Effect Of Network Speed Towards Customer Loyalty On Hotrod XL Axiata

Rianto Nurcahyo, Raja Savira

Abstract: Telecommunication industry is a very highly competitive compared to others, especially on internet packages segment which encourages operators to push their quality to survive the competition. By reaching and setting service standards is considered being one of the strategies. This is why the importance of measurement is inevitable. The research is to understand how price, brand image or/and product quality influences the loyalty of XL Axiata's customer. For methodology, we used the quantitative associative method that distributed to 274 customers of Hotrod Internet data packages by XL Axiata. The research method used surveys. The unit of analysis for each problem identification is the data package analysis of Hotrod XL Axiata customer who used XL product. Time horizon in this study was cross-sectional. Mechanical analysis technique used is simple regression and multiple regressions. The results indicated that price, brand image or/and product quality influence the customer loyalty. It showed that price and brand image have a small contribution to customer loyalty, which amounted to 3.3%.

Index Terms: Price, Brand Image, Product Quality, Customer Loyalty, and Quantitative

1 INTRODUCTION

Nowadays, information and communication are considered as the necessity for urban people. ICT (Information and Communication Technology) is the key to driving innovation in telecommunication services, not just a public utility but it has become commercials. In ASEAN, stated that telecommunication is the primary infrastructure for MEA. Cellphone users raise up to 2.707 billion in Asia Pacific from 2011 until 2015. Indonesia is coming from 130,4 to 186 billions of cellphone users. It indicates that cellphone/smartphone is not only just a communication tools but a lifestyle. This is where telco providers came along to support. Both are related to one another. In the implementation of telecommunication operation competition, telecommunication providers are required to compete, and one of them is XL Axiata that should strive to continuously improve the performance of services, telecommunication stability and make it a good quality experience which will be perceived by the customer to maintain its position. There are some important things to be considered by the company to keep competing with other companies. Those things are price, brand image, and product quality. These factors are important to establish customer loyalty. Price is the relative value of the product (Ramli, 2013: 51). Rate or price is one of the factors that must be controlled and in harmony with the objectives to be achieved by the company. In the journal of Putra (2012) pricing decisions became important in discovering the extent to which services rated by consumers and also in the process of building customer loyalty levels. For that, the price has several dimensions expressed in the journal of Selang (2013), which are: Price Affordability, Competitive Prices, and Price According to Quality. In the Journal Yi Zhang (2015) Brand image has been studied extensively since the 20th century due to its importance in building brand equity. In the increasingly competitive world marketplace, companies need to have a deeper insight into consumer behaviour and educate consumers about the brand in order to develop effective marketing strategies. Meanwhile journal of Wijayanto (2013) in general, brand associations especially those who made up the brand image become the basis for customers purchasing decisions and loyalty to the brand. There are several dimensions of brand image proposed by Kotler (2009), which are: Corporate Image, User Image, and Product Image. Product Quality means the ability of a product to demonstrate its functions, and it includes the overall durability, reliability, accuracy, ease of operation and product repair and other product attributes. According to the Journal of Trisnawan (2014), the most important challenge faced by every company is a matter of product development for the formation of customer loyalty. Some dimensions of product quality are, Japarianti (2013): Performance, Features, Reliability, Conformance to Specification, Serviceability, and Perceived Quality. Customer loyalty is the most important part of the customer's purchase repetition (Caruana, 2002) according to the Journal of Japarianti (2013), customer loyalty is customer's commitment to a brand, based on the very positive attitude and is reflected in a consistent purchase repetition. For that, there are several dimensions of customer loyalty which are, Griffin (2009): Regular purchases, Purchase across product and service line, References to others, and Demonstrate immunity to the pull of competitors.

