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ANALYSIS OF FACTORS THAT INFLUENCE GSM CUSTOMER LOYALTY IN BATAM CITY

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ABSTRACT

This study analyzes the factors that influence the loyalty of GSM customers by taking the object of research that is GSM customers in Batam which are collected using purposive sampling method. GSM (Global System for Mobile Telecommunication) is a global standard for digital communication. This study sampled 300 respondents who were registered as GSM customers, namely Telkomsel, XL Axiata, Indosat Ooredoo, 3 (Tri) and Smartfren that is then processed using a Partial Least Square (PLS) analysis tool. The modeling formulated in this study aims to provide a critical understanding of the concept and measurement of customer loyalty in the mobile telecommunications services industry, especially GSM. Researchers incorporate elements of brand experience, service quality, satisfaction, and trust as independent variables which have significant consequences on the formation of customer loyalty.

The results of this study indicate that brand experience and service quality have a significant effect on loyalty, service quality has a significant effect on satisfaction, brand experience has a significant effect on trust, service quality has a significant effect on loyalty through satisfaction as mediation and satisfaction has a significant effect on loyalty. This study also proves that brand experience has no significant effect on loyalty through trust as mediation as well as trust variables having no significant effect on loyalty.

The results of the customer loyalty study can be recommended as input for management about the importance of the factors forming customer loyalty in the telecommunications sector. The researcher believes that the approach is related to the dimensions of brand experience, service quality and direct customer satisfaction. Brand experience can also help managers increase and trust of customers, although in this study the trust variable is not proven to be able to increase loyalty.

Keywords: Brand Experience, Quality, Satisfaction, Trust, Loyalty, GSM