DETERMINANT INTERELATION CUSTOMER LOYALTY OF TELKOMSEL PREPAID CARD IN JAKARTA

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Abstract

In recent decades the mobile telecommunications technology has grown very rapidly. The deregulation of the telecommunications sector opens greater opportunities for telecommunications companies to compete to provide cellular service. Competition is extremely tight lead mobile telecommunications company strategy and redesign the business to survive and improve their competitive advantage. One of the survival strategies undertaken by establishing customer loyalty. This study aims to analyze the determinants of loyalty interrelation consisting of service quality, perceived value and customer satisfaction. The population used in this study were students Sympathy GSM prepaid card users. For the purposes of quantitative analysis, determination of scores for each item questionnaire used a Likert Scale. While processing the data using SEM with LISREL 8.7 software assistance. Validity and reliability using Confirmatory Factor Analysis (CFA). From six hypothesis, 5 were accepted while others rejected 1. Quality services and significant positive effect on perceived value and customer satisfaction, but had no effect on customer loyalty. The influence of service quality on satisfaction is greater than the influence of service quality on perceived value. Service satisfaction and loyalty is influenced by perceived customer value. The influence of perceived value on loyalty greater than the satisfaction. Customer loyalty is positively and significantly influenced by customer satisfaction. Based on the contribution of indicator constructs, to achieve customer loyalty as the Telkomsel GSM prepaid card providers need to maintain and improve Sympathy area range, sound quality, connection and signal quality. With the improvement of the quality of the customer will feel the positive perceived value that includes the sacrifice of energy, effort, and time the customer. Additionally, it will create customer satisfaction that keeps the sympathy GSM prepaid card service as well as providing recommendations and positive word of mouth to others.

Keywords: Service quality, Perceived value, Satisfaction, Loyalty, Prepaid cards

Abstrak

Dalam beberapa dekade terakhir teknologi telekomunikasi selular telah berkembang sangat pesat. Deregulasi sektor telekomunikasi membuka peluang besar untuk perusahaan telekomunikasi untuk bersaing untuk menyediakan layanan seluler. Persaingan yang sangat ketat memimpin strategi perusahaan telekomunikasi selular dan mendesain ulang bisnis untuk bertahan hidup dan meningkatkan keuntungan kompetitif mereka. Salah satu strategi kelangsungan hidup dilakukan dengan membangun loyalitas pelanggan. Penelitian ini bertujuan untuk menganalisis faktor penentu kesetiaan menyebabkan hubungan timbal balik terdiri dari kualitas layanan,

nilai yang dirasakan dan kepuasan pelanggan. Populasi yang digunakan dalam penelitian ini adalah siswa simpati GSM prabayar kartu pengguna. Untuk tujuan analisis kuantitatif, penentuan Partitur untuk setiap item kuesioner digunakan Skala Likert. Saat memproses data menggunakan SEM dengan bantuan perangkat lunak LISREL 8.7. Validitas dan Reliabilitas menggunakan konfirmasi faktor Analisis (CFA). Dari enam hipotesis, 5 diterima sementara lainnya menolak 1. Kualitas layanan dan efek positif yang signifikan pada nilai yang dirasakan dan kepuasan pelanggan, tetapi tidak memiliki efek pada loyalitas pelanggan. Pengaruh kualitas layanan pada kepuasan lebih besar dari pengaruh kualitas layanan pada nilai yang dirasakan. Layanan kepuasan dan loyalitas dipengaruhi oleh nilai dirasakan pelanggan. Pengaruh nilai yang dirasakan pada kesetiaan yang lebih besar daripada kepuasan. Loyalitas pelanggan positif dan secara signifikan dipengaruhi oleh kepuasan pelanggan. Berdasarkan kontribusi indikator konstruksi, untuk mencapai loyalitas pelanggan seperti Telkomsel GSM prabayar kartu penyedia perlu untuk mempertahankan dan meningkatkan jangkauan simpati, kualitas suara, kualitas koneksi dan sinyal. Dengan peningkatan kualitas nasabah akan merasakan nilai dirasakan positif yang mencakup korban energi, usaha, dan waktu pelanggan. Selain itu, itu akan menciptakan kepuasan pelanggan bahwa terus simpati GSM prabayar kartu layanan serta memberikan rekomendasi dan positif dari mulut ke mulut orang lain.