Referring to the above background, the formulations of the problem are as follows:

1. How is the effect of price towards the customer loyalty of XL Hotrod Internet data packages on the community of Xplor Forum in Jakarta?
2. How is the effect of the brand image towards the customer loyalty of XL Hotrod Internet data package on the community of Xplor Forum in Jakarta?
3. How is the effect of products quality towards customer loyalty of XL Hotrod Internet data package on the community of Xplor Forum in Jakarta?
4. How is the effect of price and brand image on customer loyalty of XL Hotrod Internet data package on the community of Xplor Forum in Jakarta?
5. How is the effect of price and product quality towards customer loyalty of XL Hotrod Internet data package on the community of Xplor Forum in Jakarta?
6. How is the effect of brand image and product quality on customer loyalty of XL Hotrod Internet data package on the community Xplor Forum in Jakarta?
7. How is the effect of price, brand image and product quality towards customer loyalty of XL Hotrod Internet data package on the community of Xplor Forum in Jakarta?

2. RESEARCH METHOD

2.1. Research Design
This research was associative quantitative that explained or determined the relationship between two or more variables (Sugiyono, 2015: 292). The research method used surveys. The unit of analysis for each problem identification is the data package analysis of Hotrod XL Axiata customer who used XL product. Time horizon in this study was cross-sectional. According to Sekaran (2013), cross-sectional research was research in which data is collected only once, perhaps for a few days or weeks or months, to be able to answer questions from the research.

2.2. Variable - Independent variable in this research is, Price (X1), Brand image (X2) and Product Quality (X3) and the Dependent Variable in this research is customer loyalty (Y).

2.3 Data Collection Method- Questions or statements in a questionnaire measured using Likert scale, Observation, Literature studies.

2.4. Population and Sample - The population in this study is a population of Xplor community forum in Jakarta. The population of this study is a group of society who become the member of the Xplor XL Axiata forum community and used the products and services of Hotrod Internet data package. The sampling technique used in this study was purposive sampling technique which is a technique of collecting samples with certain considerations. According to Sekaran (2013: 241) samples are part of the population. It consists of several members who have been, in another sense only some, but not all the elements are in the population for the study. If there are 1000 people, it can be 40 to 500 people as a sample. Therefore, the sample determined in this study was 274 people.

2.5. Data Analysis - Testing Instruments, Validity Test, Reliability Test, Classical assumptions test, Normality, Multicolinearity, Heteroscedasticity

2.6. Data Analysis Techniques - Regression Analysis, Simple Linear Regression Analysis, Multiple Linear Regression Analysis

2.7 Hypothesis Test - Partial Test (T Test), Simultaneous Test (F Test), Coefficient of Determination Test (DT)

3. RESULT

According to the framework, the correlation or relationship of the data package between price (X1), Brand (X2), and Product Quality (X3) towards Customer Loyalty (Y) of Hotrod XL Axiata Internet is as follows:

![Diagram showing the relationship between price, brand, product quality, and customer loyalty](image)

### Figure 1. The correlation or relationship of the data package between price (X1), Brand (X2), and Product Quality (X3) towards Customer Loyalty (Y) of Hotrod XL Axiata Internet

Table 1 above is the result of data processing which can be summed up as follows:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Contribution</th>
<th>Regression</th>
<th>Equations</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1 → Y</td>
<td>-</td>
<td>Y = 24.891 + 0.177 X1</td>
<td>Significant</td>
<td></td>
</tr>
<tr>
<td>X2 → Y</td>
<td>-</td>
<td>Y = 24.582 + 0.166 X2</td>
<td>Significant</td>
<td></td>
</tr>
<tr>
<td>X3 → Y</td>
<td>-</td>
<td>Y = 18.261 + 0.285 X3</td>
<td>Significant</td>
<td></td>
</tr>
<tr>
<td>X1, X2 → Y</td>
<td>-</td>
<td>Y = 21.673 + 0.157 X1 + 0.144 X2</td>
<td>X1, X2, Y,</td>
<td>Significant</td>
</tr>
<tr>
<td>X1, X3 → Y</td>
<td>-</td>
<td>Y = 15.927 + 0.124 X1 + 0.274 X3</td>
<td>X1, X3, Y,</td>
<td>Significant</td>
</tr>
<tr>
<td>X2, X3 → Y</td>
<td>-</td>
<td>Y = 16.923 + 0.068 X2 + 0.274 X3</td>
<td>X2, X3, Y,</td>
<td>Significant</td>
</tr>
<tr>
<td>X1, X2, X3→ Y</td>
<td>11.7%</td>
<td>Y = 14.968 + 0.118 X1 + 0.055 X2 + 0.266 X3</td>
<td>X1, X2, X3, Y,</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source: Output from the data analysis, 2019

