The Influence Of Service Quality And Price On Customer Loyalty Through Satisfaction Customer As An Intervening Variable On Telkomsel Card Users In Indonesia

Agung Sudjatmoko
Undergraduated Program, Bina Nusantara University, Jakarta, Indonesia 11480
Agung.sudjatmoko@binus.ac.id

Anissa Dzakirah Sumitro
Undergraduated Program, Bina Nusantara University, Jakarta, Indonesia 11480
anissa.sumitro@binus.ac.id

Salma Amalia Syafira
Undergraduated Program, Bina Nusantara University, Jakarta, Indonesia 11480
salma.syafira@binus.ac.id

Triwahyuning Ramadanti
Undergraduated Program, Bina Nusantara University, Jakarta, Indonesia 11480
tri.rahmadanti@binus.ac.id

Yulhendri
Faculty of Economics, Padang State University, Padang, Indonesia 25171
Yulhendri@fe.unp.ac.id

Delvia Safitri
Faculty of Economics, Padang State University, Padang, Indonesia 25171
delviaskafitri30@gmail.com

Abstract
Information technology is now developing so rapidly that it positively impacts its users in finding information and communicating with those not far away—Telkomsel, a telecommunications company with the most significant customers, has become the research object. This study aimed to examine the effect of service quality and price on customer satisfaction and Telkomsel card customer loyalty. This research method uses quantitative research methods with a regression correlation approach, sampling is done by random sampling technique, and the results are processed with Smart PLS software. The result of this research is that there is a positive and significant relationship between service quality, price, and customer loyalty through customer satisfaction.

Keywords
Service Quality, Price, Customer Satisfaction, Customer Loyalty, and Telecommunication Business

1. Introduction
In the current digital era, information and communication technology development is increasing. Information and communication technology began with the creation of the radio, which appeared in 1920 in Indonesia. Furthermore, the emergence of television as a medium of information and communication in 1939 with a system in the form of images and transmission. This was followed by the emergence of satellites which began with the construction of the Domestic Satellite Communication System (SKSD) in 1976 in the United States. Furthermore, information and communication technology was created in the form of the internet, which emerged in 1988 in Indonesia (Yulisetiarini & Prahasta, 2019). The more rapid technology in the world, the emergence of the mobile phone in the 1940s, and...
increasing when John Goeken and Craig McCaw invented the cordless telephone. In 1990, cell phone technology was developing and creating more practical models. Cellular phone technology is increasing with internet connection facilities and cameras, which is called smartphone technology (Sahara et al., 2017).

Telecommunications is one example of current technological developments. The telecommunications industry sector plays a vital role in overall economic growth, namely to help accelerate learning and economic growth (Oduro et al., 2018). Telecommunication has a significant impact on society; apart from being able to get information faster, telecommunication is also beneficial for the business world, such as using telecommunications as a marketing medium for the business (Yulisetiarini & Prahasta, 2019). Telecommunications also has benefits in the education sector, such as providing a data processing system that can be used practically. Furthermore, the benefits in the banking sector are that people can make transactions via smartphones to online account creation services (Asepta & Maruno, 2017). Internet service provider (Provider) as a means of communicating with the public at a distance or near. These service developments make the community more critical, forcing companies to create quality products or services that are right. The reason for this is to meet the community's needs so that the internet access services used have no obstacles or can be accessed quickly (Baltes, 2015; Hoi, 2020). Provider industry market share is increasing sharply in this era of globalization. With the increasing competition in the cellular operator industry, of course, every company will continue to provide high-quality services according to customer needs to gain a place in the hearts of their customers (Minculete & Olar, 2018).

PT. Telkomsel is the first cellular industry in Indonesia, which has been a GSM operator since 1995 as a subsidiary of PT. Telkomsel. In law number 36 of 1999 concerning telecommunications, it is stated that PT. Telkomsel must make efforts with competitors in terms of service quality and price. PT. Telkomsel achieved a consumer satisfaction score of 84% in 2010 (Kompas.com). PT. Telkomsel, a company engaged in telecommunications services, also faces various competitions in the same field. With several types of competition by competitors, Telkomsel must improve the quality of service at competitive prices, which aims to create customer satisfaction and will trigger a sense of loyalty for consumers to Telkomsel cards (Kompas.com). In dealing with market share, Telkomsel determines the extent to which the service quality and price level of the Telkomsel card will affect customer satisfaction which has an impact on customer loyalty.