Kata kunci: Layanan kualitas, Nilai yang dirasakan, Kepuasan, Loyalitas, Kartu prabayar

JEL Classification: M31

1. Research Background

In the last couple of decades; cellular communication technology has grown so fast. The development was not just involve operation system like Nordic Mobile Telephone (NMT), Advance Mobile Phone System (AMPS), and Global System for Mobile Communication (GSM), and then CDMA (Code Division Multiple Access), but also involved the types, functions, and features of cellular phone. Since the validity of Telecommunication Constitutions number 36 year 1999, telecommunication sector entered the era of privatization and market transparency. Based on this constitution, there is no longer obstacle for a company to be telecommunication operator in Indonesia. Until the early of 2013, there were 7 cellular phone operator in Indonesia based on GSM or CDM. Indonesia was the 3rd biggest cellular phone market in the world (Frost and Sullivan, 2010). In 2011, according to the survey by ROA Holding Analysis, there were more than 245 million cellular phone users with the 97,5 % of them were prepaid card customers (prepaid subscribers). Market section is ruled by 3 main operators, Telkomsel, Indosat, and XL Axiata. Those 3 operators ruled the market up to 80% of the total numbers of cellular operator service customers.

Table 1. Cellular Customers Growth in Indonesia 2010 – 2013

Operator	Numbers of Costumers (in million)			
	2010	**2011**	**2012**	**2013**
Telkomsel	94	107	125	131
XL Axiata	40.4	46.4	45.7	58
Indosat	44.3	51.7	58.5	53.8

Source: data processed

Based on the table above we can see that the cellular operator users and customers growth keep on raising slowly. Telkomsel with the prepaid card Simpati and As kept dominating the market section in the end of 2013 by the number of 131 million customers. Despite the number of users and customers keep on growing, Telkomsel still have the classical problem of the high number of movement to another operator (churnate). In 2014, Telkomsel's Churnate predicted around 7% per year. This number was around 15% below the industrial average in Indonesia.

The high churnate can be justified as the low loyalty of the customers. Even though according to Lai *et al.* (2009), customer retention is one of the defensive strategies within the tight competition. Besides that, Eakuru and Mat (2008) said that the main number one aim of the company is to build customer loyalti. The existence of customer loyalty can reduce the operational cost and company acquisition. The 5% raise of customer retention will increase the profit of the company between 25-75% (Reichheld and Sasser 1990). Wils (1990) said that it takes 5 times bigger cost in order to get new customers compare to keeping the recent customers. Besides that, company can increase the profit number from the customer that being loyal. In insurance industry, the loyal customer increase premi to 8% per year (Reichheld and Teal 1996). Then the loyal customer that want to buy more, usually try another products or services from another company, and attract new customers to the company (Reichheld and Sasser, 1990). Reichheld and Sasser (1996) showed that customer loyalty gives the foundation for the company to test the marketing strategy, customer relationship quality and the value creation program that they have.

The companies that give superior service quality can satisfy their customer more (Gilbert and Veloutsou 2006). Customer satisfaction is the prime booster of customer loyalty and business success (oliver 1997). Some research gave the positive proof of direct relation between customer satisfaction and loyalty through the re-purchasing, lack of price sensitivity, cross purchasing action, and profitability (Ibrahim and Najjar 2008; Bloemer and Odekerben – schroder 2002).

Taylor and Baker (1994) stated that today's change of business paradigm have placed the service quality as the main priority. Customer evaluation for the service quality is the critical factor for the company in order to increase their marketing strategy (Jain and Gupta 2004). Boshoff and Gray (2004) indicated that the attention to service quality can make the company become different compare to the other and get competitive profit. The measurement of service quality enables the company to know their position in the market and to prepare the competitive strategy (khan 2010).

The past research showed that service quality is an important indicator in terms of customer satisfaction (Spreng and Machoy 1996). Customer satisfaction considered to be an influence to re-purchase intentiton and action that affecting the income and profit of the company in the future. Bowen and Shoemaker (2003) stated

that a satisfy customer may not come back and say some positive word of mouth to someone else. One of the causes is because tyhe company cannot give the need or customer wish. (Roig et al., 2006). Besides that, Woodruff (1997) indentified that the measurement of customer satisfaction without considering the fulfillment of perception value is not fully satisfying customer expectation. Because of that, other variables are needed in order to explain the connection between customer satisfaction and loyalty.

Customer perception value identified by the value terminology (monroe 1990; Zeithaml 1998) or customer value (Butz and Goodstein 1996). Delivery of the value to the customer intend to make loyal customer that can increase the frequency and the quantity of purchase and also not taking move behavior into consideration (Rust et al., 2004). The forming of customer value is one way to build a competitive privilege of the company (Lee and Overby, 2004). Zeithaml (1988) defined perception value as an total customer evaluation toward the product based on the kind of perception that they got and given. Moliner et al. (2007) defined that customer perception value as one dynamic variable which got after consumption. Moliner et al. (2007) considered value as functional value perception from the quality of product or service, emotional value, and social value as an impact of personal experience and many other choices. Woodruff (1997) stated that customer perception value as process of pre-purchase aspect, transaction, and post-purchase under various circumstances.

