



The Impact of Customer Value, Price, Brand Image and Service Quality on Customer Satisfaction on XL Prepaid Card 4G Network In Bekasi City

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Abstract

This study has intention to identify the impact of Customer Value, Price, Brand Image and Service Quality on Customer Satisfaction on the 4G XL Prepaid Card Network in Bekasi City. The design of this research is descriptive and causality. Purposive sampling was used with 115 respondents. The analysis method uses multiple regression and processed with IBM Statistic 20. From this research it can be concluded that from all dependent variables only Price that has no impact on Customer Satisfaction.

Keywords: *Customer Value, Price, Brand Image, Service Quality, Customer Satisfaction*

1. Introduction

The Indonesia Central Bureau of Statistics said that Indonesia's 2015-2018 Gross Domestic Product experienced an increase. There are three industrial sectors that have the largest percentage, one of which is the information and communication industry. The progress of the information and communication industry is inseparable from great need of the community in accessing various information and conducting long distance communication. One of the communication tools that many people choose is a smartphone.

Table 1
Growth Projection of Smartphone User in Indonesia 2015-2019 (in Million)



Year	User
2015	55,4
2016	65,2
2017	74,9
2018	83,5
2019	92

Source: E-marketer

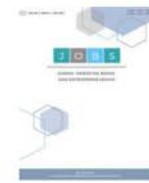
According to Table 1 above, E-marketer data shows that in 2015, smartphone users are estimated to be 55.4 million and will continue to increase in the following years until 2019 to reach 92 million users. This shows that people's need for smartphones continues to increase. Daily use of smartphones is very close to the internet network. Statista said that the number of internet users on cellular phones is estimated to continue to increase from 2017-2019, which means that people really need internet on smartphones. This could be an opportunity for cellular operating companies. Of several operators in Indonesia, there are three cellular operators that dominate the number of subscribers. Based on the annual reports of each operator, in 2018 the first and second positions were Telkomsel and Indosat which had 162.9 million and 58 million subscribers, down from the previous year. Meanwhile, the third is XL Axiata with 54.9 million subscribers, an increase from the previous year, as shown below:

Table 2
The Number of Users of Three Cellular Operator in Indonesia (Million)

Operator Seluler	2015	2016	2017	2018
Telkomsel	152,6	173,9	196,3	162,9
Indosat	69,7	85,7	110,2	58
XL Axiata	42,1	46,4	53,5	54,9

Source: Annual Report of Telkomsel, Indosat and XL

One way to assess a brand's competitiveness is through the Top Brand Award. From 2016-2019 the top three positions were Simpati, IM3 then XL prepaid. Of the three,



only XL prepaid whose percentage continues to decline, as can be seen in Table 3 below:

Tabel 3
Top Brand Index of Prepaid Card Year 2016 - 2019

Merek	2016	2017	2018	2019	TOP
Simpati	35,5%	34,6%	39,7%	40,3%	TOP
IM3	15,4%	13,6%	14,4%	12,7%	TOP
XL Prabayar	14,8%	13,4%	12,7%	12,0%	TOP

Source: Top Brand Indonesia

Prepaid XL is a prepaid card product from XL Axiata. In its operation, XL Axiata transmits three networks, namely 2G, 3G and 4G. Based on XL Axiata's annual report, of the three networks that have the most difference in increase is 4G, so it can be said that the community's need for 4G networks is increasing. The intense competition for cellular operators has been accompanied by an ever-increasing population growth. The Central Statistics Agency estimates that in 2020 West Java province has the largest population in Indonesia. Meanwhile, the city of Bekasi is the city with the largest population projection in West Java (West Java Central Bureau of Statistics). This is an opportunity for prepaid XL to become the preferred cellular operator of Bekasi city people as well as to expand its market share. It can be seen that XL prepaid has experienced a decrease in percentage over the past three years compared to its two competitors, namely Simpati and IM3. XL Axiata has an increasing number of users from year to year but is still unable to outperform its two competitors. With this phenomenon, it is necessary for PT. XL Axiata Tbk to implement an appropriate strategy in order to increase market share in XL prepaid card 4G network services, one of which is by increasing Customer Satisfaction.

Customer Satisfaction is perception of customer of a given product or service performance that is linked to their expectations (Schiffman and Wisenblit 2015, 41). Based on this definition, Customer Satisfaction can be defined as pleasure or displeasure feeling of a customer resulting from doing comparison between product or service performance it receives with its expectations.