Loyalty combines intellectual and emotional processes between customers and companies. As a result, commitment cannot be imposed, although adherence can be measured and managed (Cossio-Silva et al., 2019; Srivastava & Rai, 2018). Customer loyalty can be shown in the form of repeat purchases of a product or service the company offers. These more customers who make repeat purchases will increase the company's profits (Lierastava & Rai, 2018). Maintaining customer loyalty is not an easy job for producers to keep. One of the keys to being able to continue to maintain a loyal attitude from customers to remain competitive is that companies must be able to provide customer satisfaction on an ongoing basis (Chen et al., 2021). Loyal customers can drive business growth because they usually offer ideas or input to companies to improve product quality. Ultimately, they will not mind the costs incurred because they trust the company's products and quality (Kim et al., 2020); Rahayu et al., 2020; Rantyanti & Halim, 2020).

According to Kotler & Keller (2016: 66), many affect customer loyalty, one of which is customer satisfaction. According to Tjiptono (2019:112), customer satisfaction is the customer's response to the evolution of the perceived discrepancy between previous expectations and the product's actual performance. It is felt that in this increasingly fierce competition, more and more producers are involved in fulfilling consumer needs and desires, so this causes every company to place orientation on customer satisfaction as the primary goal (Rita et al., 2019). Satisfaction is the beginning of a transitional sequence of changes to a particular loyalty condition, and loyalty can be independent of satisfaction so that dissatisfaction will not affect commitment (Al-Omari et al., 2020). Dissatisfaction occurs if the results fail to meet customer expectations (Chou et al., 2019). Customer satisfaction is also related to the size and direction of a confirmation or disconfirmation between post-purchase and post-use, or product or service performance evaluation and customer assessment before buying (Budur & Poturak, 2021). To maintain customer satisfaction and loyalty is the quality of service to consumers and the price offered (Hohenberg & Taylor, 2021). Service satisfaction provided to customers has a positive impact on the progress of business development, which will encourage the creation of customer satisfaction and loyalty (Rita et al., 2019). Some researchers also argue that product quality affects satisfaction and customer loyalty, as evidenced by (Cha & Borchgrevink, 2019; Djajanto et al., 2019; YuSheng & Ibrahim, 2019). Then according to Philip Kotler & Armstrong (2015), several factors influence customer loyalty and satisfaction, one of which is the quality of service the company provides.
Service quality can also affect the service provider's marketing (Provider). The company must be able to be accepted by the community with a rating that exceeds their expectations (Kurdi et al., 2020). Service quality is an assessment or attitude towards the superiority of a service or in general (Gajewksa et al., 2019). Over time, service quality can be assessed by looking at the compatibility between expectations and perceptions of the service performance received by customers or the performance of services provided by the company, seen from the direct assessment given by customers (Albari & Kartikasari, 2019). Perceived service quality and customer satisfaction can be studied using the following two perspectives: transaction-specific and global (Sutrisno et al., 2019). Several researchers have proven the positive influence of service quality on customer satisfaction, which can be seen in satisfaction (Alabboodi, 2019). More specifically, researchers state that customers can judge service quality by comparing their experiences and expectations with the services they receive to determine whether they are satisfied or dissatisfied (Çetinsöz, 2019). Several researchers have proved the positive influence of service quality on customer satisfaction, which can be seen in (Haeruddin & Haeruddin, 2020; Hasfar et al., 2020; Yadav & Rai, 2019). Islam et al. (2020) state that to survive and remain competitive, every business must develop its service quality, ultimately resulting in customer satisfaction and loyalty. It can be argued that also higher service quality serves as an effective means of increasing customer satisfaction and loyalty. In addition to service quality, other factors affect customer loyalty (Zhou et al., 2019). Price perception greatly influences consumer rationality in paying for a product or service (Arfan et al., 2019). Pricing is one of the most critical decisions in marketing to attract consumers' attention (Yulisetiariini & Prahasta, 2019). The industry must set prices to compete with competitors (Star et al., 2022). Products or services that have the same quality but are set at a relatively low cost will provide high attractiveness to their customers (Nani et al., 2022). In other words, price serves as an indicator of the level of quality and is considered equivalent if it is comparable to the accompanying rate (Saepuloh & Hisani, 2020). Thus, some researchers associate price, product quality, and service quality with customer satisfaction and loyalty (Albari & Kartikasari, 2019). Research conducted by (Albari & Kartikasari, 2019; Wantara & Tambrin, 2019; and Pandey et al., 2020;) proved that fair prices positively affect customer satisfaction. Based on the description of the background of the problem above, the writer wants to research in the title "the influence of service quality and price on customer loyalty through customer satisfaction as an intervening variable on Telkomsel card users in Indonesia."