The hypothesis test results partially showed that Price variable of XL Axiata’s Hotrod Internet data package (X1) has a value of t-test (2.349) > t-table (1.65) with a significant level of 0.000. Therefore, Ho is rejected. Accordingly, the decision was that the price variable of XL Axiata’s Hotrod Internet data package has an effect towards Customer Loyalty on XL Axiata’s Hotrod Internet data package. The regression equation that described the relationship between the price variable of XL Axiata’s Hotrod Internet data package (X1) towards customer loyalty on XL Axiata’s Hotrod Internet data package (Y) was Y = 24.891 + 0.177 X1. The equation stated that if the value of X1 variable is considered zero, therefore, the value of Y variable is 24.891 units. Each additional unit of X1 variable will give an increase of 0.177 units. The hypothesis test results partially showed that Brand Image variable of XL Axiata’s Hotrod Internet data package (X2) has a value of t-test (2.204) > t-table (1.65) with a significant level of 0.000. Therefore, Ho is rejected. Accordingly, the decision was that Brand Image variable of XL Axiata’s Hotrod Internet data package has an effect towards Customer Loyalty on XL Axiata’s Hotrod Internet data package. The regression equation that described the relationship between brand image variables of XL Axiata’s Hotrod Internet data package (X2) towards Customer Loyalty of XL Axiata’s Hotrod internet data package (Y) was Y = 24.582 + 0.166 X2. The equation stated that if the value of X2 variable is considered zero, therefore, the value of Y variable is 24.582 units. Each additional unit on X2 variable will give an increase of 0.166 units. The hypothesis test results partially showed that Product Quality variables of XL Axiata’s Hotrod Internet data package (X3) have the value of t-test (5.968) > t-table (1.65) with a significant level of 0.000. Therefore, Ho is rejected. Accordingly, the decision was Product Quality variable of XL Axiata’s Hotrod Internet data package has an effect towards Customer Loyalty of XL Axiata’s Hotrod Internet data package. The regression equation that described the relationship between Product Quality variables of XL Axiata’s Hotrod Internet data package (X3) towards Customer Loyalty of XL Axiata’s Hotrod Internet data package (Y) was Y = 24.891 + 0.177 X3. The equation stated that if the value of X3 variable is considered zero, therefore, the value of Y variable is 24.891 units. Each additional unit on X3 variable will give an increase of 0.177 units.
Hotrod Internet data package (X3) towards Customer Loyalty of XL Axiata's Hotrod Internet data package (Y) was $Y = 18.261 + 0.285 \times X3$. The equation stated that if the value of X3 variable is considered zero, therefore, the value of Y variable was 18.261 units. Each additional unit on X3 variable will give an increase of 0.285 units. The results of hypothesis testing on Price variable of XL Axiata's Hotrod Internet data package (X1) and brand image variable of XL Axiata's Hotrod Internet data package (X2) towards Customer Loyalty of XL Axiata's Hotrod Internet data package (Y) simultaneously has a value of F test (4.603) $> F$ table (2.64) with a significant level of 0.000. The decision was Ho rejected, therefore price variable and brand image variable of XL Axiata's Hotrod Internet data package has an effect towards customer loyalty of XL Axiata's Hotrod Internet data package. Price variable of XL Axiata's Hotrod Internet data package (X1) and brand image variable of XL Axiata's Hotrod Internet data package (X2) simultaneously contributed 3.3% towards the customer loyalty (Y), which means that 3.3% of X1 and X2 variables affect variable Y. The remaining are affected by other variables. The regression equation that described the relationship between the price variable of XL Axiata's Hotrod Internet data package (X1) and Brand Image variable of XL Axiata's Hotrod Internet data package (X2) towards customer loyalty of XL Axiata's Hotrod Internet data package (Y) was $Y = 21.673 + 0.157 \times X1 + 0.144 \times X2$. Constants of 21.673 units stated that if the value of X1 and X2 variable are considered zero, therefore, the value of Y variable is 21.673. The regression coefficient of X1 variable was 0.157 units stated that each additional unit of X1 variable would give an increase to Y variable of 0.157 units. The regression coefficient of X2 variable was 0.144 units stated that each additional unit of X2 variable would give an increase to Y variable of 0.144 units. The results of hypothesis testing on price variable of XL Axiata's Hotrod Internet data package (X1) and product quality of XL Axiata's Hotrod Internet data package (X3) towards customer loyalty of XL Axiata's Hotrod Internet data package (Y) was $Y = 14.968 + 0.118 \times X1 + 0.055 \times X2 + 0.266 \times X3$. Constants of 14.968 units stated that if the value of X1 and X2 and X3 variable are considered zero, therefore, the value of Y variable is 14.968. The regression coefficient of X1 variable was 0.118 units stated that each additional unit of X1 variable would give an increase to Y variable for 0.118 units. The regression coefficient of X2 variable was 0.055 units stated that each additional unit of X2 variable would give an increase to Y variable of 0.055 units. The regression coefficient of X3 variable was 0.266 units stated that each additional unit on the X3 variable would give an increase to Y variable for 0.266 units.