Based on the study of some past research, interrelation between service quality, perception value, customer satisfaction, and loyalty produce 6 kind of direct connection. Those six connections can be seen in picture 1 below:
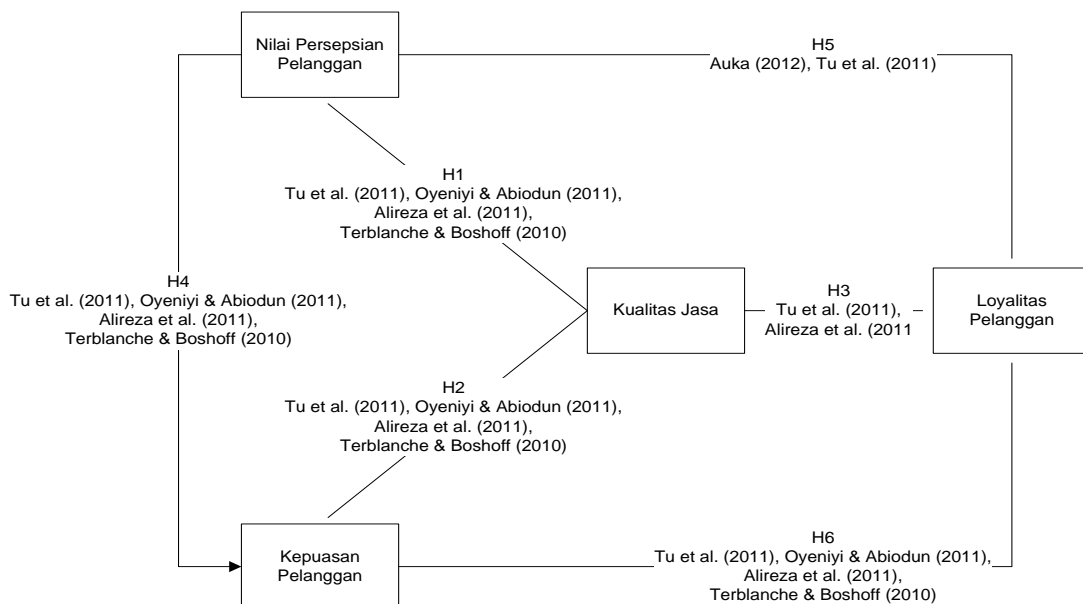
Picture 1. Conceptual Model of Research

Inter-variable connection that tested during the research explained through the hypothesis based on conceptual model above as follows:

H1 : Service quality has influence for customer perception value

H2 : Service quality has influence for customer satisfaction

H3 : Service quality has influence for customer loyalty
H4 : Customer perception value has influence for customer satisfaction
H5 : Customer perception value has influence for customer loyalty
H6 : Customer satisfaction has influence for customer loyalty

2. Research Methods

The research about Telkomsel prepaid car customer loyalty based on the business competition of cellular phone that getting tighter. The first factor that analyzed in this research is the characteristic of Telkomsel prepaid card customer. After that, interrelation variable test of service quality, perception value, satisfaction and loyalty conducted by using *Structural Equation Modeling* (SEM) analysis.

Some research has been conducted in some universities in East Jakarta for 2 months started on Mei – June 2014 and data collection conducted on weekend. *nonprobability sampling* method with judgmental sampling technique used for this research.

Two kinds of data needed in this research. Main data acquired through survey by spreading questionnaire in research location. Meanwhile secondary data acquired and gathered from many kinds of literatures, books, journals, thesis, dissertation, and data from the internet considered to be relevant.

Research population is college student that used Telkomsel prepaid card on East jakarta. According to Bentler and Chou (1987) 5 – 10 ratio of respondents per variable observed will be enough for normal distribution when a latent variable has some indicators (observed variable). In this research there are 26 indicators, so they are needed to be samples of minimum 26 x 10 = 260 respondents. From the result of spreading the questionnaire, there were 300 questionnaires can be processed.

This research consists of 4 constructs which are service quality, perception value, satisfaction, and loyalty. Service quality constructs adapted and developed based on Lai et al. (2009) research has 11 indicators consist of 1) area coverage quality; 2) signal quality; 3) voice quality; 4) phone network connection level; 5) cellular technology quality 6 product quality according to slogan; 7) service and feature quality; 8) responsive call center service quality; 9) reliable call center service quality 10) information and complaint service quality; 11) service procedure quality.

Meanwhile perception value construct adapted and developed based on the research (Moliner et al., 2007) consist of of 4 indicators which are 1) positive value of the service that given by Telkomsel prepaid card; 2) the service that given by Telkomsel prepaid car is in accordance with the time sacrificed; 3) the service given by Telkomsel prepaid card is in accordance with power sacrificed; 4) the service given by Telkomsel prepaid card is in accordance with effort sacrificed.

