

THE CORRELATION BETWEEN CUSTOMERS' SATISFACTION AND BRAND LOYALTY TOWARD IM3

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Abstract

A high number of customer turnover rate and strict competition between cellular provider services companies make companies compete each other due to create loyal customer. One of the companies is IM3. The escalation of complaints on customer dissatisfaction make them start to switch to other cellular provider. Hence, this study aims to know the description of customer's satisfaction, customer's loyalty and the correlation between customer's satisfaction and loyalty toward IM3. This study uses non-experimental design using correlational methodology. The result showed that there is significant relationship on high correlation value and customer's satisfaction in which giving a more than a half of the total value of brand loyalty. The satisfaction aspect of IM3 customer which has the most correlation with brand loyalty is the aspect of price and feature. Most of the customer feel the performance of IM3 is tend to be matched with the expectation. Therefore, there is positive relationship between customer's satisfaction and loyalty.

Keywords: Customer's Satisfaction, Customer's Loyalty, Loyalty, Brand, IM3

Introduction

Telecommunication is one of technology and information systems which have rapid development in its growth. Telecommunication has become the need of society in a wider scale. Its development is able to move the communication media as the secondary need to the primary need. Everyone had their access on using telecommunication for any kinds of need, such as for business, family relation, and others. All classes of society, start from lower to higher class, had become the consumer of telecommunication product, such as cellular phone. The amounts of phone cellular users are pushing the spreading of cellular provider's industry in Indonesia. Started from 1996, in the beginning of the entrance of cellular phone in Indonesia, the amount of cellular provider's customers kept increasing. In 2012, the customers had reached 250 million people, bigger than 1996 for about 563 thousand of people. It had increased for 40000 times in 16 years (Vivanews, 2012). Kominfo added that the amount of cellular provider's customers had reached 254.792.159 customers in 2018 and will continue to increase (Daon001, 2018).

Seeing through the development data, including the area, the amount of society, and the geographical location, cellular provider's business is very potential to be developed in Indonesia. The competitions among cellular providers in Indonesia are getting tight year by year. Every cellular provider's industries had their own strategy in attracting and keeping customers. A tight competition among cellular providers and a high rotation number of cellular providers' customers made the industries compete in getting customer. Not only in getting customer, but these industries were also trying to satisfied and keep the customers in using their service and did not change to another provider.

Indonesia is estimated having higher rate of monthly customer rotation in cellular phone market in the world. The rotation of the customers was approximately reached 8.6% in a month. It was far exceeding from other countries in Asia, such as China, India and Malaysia which were not surpassing 4% every month (Johanness & Liddaya, 2010). However, some of the customers were easy to change their cellular providers, which led to the indication of brand loyalty problem toward the brand that they used. It showed that the customers had low loyalty toward a brand.

According to Mowen and Minor, brand loyalty was defined as how far the customers showed their positive attitude toward a brand, their commitment to the brand, and their intention for purchasing the same brand for a long-term time (Mowen & Minor, 2002). Customers, who kept using a brand, even though there were some changes in the brand, were recognized as loyal customers. Once they have become loyal to a brand, there will be a small possibility for them to change to another provider's brand. Therefore, an industry was expecting for customers' loyalty in order to enhance their company's profit.

Customers' loyalty was influenced by the satisfaction factor. A loyal customer is a satisfied customer, while satisfied customer is not always loyal. Kotler and Keller (2007; 102) defined customers' satisfaction as a comparison result between reality and accepted expectation felt by customers toward product or service (Addin, Basa, & Afif, 2018).

One of the cellular provider's company that faced the loyalty issue is IM3. IM3 or Indosat Multi Media Mobile is a cellular provider's company established on 2001 in Indonesia which merge to Indosat

Incorporation in 2003. IM3 together with PT. Indosat has become the second provider's industry in Indonesia after Telkomsel. IM3 was seen in having emotional connection with its customers regarding on its loyalty problem. Since customers showed their emotional connection on IM3 brand, thus it needed to be observed more whether satisfaction affected by brand loyalty or not. Therefore, this study aimed to identify the customers' satisfaction, customers' brand loyalty, and the relation between the customers' satisfaction and customers' loyalty toward IM3 provider.

