or 0.607 have been prompted with the aid of using variables or different elements that have been now no longer studied. This indicates that Telkomsel can growth patron loyalty once more via greater academic advertising communications and improve pricing to growth patron loyalty once more. This will then be observed periodically with the aid of using a growth in Telkomsel patron loyalty in Bandung city.

3.3 Discussion

Customer Experience has a higher variable coefficient than service quality based on the results the survey so that it provides an idea that in increasing user loyalty, Telkomsel needs to conduct further studies related to how customer experience is and what is the best and worst thing so that a more comprehensive improvement strategy can be developed in increasing customer loyalty. Providing opportunities for customers to take part in improvements is also one of the experiences that can increase the good impression of Telkomsel who always cares about customer comfort. Furthermore, service quality will be increased based on the priorities that have been made so that it can still produce a stronger influence.

4. CONCLUSION

Based at the outcomes obtained, the variables of client enjoy and first-class of provider have an effect on the loyalty of Telkomsel customers, consequently it's miles higher than any strategic coverage method through the corporation to be aware of the factors of enjoy and the cost of client perception. Based at the outcomes of a couple of linear regression evaluation with a regular cost of 2871, this means that that after client enjoy and provider first-class are zero, the cost of client loyalty is 2.871. The customer experience slope (X1) affecting Telkomsel customer retention (Y) received a regression coefficient (b) of 0.355 with a positive sign. Based on these results, it can be concluded that Telkomsel's customer loyalty increases in proportion to the increasing customer experience. The slope of the quality of service (X2), affecting Telkomsel's customer loyalty (Y), received a regression coefficient (b) of 0.117 with a positive sign. From these results it can be concluded that Telkomsel's customer loyalty increases in value when the quality of service increases or improves. Telkomsel must continue to consider and nurture factors that may impact brand loyalty, ie pay attention to customer value. This includes the benefits that customers feel after using Telkomsel's services and purchasing products. The benefits customers receive should follow the costs they spend to get the services they want.

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