Next one, customer satisfaction adapted and developed based on research from Oliver (1997) with the indicators of 1) compare to another operator, customer very satisfied with Telkomsel prepaid card; 2) based on the experience, customer very satisfied with Telkomsel prepaid card; 3) customer satisfied with the price offered by Telkomsel prepaid card; 4) customer satisfied with the quality offered by Telkomsel prepaid card; 5) customer satisfied with the service given by Telkomsel prepaid card; 6) Telkomsel prepaid card gives product satisfaction.

Last construct, loyalty, consist of 5 indicators as follows which adapted and developed based on Aydin and Ozer (2005) research which are, 1) I will always use

Telkomsel network; 2) if I am about to buy a new prepaid simcard, I will choose Telkomsel prepaid card network; 3) I will recommend Telkomsel prepaid card to someone else; 4) I convince my friend to buy Simpati GSM prepaid card; 5) despite another operator is cheaper, I will still use Telkomsel card.

Causal connection analysis in this research used Structural Equation Modeling (SEM) with Lisrel 8.7 program. Two stages approach applied in research model analysis. First stage focused the estimation to measurement model. For the first step to do the analysis for estimation result, and then conducted total match test of measurement model aimed to see the Validity and Reliability of each construct (connection between latent variable/LV with observed variable/OV) and the next step is structural model analysis which aimed to reviewing the relation between construct (Wijanto 2008).

Validity and reliability test used Confirmatory Factor Ananlysis (CFA). The measurement of validity conducted by look at t – value and standard loading factor (SLF) value of the observed variable from each CFA model. Observed variable considered as valid if it has t – value ≥ 1.96 dan SLF ≥ 0.50 (Igbaria et al., 1997 in Wijanto 2008). Meanwhile for reliability measurement, composite reliability measure and variance extracted measure used. Hair et al. (1998) stated that a construct has a good reliability if the value of CR ≥ 0.70 and VE ≥ 0.50.

3. Result and Discussion
3.1. Respondents Characteristics

Based on the result of spreading of the questionnaire to the college students in Jakarta, 300 questionnaires can be treated into research data as follows.

Table 2. Respondents Characteristics

Question	Explanation	Percentage
Another prepaid card users	Yes	70.5%
	No	29.5%
Name of another prepaid card being used	As	8%
	Mentari	8%
	IM3	25%
	XL	14%
	Three	32%
	Esia	13%
Sex	Men	49%
	Women	51%
Status	Married	3.9%
	Not married	96.1%
Earnings (pocket money) per month	< Rp 500.000,-	36.1%
	Rp 500.000,- until Rp 1.000.000,-	38.9%
	Rp 1.000.000,- until Rp 2.000.000,-	18.3%
	>Rp 2.000.000,-	6.7%
GSM Simpati prepaid card usage periods	< 1 tahun	32.8%
	1 – 2 tahun	37.2%
	>2 tahun	28%
Facilities used	Call	57.8%
	SMS/MMS	14.14%
	Internet/sending data	27.8%
Frequently called number	PSTN	3.8%
	Same operator	69.7%
	between operator	26.7%
Person frequently called	Family	53.9%
	Friends	33.3%
	Relations	2.8%
Credit purchase frequency per month	once	20.6%
	2 – 3 times	62.8%
	>3 times	16.7%
Credit purchase cost per month	< 100.000	75.1%
	100.000 until 200.000	20%
	>300.000	5%
Frequently purchased recharge credits amount	25.000	33.3%
	50.000	34.4%
	100.000	28.3%
	>100.000	3.9%

Source: data processed

Most part of the correspondents use prepaid card other than Telkomsel. Three and IM3 prepaid card are the most used other than Telkomsel by the correspondents. The composition between male and female correspondent is quite balance. As normal college students, most of them are not married yet with pocket money around Rp 500.00,- up to Rp 1.000.000,-. Telkomsel prepaid card has been used by the correspondents for about 1 – 2 years with calling as the most frequently used feature. Same operator calling is the most frequently used by the correspondent since it is

considered to be the cheapest one. Families and friends is relation that mostly called by the correspondents. Credit purchasing frequency is about 2 - 3 times per month with the cost less than Rp 100.00,- and nominal recharge credit of Rp 50.000,-.

3.2. Structural Equation Modeling (SEM) Analysis Measurement Model

In the first stage, measurement model analysis applied to each measurement model or construct separately through the evaluation of the measurement model validity and reliability. Both of the evaluations are t – value of factor loading bigger than critical value ≵ 1.96) and standardized factor loadings ≥ 0.50 (Igbaria *et al.,* 1997 in Wijanto 2008).