Some previous study on the correlation between customers' satisfaction toward brand loyalty had been done by researchers. For instance, Agustina, Fauzi, and Nuralam (2018) on their research entitled, "*Pengaruh Kepuasan Pelanggan, Biaya Beralih, dan Kepercayaan Merek terhadap Loyalitas Pelanggan*" showed that customers' loyalty on Simpati cellular provider influenced by customers' satisfaction, switching cost and brand trust. The result found that customers' satisfaction had the biggest influence compared to the other two variables. Another study came from Wahyuningtias, Widyarini, and Amelia (2014) entitled, "*Analisis Pengaruh Customer Satisfaction, Trust and Switching Barrier terhadap Customer Loyalty Pengguna Telkomsel Flash di Surabaya*". This study found that customer loyalty could be obtained by concerning on 5 variables, namely; playfulness, service quality, switching barrier, trust and customers' satisfaction. However, customers' satisfaction became the most influence variable on customer loyalty which proved on the wide network and fast internet connection based on Telkomsel Flash tagline, "koneksiku, internetku".

Material and Method

This study used correlation methodology using deductive approach which aimed to see the relation between variables. A non-experimental design was also used as the research design in this study. There were two variables; the first is customers' satisfaction. Customers' satisfaction was customers' respond toward product or service after purchasing (Minarti & Segoro, 2014). Customers' feeling of being satisfied or dissatisfied was based on the compatibility between perceived performance and expectation on IM3 brand, including its feature variation, price, quality, service, and guarantee. The second variable is brand loyalty. Brand loyalty was the measurement for customers' attraction in a brand (Ling et al., 2014). The total score obtained by respondents through questionnaire toward IM3 brand, involving their attitude, commitment, and intensity for future purchasing.

The respondents were the students of Psychology, Padjadjaran University from the year of 2008, 2009, 2010, and 2011 who used IM3 for four years long and only used IM3 for their phone provider. The respondents were chosen since they could represent young generation of their age who like to be active in both academic and organization field. The researcher also limits the usage for four years long in minimum due to avoid extraneous variable that would influence the research result. The total respondents was 95 people with precision score for 0.1 counted using simple random sampling and obtained the minimum number for 48 people. Hence, due to some consideration, the researcher took 54 people to be the sample respondents. A questionnaire was used as the tool for collecting data. The questionnaire was divided into two; about customers' satisfaction and brand loyalty. The data obtained through questionnaire were grouped in four categories, including satisfied, tend to be satisfied, tend to be dissatisfied, and dissatisfied, based on summated ratings by Likert. For supporting the data, this study used self-identity from the respondents and some questions concerning about the attitude in reloading the balance, the nominal used for reloading the balance, and also the intensity purchasing the balance.

In order to know the correlation between customers' satisfaction and brand loyalty, rank spearman formula was used;

$$r_s = \frac{1 - 6 \sum di^2}{N^3 - N}$$

r_s = Coefficient correlation

d_i = Different rank of each aspect with total score item

N = Total sample

After that, the significance test of coefficient correlation was done using z statistic test;

$$z = rs\sqrt{N} - 1$$

z = Z test

rs = Rank spearman coefficient correlation

N = Total sample

Result and Discussion

The obtained data were processed using statistical calculation with the help of SPSS 17.0 software for Windows to test the hypotheses.

The Correlation between Customers' Satisfaction and Brand Loyalty

The hypothesis obtained in this study was "there is correlation between customers' satisfaction and IM3 brand loyalty toward students of Psychology, Padjadjaran University", with statistical hypothesis as below;

H₀: There was no correlation between customers' satisfaction and brand loyalty toward IM3 product on students of Psychology, Padjadjaran University.

H₁: There was correlation between customers' satisfaction and brand loyalty toward IM3 product on students of Psychology, Padjadjaran University.