There are several things that need to be reviewed regarding Satisfaction of Customer as revealed by Yulisetiarini and Prahasta (2019), namely price, service quality, customer value, and brand image.



Among others, price gives impact on Customer Satisfaction. Price is the amount of money charged for a product or service, or the amount of value that a customer exchanges for using a product or service (Kotler and Armstrong 2016, 324). Price can affect Customer Satisfaction because according to Gulla et al. (2015) "price has a great benefit on the level of consumer satisfaction because at an affordable price, consumers will be satisfied."

Then the next factor that affects the Customer Satisfaction is Service Quality. Quality of Service is a kind of assessment of consumer of the service received level with the expected level of service (Bramtika et al. 2019). Based on this definition, Service Quality is a standard measure of service performance that is compared with consumer expectations. Service Quality can affect Customer Satisfaction because according to Nawangsari and Rahmawati (2018) "Customers will feel satisfied with the services provided by the company if they feel the quality of service they receive can meet expectations."

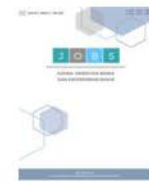
The next factor which is able to give impact on Satisfaction of Customer is Customer Value. The Value of Customer is the ratio between the benefits perceived by customers and the utilized resources to get advantage (Schiffman and Wisenbitt 2015, 40). Based on this definition, Customer Value is a comparison between the benefits felt by customers and the resources that customers sacrifice. Customer Value can affect Customer Satisfaction because according to Mardikawati and Farida (2013) "A satisfied customer is a customer who feels that he gets value from a producer or service provider."

The other factor which is able to give impact on Customer Satisfaction is Brand Image. The Image of Brand is the perception of a brand that is reflected in the brand association, that is, in the memory of customers (Keegan and Green 2015, 319). Based on this definition, Image of Brand is a perception stored or appears in the customers' mind about a brand which is formed through experiences and information related to that brand. Brand Image can affect Customer Satisfaction because based on Nyadzayo et al. (2016), in Yulisetiari and Prahasta (2019) "consumer satisfaction will increase if consumer perceptions of a brand image have increased. This perception is a consumer's positive perception of a good brand image, so consumers increase their trust in the brand to achieve a certain level of satisfaction. "

2. Literature Review and Hypotheses

Price

Price is money amount that is imposed to get a product or service, and in other words as the value amount which customers must exchange to get the advantage of



them (Kotler and Armstrong 2016, 324). According to Belch and Belch (2015, 61) price is what the consumer must spend to purchase a product or service. Wirtz and Lovelock (2016, 30) argue that price is an essence of costs that should be incurred to get intended advantages.

Price has a relationship with customer satisfaction because according to Gulla et al. (2015) price has a great benefit on the level of consumer satisfaction because at an affordable price, consumers will be satisfied. Thus, the hypothesis is:

H01: There is no impact of price on Satisfaction of Customer.

Service Quality

Service Quality is a kind of measurement by consumers on the service level they receive with the level of service they expect (Bramtika et al., 2019). According to Wirtz dan Lovelock (2016, 77) "excellent service quality is a great performance standard that persistently satisfies or over the expectations of customers. Schiffman dan Wisenblit (2015, 139) demonstrate that "service quality is a function of the magnitude and direction of the gap between the customer's expectations of service and the customer's assessment (perception) of the service actually delivered." According to Stringam and Gerdes (2019) in Triandewo and Yustine (2020) "Service quality is how far the service can satisfy what customers expect and need." There is a relationship between Quality of Service and Satisfaction of Customer because according to Nawangsari and Rahmawati (2018) "Customers will feel satisfied with the services provided by the company if they feel the quality of service they receive can meet expectations." Therefore, the hypothesis is:

Ha2: There is an impact of Quality of Service on Satisfaction of Customer.

Customer Value

Customer Value refers to the ratio of benefits received by customers and the resources they have used for the benefits obtained (Schiffman and Wisenblit 2015, 40). According to Kotler dan Armstrong (2016,37) "Customer Value is the customer's evaluation of the difference between all the benefits and all the costs of a marketing offer relative to those of competing offers." Razak et al. (2016) argue that "Customer value is seen as a ratio of the benefits felt by the customer along with its sacrifice."