4. CONCLUSION AND RECOMMENDATION

4.1. Conclusion
The conclusions obtained based on the discussion in the
previous chapters are as follows: The price of XL Axiata’s Hotrod Internet data package has an effect on customer loyalty of XL Axiata’s Hotrod Internet data package at Xplor community forum in Jakarta with a t-test value of (2.349) > t-table (1.65) with a significant level of 0.000. Brand Image of XL Axiata’s Hotrod Internet data package has an effect on customer loyalty of XL Axiata’s Hotrod Internet data package at Xplor community forum in Jakarta with a t-test (2.204) > t-table (1.65) with a significant level of 0.000, the brand image has the lowest value compared to other variables. Product Quality of XL Axiata’s Hotrod Internet data package has an effect on Customer Loyalty of XL Axiata’s Hotrod Internet data package at Xplor community forum in Jakarta with a t-test (5.968) > t-table (1.65) with a significant level of 0.000. Price of XL Axiata’s Hotrod Internet data package and Brand Image of XL Axiata’s Hotrod Internet data package have an effect on customer loyalty of XL Axiata’s Hotrod Internet data package at Xplor community forum in Jakarta with F test (4.603) > F table (2.64) with a significant level 0.000. Price and Brand image Variable contributed 3.3% towards customer loyalty. Price and Product Quality of XL Axiata’s Hotrod Internet data package have an effect on customer loyalty of XL Axiata’s Hotrod Internet data package at Xplor community forum in Jakarta with F test (19.412) > F table (2.64) with a significant level 0.000. Brand Image and Product Quality of XL Axiata’s Hotrod Internet data package have an effect on customer loyalty of XL Axiata’s Hotrod Internet data package at Xplor community forum in Jakarta with F test (74.819) > F table (2.64) with a significant level of 0.000. Price, Brand image, and product Quality have an effect on customer loyalty of XL Axiata’s Hotrod Internet data package at Xplor community forum in Jakarta with F test (13.105) > F table (2.64) with a significant level of 0.000. Variable of price, brand image, and product quality contributed 11.7% of the Customer Loyalty.

4.2. Recommendation
By observing the analysis and discussion, the suggestions that can be used as a feedback to XL and further research, are as follows: Companies - The companies are expected to provide price information in accordance with the prices offered, and inversely proportional to the quality of products offered as well, by providing discounts, or promotion. XL also should improve the company's brand image by creating a slogan to remind the public on trademark or characteristic of the product, or they can also create a campaign that makes people participates in understanding the brand image of the product. For Further Research - The researcher expects the further research to discuss other variables, such as Digital Marketing and Strategic Marketing with a wider scope, as well as the addition of research period to produce better information. Further research is expected to explore more deeply about the respondent's profile as well as data from companies that cannot be obtained, for further similar studies.

5 REFERENCES