

The Role of Customer Satisfaction and Brand Image on Customer Loyalty of Cellular Telecommunication Operator Company

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Abstract:

This study intends to examine the impact of brand image and customer satisfaction variables on Telkomsel Sim Card customers' customer loyalty (Y). Analysis is conducted using multiple linear regression. 60 participants made up the sample for this study, who were chosen from Telkomsel SIM Card users using a purposive sampling technique. The findings of this study suggest that brand image and customer satisfaction variables have an impact on customer loyalty at the same time. The findings of this study also demonstrate that customer happiness and brand image have a limited impact on customer loyalty. According to the adjusted R square analysis, brand image and customer happiness account for 60.1% of the relationship between customer loyalty and explanations, with other factors not included in the research model accounting for the remaining 39.9%.

Keywords: brand image, customer satisfaction, cellular, customer loyalty.

INTRODUCTION

The modern era demands that everything be modern, which creates opportunities as well as challenges for business people. Along with the progress of the times, humans now don't want something that is troublesome; everyone wants something that is easy and instant. Busy daily activities make people really need sophisticated technology, and it's easy to find information and other things to increase their self-knowledge. The international network, or what is commonly called the internet today, has become something that is very valuable and familiar in this world. With the internet, one can easily find information, communicate remotely with other people through social networking sites, do business, play games, and do many other things. The presence of cheap smart mobile devices is increasingly mushrooming in the market. The cheap price of the gadget device makes its spread wider and faster. As a result, the need for data services in Indonesia is increasing over time. In both urban and rural areas, internet service has become a growing need. Unfortunately, this increase in demand has not been matched by the provision of existing communication facilities in the community (Aripabowo, 2017).

The development of telecommunications in Indonesia aims to provide adequate services to the public and users of telecommunications services. Every industrial organization is impacted by the greater competition in the global marketplace, particularly PT Telekomunikasi Indonesia Tbk and the information and telecommunications sectors. Telecommunications service providers in Indonesia have been significantly impacted by the quick advancement of communication technologies. Two major GSM (Global System for Mobile Communication)-based cellular operators, PT. Telkomsel (Telekomunikasi Seluler Indonesia) and PT. Satelindo (<http://www.telkomsel.co.id>), dominated Indonesia's cellular industry's infancy. One of Indonesia's cellular telecommunications provider businesses is PT. Telekomunikasi Seluler Indonesia (Telkomsel). With the debut of its postpaid postpaid service on May 26, 1995, Telkomsel became Indonesia's first GSM cellular telecommunications provider. Earlier, Telkom Indonesia controlled 65% of the shares of Telkomsel and Indosat owned the remaining 35%. Telkomsel is an Indonesian telecommunications firm that has the ability to compete today and dominate the industry. From 2012 to 2014, the sim card with the highest top brand was Telkomsel (Simpati). This demonstrates that when compared to other sim card brands, Telkomsel is the most dominant sim card brand. These statistics demonstrate that a product's level of brand loyalty increases with quality of the brand (Atmawati & Wahyuddin, 2007).

Customer happiness is just one of many factors that influence a customer's loyalty; it does not just happen on its own. Customer pleasure is a client's immediate emotional response to the provision of particular services. After utilizing the service, customers rate how satisfied or unsatisfied they are with it. They then utilize this information to update their judgments of quality, although attitudes toward quality are independent of experience. Customers don't just judge pleasure based on recommendations from others or commercials for the brand. To determine if they are pleased or not with the results, clients must employ a service. Customer satisfaction can result in a number of advantages, such as improving the relationship between the business and the client, laying the groundwork for follow-up purchases, cultivating customer loyalty, and producing favorable word-of-mouth referrals for the business (Hutomo, 2010).

Customers will be more loyal to a brand if they believe in it and trust it enough to use the product or service, in addition to being satisfied customers. The brand has evolved into a consumer symbol over time, with some companies regarded as status symbols, markers of individual identity, and representatives of lifestyles or goals. Because the Mercedes Benz brand is associated with prestige, for instance, people believe that driving one will raise their social status. This is where a brand's reputation plays a key part in retaining customers. Since that products are getting more complicated and markets are getting more crowded, having a distinct and unique brand image is crucial, so consumers will increasingly rely on brand image rather than actual brand attributes to make purchasing decisions.

LITERATURE REVIEW

Brand Image

The public's opinion of a firm or its goods is known as its image. A "brand" is a name, term, sign, design symbol, or mix of these that distinguishes a good or service offered by a business. Also, this identifier helps to set

it apart from goods sold by rival businesses. Companies must exert every effort to position their products in the eyes of consumers with a favorable brand image if they hope to be successful in attracting and keeping customers. Showing goods with a strong brand reputation can boost consumer trust in those goods and persuade people to buy those goods repeatedly. Brand image is a collection of brand associations that consumers build and internalize. Customers who are used to utilizing a particular brand have a tendency to be consistent with the company's image. Consumers' perceptions and beliefs about a brand are reflected in the associations they make in their memories (Kurniasari & Ernawati, 2012).