Customer Value has a relationship with Customer Satisfaction because according to Mardikawati and Farida (2013) "A satisfied customer is a customer who feels that he / she gets value from a producer or service provider." Thus the hypothesis is:

Ha3: There is an impact of customer value on customer satisfaction.

Brand Image

Image of Brand is a perception of a brand that is described in the Association of Brand in the memory of customers (Keegan and Green 2015, 319). According to Clow and Baack (2018, 43) "brand image expresses what the company stands for as well as how it is known in the marketplace." Saleem and Raja (2014) demonstrate that "brand image is basically what comes into the consumer's mind when brand placed in front of him."

There is relationship between Image of Brand and Satisfaction of Customer because referring to Nyadzayo et al. (2016), in Yulisetiari and Prahasta (2019) "there is an increase in Satisfaction of Consumer when the Perception of Consumer of a Brand Image has raised.

Regarding perception is positive perception of consumer of a good brand image, thus there is an increase in trust of customer in the brand to obtain good level of satisfaction. Therefore, the hypothesis is:

Ha4: There is an impact of brand image on Satisfaction of Customer.

Customer Satisfaction

Customer Satisfaction refers to customer satisfaction or dissatisfaction obtained from doing comparison between received product performance and what is expected (Kotler and Keller 2016, 153). According to Schiffman dan Wisenblit (2015, 41) Customer Satisfaction is "perceptions of the performance of the product or service in relation to their expectations." Wirtz and Lovelock (2016, 77) argue that "Satisfaction is an evaluation of single consumption experience, a fleeting judgement, and a direct and immediate response to that experience."

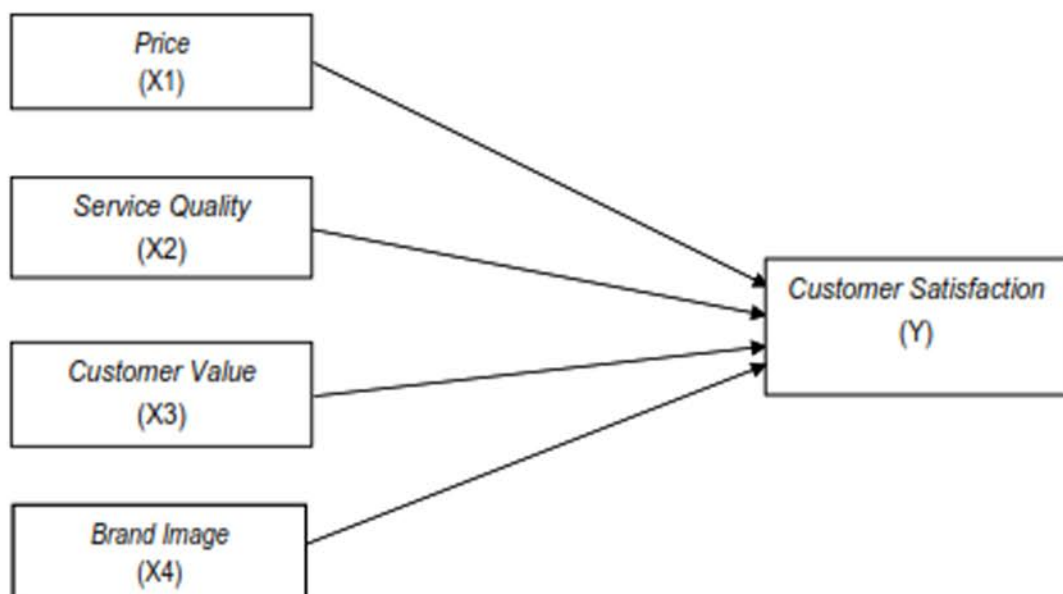


Figure 1. Research Model



3. Research Method

Sample Selection and Data Collection

Research method in this study is non probability sampling by using purposive sampling technique. Researchers collected data by distributing questionnaires in which measurements use a Likert scale and the respondents were men / women aged 18-40 years who activated the 4G network on XL prepaid cards for at least 1 year, domiciled in the city of Bekasi. Samples of this study are 115 respondents.

Data Analysis Method

Analysis of multiple regression is used in this research, where according to Hair et al. (2014, 154) "multiple regression is a regression model with two or more independent variables." SPSS (Statistical Package for Social Science) software for Windows 20th edition is utilized to process data that have been collected.