All of the observed variables (VAR1 – VAR26) have good validity since they have t – value of > 1.96 and standardized loading factor (SLF) value bigger than 0.50 except for VAR7, VAR9, and VAR23. Even though the value is less than 0.50 it still considered as valid since it is still above 0.30. Besides that, from standardize solution estimation can be acquired reliability and consistency test of measurement. The reliability of service quality, perception value, satisfaction, and loyalty seen from CR > 0.7 and VE > 0.5 value show good reliability.

Tablel 3. Validity and Reliability

Latent Variable/observed	Service Quality		Customer Satisfaction		loyalty		value		CR	VE	conslusion
	t - value	SLF	t - value	SLF	t - value	SLF	t - value	SLF			
Service Quality									0.85	0.35	**Good Reliability**
VAR1	13.08	0.7									Good Validity
VAR2	11.66	0.64									Good Validity
VAR3	12.99	0.7									Good Validity
VAR4	13.99	0.74									Good Validity
VAR5	8.66	0.5									Good Validity
VAR6	9.82	0.56									Good Validity
VAR7	7.63	0.45									Good Validity
VAR8	9.24	0.53									Good Validity
VAR9	8.43	0.49									Good Validity
VAR10	8.69	0.5									Good Validity
VAR11	10.41	0.59									Good Validity
satisfaction									0.85	0.49	**Good Reliability**
VAR12			11.75	0.64							Good Validity
VAR13			14.79	0.77							Good Validity
VAR14			9.9	0.56							Good Validity
VAR15			10.92	0.61							Good Validity
VAR16			16.84	0.84							Good Validity
VAR17			13.81	0.73							Good Validity
Loyalitas									0.85	0.53	**Good Reliability**
VAR18					12.3	0.67					Good Validity
VAR19					13.58	0.72					Good Validity
VAR20					16.09	0.82					Good Validity
VAR21					15.77	0.81					Good Validity
VAR22					10.67	0.6					Good Validity
Nilai									0.78	0.49	**Good Reliability**
VAR23							8.28	0.49			Good Validity
VAR24							9.62	0.55			Good Validity
VAR25							16.14	0.85			Good Validity
VAR26							15.35	0.83			Good Validity

Sumber: data processing result with SEM analysis

3.3. Structural Model

After acquiring reliable and valid observed variable, so the second stage of SEM analysis which is two step approaches can be conducted. The second stage

conducted by adding real structural model in CFA model from the result of the first stage to create a hybrid model by doing a total match test of SEM model and structural model analysis. That thing can be seen from 9 out of 15 estimations that show good result, meanwhile 6 of them are not good enough.

Table 4. Total SEM Model Match Test Result

GOF Measurement	Match Level Target	Estimation Result	Match Level
Chi-Square	Small value p > 0.05	1592.92 (P = 0.0)	*Poor fit*
NCP Interval	Small value narrow interval	(1352.68 ; 1618.25)	*Poor fit*
RMSEA	RMSEA $\leq$ 0.08	0.13	*Marginal fit*
p (close fit)	P < 0.05	0.00	
ECVI	Small value and close to ECVI *saturated*	M : 6.32 S : 2.35 I : 36.97	*Good fit*
AIC	Small value and close to AIC *saturated*	M : 1890.74 S : 702.00 I : 11053.04	*Good fit*
CAIC	Small value and close to CAIC *saturated*	M : 2163.56 S : 2353.03 I : 11175.34	*Good fit*
NFI	NFI $\geq$ 0.90 *good fit* 0.80 $\leq$ NFI <0.90 *marginal fit*	0.86	*Marginal fit*
NNFI	NNFI $\geq$ 0.90 *good fit* 0.80 $\leq$ NNFI < 0.90 *marginal fit*	0.86	*Marginal fit*
CFI	CFI $\geq$ 0.90 *good fit* 0.80 $\leq$ CFI <0.90 *marginal fit*	0.88	*Marginal fit*
IFI	IFI $\geq$ 0.90 *good fit* 0.80 $\leq$ IFI <0.90 *marginal fit*	0.88	*Marginal fit*
RFI	RFI $\geq$ 0.90 *good fit* 0.80 $\leq$ RFI <0.90 *marginal fit*	0.84	*Marginal fit*
CN	CN $\geq$ 200	67.12	*Poor fit*
RMR	Standardized RMR $\leq$ 0.05	0.090	*Poor fit*
GFI	GFI $\geq$ 0.90 *good fit* 0.80 $\leq$ GFI <0.90 *marginal fit*	0.69	*Poor fit*
AGFI	AGFI $\geq$ 0.90 *good fit* 0.80 $\leq$ AGFI < 0.90 *marginal fit*	0.62	*Poor fit*