2. Literature Review

Quality is all actions or performance of employees that can be offered to all parties, essentially intangible and does not result in ownership to anyone (Kotler & Lane, 2009: 35). Lovelock et al (2011:154) argue that "service quality from the user's point of view is something that consistently meets or exceeds customer expectations".

Companies will provide a commitment to quality consistently provide quality service will enjoy competitive advantage. So that it will be easier for companies to build customer loyalty and build customer relationships successfully. This means that service quality is a very important aspect of the success of a company. Thus, whether the quality of service provided is good or bad, it depends on the ability of a company to consistently meet the expectations of its customers. In a service business, attitude in a service is very important for companies in determining the quality of services produced. If this aspect is forgotten, or if it is deliberately forgotten, the company will lose its customers.

Hypothesis 1: Product quality has a significant positive effect on Loyalty

According to Tjiptono (2014: 195) price is one of the elements of the marketing mix that brings income to the company and affects the size of profits and market share obtained. In a dynamic market that is full of competition, price has a very important role because it can determine the share and profits for the company. So that in determining the product / service consumers see the needs and prices in purchasing decisions. Price is the sum of all values given by consumers to obtain a benefit (benefit) for ownership or users of a product or service (Setiyaningrum 2015: 128). Price is an important element in determining market share and the level of profit in the company. According to Kotler (2009: 125) price is the sum of all values provided by customers to benefit from having or using the product or service. In this case the price is an important factor to influence consumers. According to Lovelock et al (2011:26) "Customers see price as a key part of the costs they have to spend to get the desired benefits".

Hypothesis 2: Price has a significant positive effect on Loyalty.
Lupiyoadi (2013:232) explains that loyalty is a customer concept that is accepted as a combination of happy customer attitudes and repeat purchase behavior. Customer loyalty is the most important part of purchasing to customers. In the short term, improving Customer Loyalty will have an impact on sales profit. Customers will make repeated purchases after using a company's products or services is information for the company that will implement a marketing strategy. In general, companies use a satisfaction measure other than that it can prevent customer turnover, reduce customer sensitivity to prices, reduce failure costs in marketing, reduce operational costs caused by the increasing number of customers, increasing the effectiveness of advertising and increasing business reputation (Aryani & Rosinta, 2010).

Hypothesis 3: Loyalty has a significant positive effect on customer satisfaction

Service and satisfaction received by customers is very important. Lupiyoadi (2014: 204) states "companies must be able to survive in the midst of business competition, one of which is creating customer satisfaction through improving service quality. Customer satisfaction will create customer loyalty and is an effective promotional media. By looking at the increasingly high environmental demands for service quality, it is also necessary to increase the quality of service by comparing the expected service and the service that will be felt by the customer.

According to Kotler and Keller (2012:153) "Product and service quality customer satisfaction, and company profitability are intimately connected. Higher levels of quality result in higher levels of customer statistics, which support higher prices and often lower costs. Product or service quality, customer satisfaction and company profitability are closely related. Higher service yields result in higher levels of satisfaction, which helps higher prices and reduced expenses.