Customer Satisfaction

Customer satisfaction is one of the most crucial outcomes of all marketing efforts because the success of the business depends on how satisfied the customer is. As a result, the business always aims to please its clients with the products or services it provides. Customer satisfaction is the consumer's reaction to the perceived comparison between the product's actual performance as perceived after use or consumption and the initial expectations prior to purchase (or other performance standards). Customer satisfaction is a comprehensive post-purchase assessment that contrasts product performance perceptions with pre-purchase expectations (Natalina, 2009).

Customer loyalty

Client loyalty is the inclination of customers to stay with a business over the long term by making recurrent, preferably exclusive, purchases of its goods and services and freely referring them to others. Customer loyalty develops over time through a process of learning and is based on the consumer's personal experiences from regular purchases. If the outcome matches the expectations, the purchasing process is repeated. One could say that customer loyalty has grown. Consumers won't give up trying other brands if, based on their past purchases, they haven't found one that matches their standards for a product or service (Pramudyo, 2012; Ratry, 2007).

METHODOLOGY

Customers who use Telkomsel SIM cards make up the study's population. The nonprobability sampling method was adopted in this study as the sampling strategy. In this study, questionnaires and interviews were used as data collection methods. Researchers will employ descriptive research techniques for this investigation. A survey approach or the distribution of questionnaires are both utilized to implement the descriptive approach. This study's analytical approach was quantitative in nature. With the aid of software, specifically SPSS version 20, the author carried out data analysis utilizing multiple linear regression analysis. Each instrument item's responses range from very negative to very positive on a Likert scale.

CASE STUDIES

Based on the age of the respondents, it can be seen that those who dominate are over 25 to 50 years old, namely 48% of respondents, then followed in second place, namely the range of 17 to 25 years, with as many as 30% of respondents; at ages over 50 years, 17% of respondents; and at under 17 years of age, as many as 5% of respondents. In the meantime, based on the respondents' gender here, it can be seen that men dominate more than women; this can be seen by the percentage of men (32 respondents out of 60 respondents), which is 53%, and women (28 respondents out of 60 respondents), which is 47%.

In the brand image variable in the questionnaire, the author included 10 questions, and the output results were as follows: The Telkomsel Sim Card has an attractive physical appearance, because almost all respondents answered in agreement. Since almost all of the respondents said that they agreed, the Telkomsel Sim Card is a communication tool that meets my demands. The cost of a Telkomsel SIM card is determined by the card's level of quality, because almost all respondents answered that they agreed. The Telkomsel Sim Card has supporting facilities

for fast internet services, because almost all respondents answered that they agreed. Telkomsel Sim Card has a variety of services that attract customers to use it, because almost all respondents answered that they agreed. Telkomsel has price variations according to the services provided because almost all respondents said they agreed. Telkomsel has a unique name that makes consumers choose it, because almost all respondents answered that they agreed. The Telkomsel SIM Card is an easy-to-pronounce SIM card, because almost all of the respondents answered that they agreed. An easy-to-remember SIM card is the Telkomsel Sim Card, because almost all respondents answered that they agreed. Telkomsel is a well-known product and is a favorite product for Indonesian people, because almost all respondents answered that they agreed. As for the customer satisfaction variable in the questionnaire, the author includes 12 questions, and the output results are as follows: Telkomsel is a cellular operator that always accepts customer complaints well, because almost all respondents answered in the affirmative. Telkomsel is a cellular operator that is responsive to customer complaints, because almost all of the respondents answered that they agreed. Telkomsel is a cellular operator that has many services, because almost all of the respondents answered that they agreed. Telkomsel employees always provide good information needed by customers, because almost all respondents said they agreed. Because almost all respondents indicated their agreement, respondents will stick with Telkomsel. Customers will purchase more when the business releases new products and updates existing ones, because almost all respondents agreed. Respondents always talk about good things about Telkomsel's products, because almost all of the respondents answered that they agreed. Respondents will use Telkomsel products and will not be affected by advertisements for other similar products and prices offered by other products, because almost all respondents answered that they agreed. Respondents will provide ideas for how the company can be even better at service because almost all respondents said they agree. Respondents were satisfied with the process and services provided by Telkomsel, because almost all respondents answered that they agreed. Respondents feel safe and comfortable with Telkomsel, because almost all respondents answered that they agree. Telkomsel always gives advice when facing service problems, because almost all respondents answered that they agreed.