Source: Data processing result with SEM analysis

After done with match test for all the SEM model, then the next step is to do structural model analysis. Picture 2 (Model t – value) shows significant influence between construct. From 6 relation between the four latent variable construct, 5 of them show significant influence. Significant influence can be seen from the value of t counted above 1.96. Service quality construct has positive and significant influence for the customer perception value and satisfaction with t – value of 5.99 and 8.79. Meanwhile service quality construct does not have positive and significant influence for the customer loyalty because t – value is less than 1.96 (t – value = -0.14). Customer perception value has positive and significant value for the satisfaction and
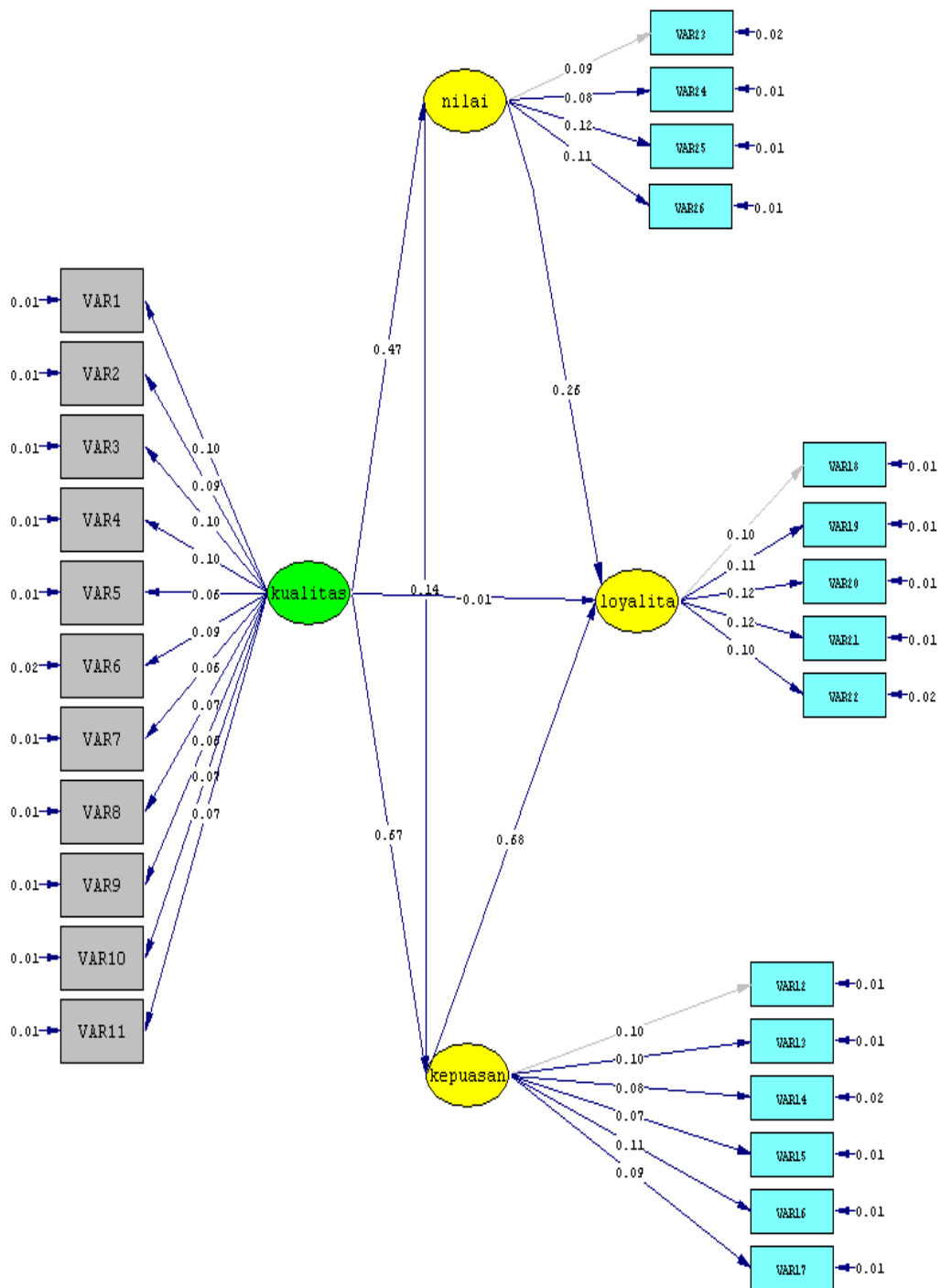
customer loyalty of 2.15 and 4.09. And the last, customer satisfaction has positive and significant influence for customer loyalty with t – value of 6.78.
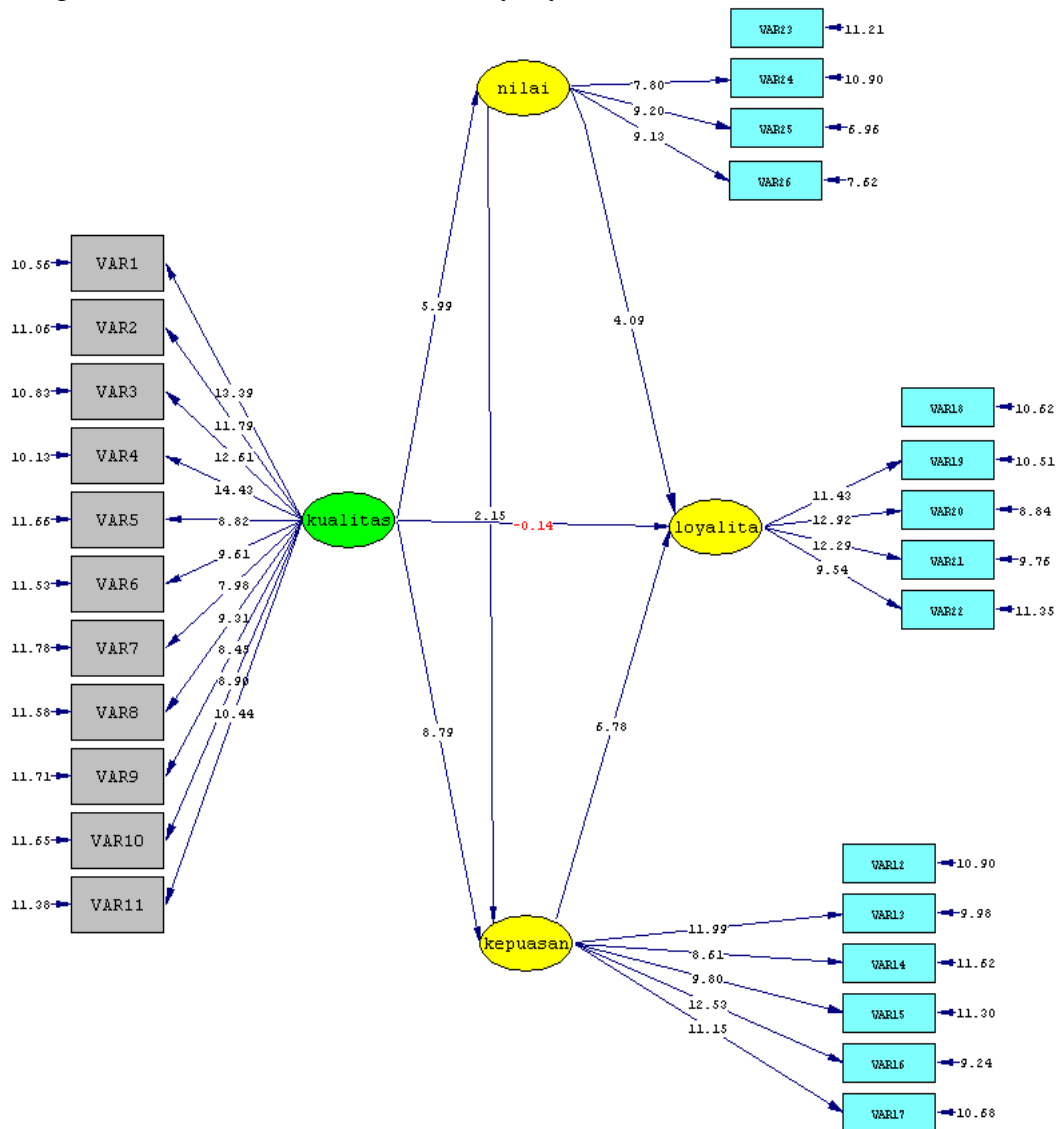
Chi-Square=1774.74, df=293, P-value=0.00000, RMSEA=0.130