Hypothesis 4: Service quality has a significant positive effect on loyalty through customer satisfaction

The relationship between price and consumer satisfaction is if the costs incurred are in accordance with the benefits that can refer to consumer satisfaction (Gofur, A, 2019). Price is often used as an indicator of the value between the perceived benefits and the price of goods and services. If a company sets a price that is not in accordance with the benefits obtained by consumers, then the level of customer satisfaction can decrease. If, on the other hand, the perceived value of consumers is high, then customer satisfaction is high.

According to Tjiptono (2014: 308) customer value does not only include quality, but also price. A price may have superior quality, but is evaluated as low value because it is expensive. So to determine customer satisfaction is to set prices according to the value found by customers.

Hypothesis 5: Price has a significant positive effect on loyalty through customer satisfaction

3. Methods

This research is quantitative; this method is based on the philosophy of positivism which aims to describe and test the hypothesis that has been made by the researcher (Sugiyono, 2016). This type of quantitative research is necessary for the existence of variables as objects in the study, and these variables must be clearly defined. Quantitative analysis is also concerned with the presence of hypotheses, data collection methods (questionnaires), and precise testing, which will be carried out in several stages. Sources of data used are primary and secondary data to support the research conducted. Primary data is processed by an organization or individual directly from the object. In this study, preliminary data was obtained from observations and questionnaires in online forms filled out by respondents. Then secondary data is data obtained indirectly. Secondary data in this study comes from report documents, literature, journals, or existing information from several internet sites and websites.

Data collection techniques in this study used a questionnaire. The resulting questionnaire consists of 24 question indicators and is then distributed to respondents online. The measurement scale in this questionnaire uses a 5 (five) Likert scale point. Research data taken is from a representative sample of the entire population. The piece is part of the number and characteristics possessed by the people (Sugiono in Nugroho, 2018). There are two independent variables in this study, one research dependent variable and 1 intervening variable, the research model for this study is shown in Figure 1.
4. Results and Discussion

5.1 Results
The respondent data collection process was carried out from May 2021 to June 6, 2021. In the respondent data collection period, there were 119 respondents data collected.

The test was carried out using the SEM PLS data analysis technique. That way, hypothesis testing, which is done by looking at the results of t-statistics, is used to see the effect's significance level. The path coefficient is used to determine the hypothesis relationship's direction and p-value. The decision on the results of the hypothesis is obtained by comparing the t-statistic > 1.96. If the t-statistic value is more significant (>), then the research hypothesis is accepted, and the research results are statistically significant.

The results of data processing with SmartPls 3.0 software.

Table 1 Fornell-Larcker Criterion

<table>
<thead>
<tr>
<th></th>
<th>(X2)</th>
<th>(Y)</th>
<th>(X1)</th>
<th>(Z)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price (X2)</td>
<td>0.851</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Stratification (Y)</td>
<td>0.775</td>
<td>0.812</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality of service (X1)</td>
<td>0.795</td>
<td>0.845</td>
<td>0.754</td>
<td></td>
</tr>
<tr>
<td>Customer Loyalty (Z)</td>
<td>0.758</td>
<td>0.817</td>
<td>0.707</td>
<td>0.897</td>
</tr>
</tbody>
</table>

Source: SmartPls 3.0 software data processing.

The analysis in Table 1 shows that one variable has a value smaller than the correlation of variables with other variables, namely the service quality variable (X1) of 0.754, which is declared invalid. Meanwhile, the price variable (X2), customer satisfaction (Y), and loyalty (Z) have a value above the Significant level, which means that the variable is valid.

Table 2 R Square (R²)

<table>
<thead>
<tr>
<th></th>
<th>R Square</th>
<th>R Square Adjust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Stratification</td>
<td>0.743</td>
<td>0.738</td>
</tr>
<tr>
<td>Customer Loyalty</td>
<td>0.668</td>
<td>0.664</td>
</tr>
</tbody>
</table>

Source: SmartPls 3.0 software data processing
Based on Table 2, it can be explained that the customer satisfaction variable has an $R^2$ of 0.743 (74.3%), which is influenced by service quality and price. And the remaining 25.7% is controlled by variables that are not examined. Furthermore, the customer loyalty variable has an $R^2$ of 0.668 (66.8%), which is influenced by service quality and price. And the remaining 33.2% is controlled by variables that are not examined.