The statistic result of customers' satisfaction and brand loyalty through Rank-Spearman's correlation test using SPSS 17.0 software for windows was shown in table 1 below:

Table 1. The Correlation Score of Customers' Satisfaction and Brand Loyalty

Coefficient Correlation	Z Score	P-Level
0,802	5,840	0,000

Source: Researcher's processing result

The table 1 above showed that P-level 0.000 was smaller than $\alpha = 0.05$ which means the correlation is significant. Customers' satisfaction and brand loyalty were significantly correlated with the coefficient correlation for 0.802 and Z score for 5.840. For testing the statistic hypothesis, the comparison between Z_{count} and Z_{total} with $\alpha = 0.05$ was done. The result was Z_{count} is bigger than Z_{total} ($Z_{count} > Z_{total}$), which rejected H₀ and accepted H₁. Therefore, there was a positive correlation between customers' satisfaction and IM3 brand loyalty.

The coefficient correlation score of 0.802 showed that the relation between two variables was included into high correlation category. This meant that there were real and signifies marked relationship between customers' satisfaction and brand loyalty in which customers' satisfaction, both the total amount and aspects, had direct correlation on brand loyalty. This could be seen in table 2 below;

Table 2. The Correlation between satisfaction aspect and brand loyalty

	Correlation with total loyalty score	P-Level	Category
Variation and Feature	0.751	0.000	High correlation
Price	0.710	0.000	High correlation
Quality	0.675	0.000	Medium correlation
Service	0.643	0.000	Medium correlation
Guarantee	0.366	0.007	Low correlation

Source: Researcher's processing result

Based on the hypothesis test concerning on the relation between customers' satisfaction and IM3 brand loyalty showed that there was significant relation between two variables. The relation that occurred was positive and the correlation score obtained was high. This meant that the more satisfied the customers are, the more loyal they will be. The high correlation score showed real and marked relationship between customers' satisfaction and brand loyalty. This led to customers' satisfaction along with its aspects related to brand loyalty even it was dependable. Thus, customers' satisfaction had influence toward brand loyalty for about 64.32%, which meant that most of the brand loyalty defined by the customers' satisfaction.

Most of the IM3 customers were categorized in "tend to be satisfied" customers toward IM3. This indicated that IM3 customers scored the IM3 performance based on their expectation before buying the product, such as the package variation provided by IM3. The feeling of tend to be satisfied led to the positive attitude and emotion. When the expectation matched with the product performance, then positive emotion would show up, including the feeling of happiness, proud, and other positive emotions. This feeling encouraged the positive attitude, which could lead to the intention of purchasing back the product in the future (Mowen & Minor, 2002).

The compatibility between expectation and product performance also produce trust in customers. Some literature said that there were three beliefs in trust; the attitude toward competency, integrity, and benevolence. When the customers felt that there was indication of being satisfied then they will build their trust that the competency and the integrity of IM3 brand were good. In addition, the promotion offered in advertisement was compatible with the product performance in real.

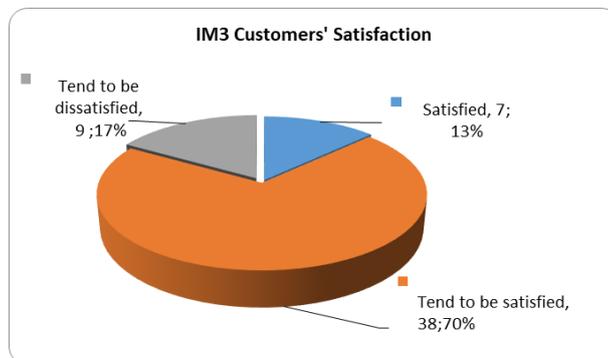
The feeling of trust toward IM3 product directed customers to have brand commitment. Commitment here was defined as intention to connect to the brand (Lam, Shankar, Erramilli, & Murthy, 2004). It made the customers kept using IM3 as their cellular provider, even there were some changes. Customers felt that IM3 was becoming a part of their self, which rose up their sense of belonging. Thus no matter what happened, they will be loyal and keep using IM3 as their cellular provider.

Moreover, the customers' satisfaction had highest correlation with the brand loyalty was the feature variation and price aspect. It happened because the positive attitude formed when the product performance was compatible with the expectation and resulted on positive emotions when using the product. Since the customers had much expectations and wish upon the aspect of feature and price. Thus, both of the aspects were determined the customers' satisfaction.