The customer loyalty variable in the author's questionnaire includes six questions, and the output results are as follows: Respondents always buy credit continuously when they need it, because almost all respondents answered in the affirmative. Respondents were satisfied with the services provided by Telkomsel, because almost all respondents answered that they agreed. Respondents do not only use telephone and SMS services but also other services offered by Telkomsel (internet, BB), because almost all respondents agreed. Respondents would recommend Telkomsel to their families because almost all of them agreed. Respondents would recommend Telkomsel to their theme, because almost all respondents answered that they agreed. Respondents only intend to use Telkomsel SIM cards, because almost all respondents answered that they agree.

The brand image t-count coefficient is 2.908, while the t-table is 2.003, as can be shown. Given that the brand image variable has a significant value of $0.005 < 0.05$ and because $t\text{-count} > t\text{-table}$ ($2.908 > 2.003$) results in the acceptance of H_a and the rejection of H_o , it can be said that the brand image coefficient has a substantial effect on loyalty customers to a limited extent. This demonstrates that customer loyalty increases with a product's brand image, hence Telkomsel needs to continue to enhance its quality and build customer confidence to satisfy customers. According to Adisaputra's (2007) study, The Impact of Quick Telkom Brand Image on Customer Loyalty in the City of Semarang, this is accurate. These findings suggest that customer loyalty in the city of Semarang is simultaneously and partially influenced by Speedy Telkom's brand image, which is made up of the benefits of brand associations, the strength of brand connections, and the originality of brand associations.

The customer satisfaction coefficient's t-count is 3.654, whereas the t-table is 2.003, as can be observed. Given that the customer satisfaction variable has a significant value of $0.001 < 0.05$ and that $t\text{-count} > t\text{-table}$ ($3.654 > 2.003$) results in the acceptance of H_a and the rejection of H_o , it can be said that the coefficient of customer satisfaction has a significant effect on customer loyalty to some extent. Concluded that customer loyalty is partially influenced by the customer satisfaction coefficient. This demonstrates that the more satisfied customers are, the more loyal they will be, so it is imperative for businesses to raise customer happiness by offering excellent service, establishing prices in accordance with client preferences, and developing innovative products. According to Agyl Satrio Hutomo's (2010) study, Impacts of Product Quality and Consumer Satisfaction Levels on Customer Loyalty in Tela Krezz Food Products, Bekasi Branch, this is the case. Regression using multiple linear models is the technique.

According to the study's findings, consumer loyalty is simultaneously impacted by product quality and customer satisfaction levels. Product quality and consumer happiness levels partially affect customer loyalty, but customer satisfaction levels have the biggest impact on customer loyalty.

A prediction of the contribution of brand image and customer satisfaction factors to customer loyalty variables may be made based on the findings of the F test, the calculation yields the result that model 1's f-count value is 45.475. The value of f-table = 3.16 is derived using a significance level of 5% and the data points $df_1 = 2$ and $df_2 = 57$. The two independent variables, namely brand image and customer happiness, strongly contribute to the customer loyalty variable, as shown by the fact that the f-count value (45.475) is higher than the f-table value (3.16). So that it is possible to anticipate using the regression model that was obtained. As a result, it can be said that H_0 is disregarded and H_a is accepted, indicating that the independent factors and the dependent variable have a combined effect.

The Telkomsel SIM Card will boost customer loyalty if the brand image is improved since the regression coefficient on the brand image variable is 0.339. By enhancing quality and technology, brands may enhance their reputation while also creating client satisfaction and loyalty. Because the customer happiness variable has a regression coefficient of 0.501, increasing customer satisfaction will result in more loyal customers. Providing the greatest service to clients would help them feel content and at ease when using their Telkomsel Sim Card, which will increase customer happiness. The modified R square value is 0.601 (60.1%), which is known from the findings of the coefficient of determination. According to the regression model that was developed, this shows that brand image and customer happiness, which are independent variables, have a 60.1% influence on variables related to customer loyalty. But other unmeasured characteristics or variables, such as price (Kurniasari and Ernawati, 2012), service quality (Winarso, 2010), product quality (Wijayanti, 2009), and others, account for the remaining 39.9% of the explanation.

CONCLUSION

The authors' conclusions are as follows in light of the research findings: Based on the findings of partial multiple regression tests, it was discovered that the independent variable, namely brand image, strongly influenced the customer loyalty variable; the results seen based on the significant value were below 0.05. The independent variable, customer happiness, significantly contributed to the customer loyalty variable, according to the findings of the partial multiple regression test; the results observed based on the significant value were below 0.05. According to the findings of concurrent multiple regression analyses, all independent variables (brand image and customer happiness) significantly influence customer loyalty.

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