### Table 3 Hypothesis Test Results

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Original Sample</th>
<th>Sample Mean</th>
<th>Standard Deviation</th>
<th>T-Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>$X_1 \rightarrow Y$</td>
<td>0.621</td>
<td>0.622</td>
<td>0.098</td>
<td>6.346</td>
</tr>
<tr>
<td>$X_2 \rightarrow Y$</td>
<td>0.282</td>
<td>0.285</td>
<td>0.110</td>
<td>2.564</td>
</tr>
<tr>
<td>$Y \rightarrow Z$</td>
<td>0.817</td>
<td>0.818</td>
<td>0.035</td>
<td>23.050</td>
</tr>
<tr>
<td>$X_1 \rightarrow Y \rightarrow Z$</td>
<td>0.508</td>
<td>0.508</td>
<td>0.078</td>
<td>6.513</td>
</tr>
<tr>
<td>$X_2 \rightarrow Y \rightarrow Z$</td>
<td>0.230</td>
<td>0.235</td>
<td>0.094</td>
<td>2.440</td>
</tr>
</tbody>
</table>

*Source: SmartPls 3.0 software data processing.*

Based on Table 3, it can be explained that the decision on the results of the hypothesis is obtained by comparing the t-statistic $>1.96$. If the value of the statistic is more excellent ($>$), then the research hypothesis is accepted, and the research results are statistically significant. The test of the significance of the path coefficient through the statistical t-test shows that. The service quality variable ($X_1$) has a substantial and positive effect on customer satisfaction ($Y_1$) because it has a t-statistic value of 6.346 which means it is more significant than 1.96 by having an original sample of 0.621. The price variable ($X_2$) has a substantial and positive effect on customer satisfaction ($Y_1$) because it has a t-statistic value of 2.564 which means it is more critical than 1.96 with an original sample of 0.282. The customer satisfaction variable ($Y_1$) has a substantial and positive effect on customer loyalty ($Y_2$) because it has a t-statistic value of 6.513 which means it is more important than 1.96 with an original sample of 0.508. The price variable ($X_2$) has a significant and positive effect on customer loyalty ($Y_2$) through customer satisfaction ($Y_1$) because it has a t-statistic value of 2.440 which means it is more critical than 1.96 with an original sample of 0.230.

### 5.2 Discussion

**The Influence of Service Quality on Customer Loyalty of Telkomsel Card Users in Indonesia**

The results of the analysis were carried out using SmartPLS measurements on the service quality variable on customer loyalty Telkomsel card users from the calculation results obtained with a path coefficient of 0.621 with a t-count value of 6.346 $<1.96$ t-table. This means that there is a significant effect of service quality on customer loyalty. Tipton (2014:266) concludes the implications of service quality on profits in a conceptual model when using it. In the model, the quality of services offered contributes to two paths; first, defensive marketing is an effort to make a profit, and then offensive marketing is a way to retain customers. The level of service quality will encourage customers to be loyal to Telkomsel card users. Previous research (Chou et al., 2019; Teeroovengadum, 2020) stated that service quality might significantly influence customer loyalty. Some researchers also argue that not only product quality effects but also customer loyalty, as evidenced by (Rantyanti & Halim, 2020). (Adi & Basuki, 2019) also shows that the majority of loyal customers are those who use high-quality products. This implies that higher product quality tends to lead to strengthening customer loyalty. If the quality of service is under the customer's wishes, the customer will be loyal to the Telkomsel card. Tipton (2014:266) concludes the implications of service quality on profits in a conceptual model when using it. In the model, the quality of services offered contributes to two paths, and namely, first, defensive marketing is an effort to make a profit. Offensive marketing is a way to retain customers. The level of service quality will encourage customers to be loyal to Telkomsel card users. So it can be concluded that when customers get quality...
service, it will be able to increase customer loyalty. So it can be supposed that when customers get quality service, it will be able to increase customer loyalty.