Picture 2. t – Value model

From five of the significant influences, the biggest influence belongs to satisfaction for customer loyalty of 0.68 (picture 3). Followed by service quality influence to satisfaction of 0.67 and service quality to perception value of 0.47. And then perception value influence to customer loyalty and satisfaction is 0.26 and 0.14.

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Chi-Square=1774.74, df=293, P-value=0.00000, RMSEA=0.130

Picture 3. Estimates Model

Service quality influence to perception value (H1), satisfaction (H2) and customer Loyalty (H3)

Based on the result of SEM analysis, service quality has positive and significant influence to satisfaction (H1) and value (H2), but does not have positive and significant influence to customer loyalty (H3). Service quality influence to satisfaction is bigger than service quality influence to perception value. The result acquired in hypothesis 1 is consistent and parallel with the past research that done by Tu et al. (2011), Alizera et al. (2011) Chang & Wang (2008), Terblanche & Boshoff (2010). Meanwhile the second hypothesis support the research of Tu et al. (2011) Oyeniyi & Abiodun (2011), Alizera et al. (2011), Chang & Wang (2008), Terblanche & Boshoff (2010). The third Hypothesis result acquired by Tu et al. (2011), Alizera et al. (2011). Positive and significant influence of H1 and H2 show that service quality development will eventually increase the perception value and satisfaction that felt by the customer. Although service quality is not automatically affect the customer loyalty. Because loyalty built by other factors such as, perception value or customer satisfaction. Because of that, service quality consists of area coverage, voice, connection, and signal according to contribution must be considered in particular by Telkomsel as Telkomsl prepaid card operator provider.