The aspect of feature and price also had high correlation on the brand commitment. It showed that the customers were keep trying to use IM3 though there were some changes in the product. However, if there were some changes in both feature and price aspects then it will affect the customers' commitment. These aspects also affected the intensity of future purchasing. Thus, these aspects determined customers' wishes and intention.

Customers' Satisfaction

The satisfaction data of 54 respondents could be seen in figure 1 below;



Source: Researcher's processing result

Figure 1. IM3 Customers' Satisfaction

Figure 1 above showed that most of the respondents, for about 38 of Psychology students, were tend to be satisfied with IM3 product. None of the respondents felt dissatisfied with the product. These satisfactions could be seen through the aspect of variation, feature, price, service, and also guarantee, in table 3 below;

Table 3. Satisfaction Aspects

Customers' Satisfaction Level	Satisfaction Aspect									
	Feature Variation		Price		Quality		Service		Guarantee	
	F	%	F	%	f	%	f	%	f	%
Satisfied	6	11,1%	6	11,1%	6	11,1%	13	24,1%	4	7,4%
Tend to be satisfied	38	70,4%	38	70,4%	26	48,1%	39	72,2%	35	64,8%
Tend to be dissatisfied	10	18,5%	10	18,5%	17	31,5%	2	3,7%	14	25,9%
Disatisfied	-	-	-	-	5	9,3%	-	-	1	1,9%
Total	54	100%	54	100%	54	100%	54	100%	54	100%

Source: Researcher's processing result

Based on the table 3 above, the customers' satisfaction level could be divided into two categories; satisfied and dissatisfied. Satisfied category was consist of satisfied and tend to be satisfied, while dissatisfied category consist of tend to be dissatisfied and dissatisfied. Therefore, it is seen that the service aspect had the biggest percentage for customers' satisfaction for about 96.3% and continued by the feature variation and price aspect for 81.5%, quality aspect for 59.2%, and 72.2% for guarantee aspect. Meanwhile, the biggest percentage for customers' dissatisfaction toward IM3 product was the quality aspect, for about 40.8% customers felt dissatisfied. The guarantee aspect was 27.8%, price and feature variation had same proportion for 18.5%, and the service aspect for 3.7%.

Based on the table 3 above, there were no IM3 customers who felt dissatisfied with the product. For about 13% of IM3 customers felt satisfied with the performance, 70% felt tend to be satisfied, and the rest 17% felt tend to be dissatisfied. The biggest percentage was the feeling of tend to be satisfied for 70%. This meant that the customers had simple confirmation in which they scored the performance of the brand felt already compatible with their expectations before buying the product (Engel, Kollat, & Blackwell, 1973). This neutral condition was tending to point to the satisfaction. Different with 17% of IM3 customers who felt tend to be dissatisfied. Engel et al (1973) also stated that there was simple confirmation but this condition was pointed to the feeling of dissatisfaction. Theoretically, customers who were on this category put their expectation too high, therefore it led to the feeling of tend to be dissatisfied.

Whereas the feeling of satisfaction felt by small numbers of IM3 customers caused by their expectation was suitable with the product performance. According to Engel, it happened because of the positive disconfirmation in which positive discrepancy (Engel et al., 1973) occurred between IM3 performance and customers' expectation before purchasing the product.

Based on the table 3 above, it showed that most of the IM3 customers felt tend to be satisfied with the aspect of variation and feature. Customers scored the performance through features and variations which based on their expectations before purchasing the product. The feeling of tend to be satisfied was also seen in the price aspect. Customers felt that the cost for communication using IM3, including phone call, text message, and internet access, was suitable with their expectation. For the quality aspect, almost half of the customers agreed that the quality of IM3 product, such as the feature quality, service, and signal, was based on their expectation. However, some of the customers felt dissatisfied with the quality. This occurred because they felt disappointed with the signal quality. The signal quality was not compatible with their expectation and led to the dissatisfaction on the quality aspect.