The Influence of Price on Customer Loyalty of Telkomsel Card Users in Cities Indonesia
The results of the analysis carried out using SmartPLS measurements on the price variable on customer loyalty Telkomsel card users from the calculation results obtained with a path coefficient of 0.282 with a t-count value of 2.564 < 1.96 t table. This means that the price variable has a significant effect on customer loyalty. This research is supported by Batu et al. (2020), which state that the pricing policy of a product will have a positive effect on consumer satisfaction. Furthermore, Arfan et al. (2019) also proved that a reasonable price directly and positively influences customer loyalty. This empirical finding also strengthens the results (Bintang et al., 2022; Nani et al., 2022), which have previously proven that fair pricing has, both directly and through satisfaction, as a mediating variable a positive effect on customer loyalty. Tjiptono (2019:123) states that the price offered per consumer expectations will prevent competitors and retain customers. So from this study, it can be concluded that the cost of one creates customer loyalty for Telkomsel card users in the city of Indonesia. The satisfaction obtained from customers is received at a price offered following consumer expectations. If the customer is satisfied with the product, the price suitability level has been set according to the benefits received. According to Lovelock (2010:133), loyalty will continue only as long as the customer feels that he gets better value (including higher quality with price) than that which can be obtained by switching to another service provider. If the first company does something that disappoints the customer or if a competitor begins to offer further better value, the risk is that the customer will switch to another service provider. According to Kotler and Keller (2009:151), many companies have experienced losses due to lost or switching customers, and customers will switch services at least three times to be loyal to Telkomsel. If not fulfilled, then customer loyalty still cannot be achieved. So it can be concluded that the price will affect customer loyalty because the more affordable the price is equipped with the quality of service, which is expected to increase customer loyalty to using Telkomsel cards in Indonesia.

The Effect of Loyalty on Customer Satisfaction of Telkomsel Card Users in Cities Indonesia
The results of the analysis carried out using SmartPLS measurements on the customer loyalty variable on customer satisfaction using Telkomsel cards from the calculation results obtained with a path coefficient of 0.817 with a t-count value of 23.050 < 1.96 t-table. This means that there is a significant influence on customer loyalty variables to customer satisfaction. Tjiptono (2014:353) states that customer satisfaction contributes to crucial aspects such as creating customer loyalty, increasing customer satisfaction, reducing price elasticity, reducing future transaction costs and increasing employee efficiency and productivity. No business can survive without satisfied and loyal customers. Lupiyadi (2013:228) suggests that many companies have achieved a high level of customer satisfaction, increasing customer loyalty and preventing turnover. (Raza et al., 2020) consider satisfaction a summary of psychological conditions or subjective values built on customer experience compared to customer expectations. It is also said that satisfaction is an assessment of product or service features, whether the product or service succeeds in meeting the level of pleasure through consumption (Rita et al., 2019). Hamzah & Shamsudin (2020), Khairawati (2020), and Otto et al. (2020) succeeded in proving that consumer loyalty has a positive effect on their satisfaction. In other words, loyalty will be able to retain customers and repeat purchases. So that customer satisfaction becomes an evaluation of a complete purchase where the chosen alternative gives the same result or exceeds the buyer's expectations. Dissatisfaction occurred when the results obtained failed to meet customer expectations. Customer satisfaction is also related to the size and direction of a confirmation or disconfirmation between post-purchase and post-use, or product or service performance evaluation and customer assessment before buying (Al-Omari et al., 2020; Albari & Kartikasari, 2019). So it can be concluded that customer satisfaction can be measured by confirming customer expectations to create customer loyalty by using Telkomsel cards in customer loyalty.

The Influence of Service Quality on Loyalty through Customer Satisfaction as an Intervening Variable for Telkomsel Card Users in Indonesia
The analysis results were carried out using SmartPLS measurements on the customer service quality variable on customer loyalty through customer satisfaction as an intervening variable for Telkomsel card users. This means that there is a significant influence on the service quality variable. To customer loyalty through customer satisfaction. This study supports several previous studies on the relationship between service quality, religiosity, customer satisfaction, customer engagement and customer loyalty. This research has contributed to the theoretical and practical aspects (Albari & Kartikasari, 2019). The first academic contribution of this research is the role of religiosity in mediating the relationship between service quality and customer satisfaction. Previous studies have neglected to examine this
relationship (Pandey et al., 2020; Wantara & Tambrin, 2019). In addition, previous studies only partially examined the relationship between service quality, customer satisfaction, customer engagement and customer loyalty (Raza et al., 2020; Rita et al., 2019; Yulisetiarini & Prahasta, 2019). If the customer is satisfied with the Telkomsel card offered by the company, the quality received is under the expectations obtained. In addition, customers will be loyal when the product received is satisfying and the quality of service received follows consumer expectations. So it can be concluded that service quality has a direct or indirect relationship to customer loyalty. With this indirect relationship, the influence of service quality on Telkomsel card customer loyalty increases due to customer satisfaction as an intervening variable.