Perception Value Influence to Customer Satisfaction (H4) and Customer Loyalty (H5)

SEM analysis showed that perception value has positive and significant influence to satisfaction (H4) and customer loyalty (H5). H4 finding support and consistent with the research Tu et al. (2011), Oyeninyi & Abiodun (2011), Alizera et al. (2011), Chang & Wang (2008), Terblanche & Boshoff (2010). Meanwhile, H5 is supported and consistent with the finding from Tu et al. (2011), Auka (2012), Chang &Wang (2008). Customer will feel the satisfaction and become loyal if what they have given is worth with what they get. The mutual connection between service provider and customer will shape customer perception value. In this case, perception value consists of power, effort, and time sacrificing of the customer.

Customer Satisfaction Influence to Customer Loyalty

Positive and significant influence of customer satisfaction to loyalty (H6) consistent and in parallel with the research oif Tu et al. (2011), Oyeniyi & Abiodun (2011), Alireza et al. (2011), Auka (2012), Chang & Wang (2008), Terblanche & Boshoff (2010). The increase of satisfaction that the customer felt as the influence of service quality and perception value enhancement will form customer loyalty. Customer loyalty strongly connected with the experience of using the Telkomsel prepaid card service. Besides that, satisfaction felt by the customer as the influence of price and quality that offered by Telkomsel through the Telkomsel prepaid card.

Table 5. Hypothesis Test Resume

hypothesis	Line	T - value	Estimation	Conslusion
1	Service quality to Value	5.99	0.47	Significant (Hypothesis 1 accepted)
2	Service quality to satisfaction	8.79	0.67	Significant (Hypothesis 2 accepted)
3	Service quality to customer loyalty	-0.14	-0.01	Insignificant (Hypothesis 3 unaccepted)
4	Value to satisfaction	2.15	0.14	Significant (Hypothesis 4 accepted)
5	Value to customer satisfaction	4.09	0.26	Significant (Hypothesis 5 accepted)
6	Customer satisfaction to customer loyalty	6.78	0.68	Significant (Hypothesis 6 accepted)

Source: Data processed

3.4. Managerial Implication

Although service quality does not have direct influence to customer loyalty forming of Telkomsel prepaid card service users, but service quality still has important role. Service quality has direct influence to customer perception value and customer satisfaction. In order to enhance the service quality, Telkomsel can do it by raise, eliminate, reduce, and create for product and other things (Kim and Mauborgne, 2005). Area coverage service enhancement, voice, network connection level, and signal quality are the most dominant variable to represent service quality. But, of course another variable like responsive and reliable call center service and simple complain procedure performance must be fixed and increased.

Based on the research result, perception value has positive influence to satisfaction and loyalty. As a cellular phone operator with the biggest market section, Telkomsel need to pay attention to conformity between power, effort, and time that sacrificed by the customer with the benefit that they get. The bigger the benefit that the Telkomsel prepaid card customer get, the bigger value that they feel. Value that the customer felt is not just in form of material but also non-material.

The satisfaction that the Telkomsel prepaid card customer felt influenced by perception value and service quality. In the end, satisfaction will influence Telkomsel prepaid card user loyalty. The satisfaction indicators cover user experience, service satisfaction accepted, satisfaction for product and price offered.

4. Conclusion

Customer characteristics mostly use prepaid card other than Telkomsel. Meanwhile the other prepaid card being used are Three and IM3. Majority of the Telkomsel prepaid card users are women with unmarried status. Pocket money that they get every month is around Rp 500.000,- up to Rp 1.000.000,-. Most users have already used it for 1 – 2 years. The most frequently used facilities are call and

internet. Credit purchasing frequency per month is between 2 – 3 times with nominal 100.000.

Hypothesis test show that 5 out of 6 hypotheses are acceptable. Service quality has influence to perception value and customer satisfaction, but has no influence to customer loyalty. This thing indicated that even though service quality enhancement is not automatically affecting to loyalty, but has influence to perception value and satisfaction. Mean that, service quality influence to loyalty is also indirect, but through perception value and customer satisfaction. Next, perception value has influence to satisfaction and loyalty. Last, satisfaction has influence to customer loyalty.

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