While the service aspect, customers stated that the service provided by IM3, such as the customer service, call center, even the activation package or application, was based on their expectation. It was similar to the guarantee aspect, most customers felt tend to be satisfied. The guarantee given by IM3 was compatible with customers' expectation. Therefore, it denoted that from the 5 aspects of customers' satisfaction, the most satisfying aspect was the service. Almost all of the customers felt satisfied with the service aspect. Also the aspect of price and feature variation had the proportion of satisfied customers for more than three-quarter of the total customers.

IM3 Brand Loyalty



Source: Researcher's processing result

Figure 2. IM3 Brand Loyalty

From figure 2 above, it could be seen that most of the respondents, for about 40 students, were tend to be loyal with IM3 product, 3 students were loyal, and the rest of 11 students were not loyal to IM3 product. The loyalty towards the brand was also can be seen through each aspect, including brand, commitment towards a brand, and intensity of future purchasing.

Table 4. Brand Loyalty Aspect

Brand Loyalty Level	Loyalty Aspect					
	Attitude		Commitment		Purchasing Intensity	
	f	%	f	%	f	%
Loyal	3	5,5%	11	20,4%	19	35,1%
Tend to be loyal	38	70,4%	35	64,8%	31	57,4%
Tend to be disloyal	12	24,1%	6	11,1%	3	5,6%
Disloyal	-	-	2	3,7%	1	1,9%
Total	54	100%	54	100%	54	100%

Source: Researcher's processing result

The table 4 above showed that the loyalty aspect could be divided into two categories; loyal and disloyal. Loyal categories were consisted of loyal and tend to be loyal, whereas disloyal category was consisted of tend to be disloyal and disloyal. From the categorization, it could be seen that the aspect of purchasing intensity in the future had loyal customers' proportion for about 92.5%, while the aspect of commitment was 85.2%, 75.9% was the aspect of customers' positive attitude toward IM3 product.

Therefore, it indicated that the most disloyal customers were found in the attitude aspect for 24.1% in which most of the customers had negative attitude toward IM3 brand. It continued by the aspect of commitment for 14.8% which showed that the customers had no commitment on IM3 brand. The last aspect

that caused the customers' disloyalty was the purchasing intensify for 7.5%, customers had low intention in continuing buying IM3 product in the future.

According to Mowen and Minor, brand loyalty is a positive attitude, commitment, and intention showed by customers against a brand (Mowen & Minor, 2002). Based on the figure 2 above, the biggest percentage of IM3 customers was "tend to be loyal" for about 74%. It indicated that the customers had positive attitude, commitment, and intention on a brand. Different with customers who were categorized as "tend to be disloyal" customers, they had negative attitude, low commitment, and weak intention on a brand. Whereas the students who included into loyal category showed that they had positive attitude, commitment, and strong intention on a brand for present or future purchasing.

The customers' loyalty was also seen in some aspects. Most of the customers had positive attitude toward IM3. This attitude was formed from three components, such as cognitive, affective, and connotative. Half of the customers also had commitment toward IM3. They had commitment on keep using the brand, even though there will be price increases, quality degradation, or another provider offered a better quality. They also said that they were already had an emotional ligament with IM3. The last aspect was the purchasing intensity in the future. Most of the customers had strong intention to continue the purchase or using the brand in the future.

Therefore it could be conclude that from the loyalty aspects, most of the IM3 customers were tend to be loyal. They had positive attitude on IM3, good commitment to IM3, and quite strong intention in continuing the purchase or using the brand in the future.

Conclusion

Based on the data above, it could be concluded that there was a positive and significant relation between customers' satisfaction and IM3 brand loyalty. It showed that 64.32% of customers' satisfaction influence the loyalty to IM3 brand. Most of the customers were stayed on the satisfaction level of 'tend to be satisfied' since IM3 performance, as cellular provider, was compatible with customers' expectation. Customers also had strong commitment to IM3 brand and had the intensity in continuing the purchase and using IM3 brand in future. Besides, the satisfaction aspect which had the highest relation toward brand loyalty, was the feature variation and pricing aspect. The customers felt that the service provided by IM3 brand was very satisfying rather than the quality. Therefore, the level of customers' satisfaction and IM3 brand loyalty were tend to be high.

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