The Effect of Price on Loyalty through Customer Satisfaction as an Intervening Variable for Telkomsel Card Users in Indonesia

The results of the analysis were carried out using the SmartPLS measurement on the variable Price To Loyalty through Customer Satisfaction as Intervening Variables for Telkomsel Card Users in Indonesia from the calculation results obtained by the path coefficient to the indirect influence of 0.230 with a t-count value of 2.440 < 1.96 t-table. This means that customer loyalty variables have a significant effect on customer satisfaction. The results of previous research conducted by (Arfan et al., 2019; Batu et al., 2020) explain that price influences customer loyalty and impacts long-term profits if mediated by customer satisfaction. A positive level of happiness will impact customer loyalty (Saepuloh & Hisani, 2020). So it can be explained that customers will be satisfied if the price offered by the Telkomsel card is affordable, so customers will use the Telkomsel card repeatedly. Therefore, when consumers want to make a purchase, they will consider the product's price. Customers who have the perception that every price provided by the product is affordable, the customer will feel satisfied when using the product, so it will create higher customer loyalty. So it can be concluded that the price has a direct or indirect relationship to customer loyalty. This indirect relationship can cause the effect of price on customer loyalty for telkomsel services to increase due to customer satisfaction as an intervening variable.

6. Conclusion

Based on the results of research conducted under the title "The Influence of Service Quality and Price on Customer Loyalty through Customer Satisfaction as an Intervening Variable for Telkomsel Card Users in Indonesia" on program design through the Smart Pls method, it can be obtained research results stating that several indicator variables are valid. From the valuable indicators, the results of hypothesis testing can be drawn which can be concluded as follows: Based on the results of the study, the service quality has a significant effect and have a positive impact on customer satisfaction. Based on the results of the study, it shows that the price has a significant effect and positive impact on customer satisfaction. The research results show customer satisfaction has a significant and positive impact on customer loyalty. The study results show that service quality has a significant and positive impact on customer loyalty through customer satisfaction. And the study results show that the price has a positive impact and has a significant effect on customer loyalty through customer satisfaction.

References


Hamzah, A. A., & Shamsudin, M. F. Why customer satisfaction is important to business? Journal of Undergraduate Social Science …. (2020).


Biographies
Agung Sudjatmoko is the Lecturer Specialist in the Faculty of Management of Bina Nusantara University. He got his Doctorate degree in management from Universitas Pasundan in 2018. Before becoming a lecturer, he pursued a professional career in the education field and cooperative. He was the Chief of Dekopin (Indonesian Cooperative Board) from 2014 to 2019. His research interests range from SMEs, marketing, service industry, and cooperatives.

Anissa Dzakirah Sumitro born in Makassar on February 25, 2000. The author graduated from the University of Bina Nusantara in the field of Business Management.

Salma Amalia Syafira born in Jakarta on June 30, 1999. The author graduated from the University of Bina Nusantara in the field of Business Management.

Triwahyuning Ramadanti born in Jakarta on June 30, 1999. The author graduated from the University of Bina Nusantara in the field of Business Management.

Yulhendri is a Specialist Lecturer at the Faculty of Economics, Padang State University. He earned a Doctorate in Economics Education from the State University of Malang in 2011. His research interests are economics, macro and micro studies, and business management studies.
Delvia Safitri was born in Guntung River on December 30, 1998. The author is a graduate of Padang State University with a major in economics education. Current activity as a master's student majoring in economic education at the Padang State University.