4. Findings and the Result

Table 4.
Validity Test

Variable	Indicator	r-calculation	r-table(df=n-2)	Valid
Price (X ₁)	PR1	0,862	0,1832	Yes
	PR2	0,837	0,1832	Yes
	PR3	0,843	0,1832	Yes
Service Quality (X ₂)	SQ1	0,878	0,1832	Yes
	SQ2	0,859	0,1832	Yes
	SQ3	0,855	0,1832	Yes
Customer Value (X ₃)	CV 1	0,822	0,1832	Yes
	CV 2	0,881	0,1832	Yes
	CV 3	0,856	0,1832	Yes
Brand Image (X ₄)	BI 1	0,710	0,1832	Yes
	BI 2	0,646	0,1832	Yes
	BI 3	0,617	0,1832	Yes
	BI 4	0,559	0,1832	Yes
	BI 5	0,690	0,1832	Yes
Customer Satisfaction(Y)	CS 1	0,781	0,1832	Yes
	CS 2	0,844	0,1832	Yes
	CS 3	0,840	0,1832	Yes
	CS 4	0,760	0,1832	Yes

Source: SPSS data processing



From table above, all the independent variables and the dependent variable have a value of r-count greater than r-table, thus every question is stated valid. because it can measure what it should be measured.

Table 5
Reliability Test

Variable	Number of Indicator	Cronbach Alpha	Limit = 0,60	Note
Price (X ₁)	3	0,804	0,60	Reliable
Service Quality (X ₂)	3	0,829	0,60	Reliable
Customer Value (X ₃)	3	0,812	0,60	Reliable
Brand Image (X ₄)	5	0,642	0,60	Reliable
Customer Satisfaction (Y)	4	0,820	0,60	Reliable

Source: SPSS data processing

From table 5 above, all the independent variables and dependent variable have a value of Cronbach α bigger than 0.60 indicating that every question can be stated reliable, which means that it can produce consistent answers from time to time.

Table 6
Kolmogorov-Smirnov Normality Test

(2-tailed)	α	Note
0.868	0.05	Normal

Source: SPSS data processing

According to Table 6 above, test of normality using the Kolmogorov-Smirnov method obtained an asymp.sig (2-tailed) value of 0.868, which means that it is bigger than an alpha of 0.05, indicating the data meets the assumption of normality (Ghozali 2018, 206).

Table 7
Multikolinearitas Test

Model.	Coll. Statistics	
	Tol.	V I F
X1	,417	2,396
X2	,444	2,255
X3	,330	3,030
X4	,977	1,024



Source: SPSS data processing

From Table 7 above, it can be seen that all independent variables and the dependent variable have a tolerance value bigger than 0.1 and the V I F (variance inflation factors) is less than ten, indicating there is no multicoll in model of regression.

Table 8
Heteroskedastisity Glejser Test

Model	Unstandardized		Standardized		T	Sig
	Coeff.	Std. Err.	Coeff.	β		
Constant	,802	,535			1,498	,137
X1	-,017	,039	-,063		-,431	,668
X2	-,013	,037	-,050		-,348	,728
X3	,014	,044	,054		,327	,745
X4	,001	,023	,005		,049	,961

Source: SPSS data processing

According to Table 8, all independent variables have a significant value bigger than 0.05 indicating that heteroscedasticity is not found.

Table 9
Autokorelasi

Model	Durbin-Watson
1	1.836

Source: SPSS data processing

From table 9, the value of Durbin Watson shows 1.836. It can be compared with the values of dL, dU, 4-dU and 4-dL where the number of samples (n) = 115 and the number of independent variables (k) = 4 and a significance value of 0.05. So that the value of dl = 1.592 and the value of du = 1.758 is obtained. The Durbin-Watson value is 1.836 which is between the values of du (1.758) <1.836 <4-du (2.242), indicating that autocorrelation is not found.

Table. 10
R and Adjusted R²



Model.	R	R ²	Adj R ²	Std.Error of the Estimate
1.	0,942 ^a	0,887	0,882	0,82470

Source: SPSS data processing

From table above, R is 0.942 which means that all independent variables have a very strong relationship with the dependent variable, namely Customer Satisfaction. (Y) because it is between 0.80-0.999.

The value of Adj R² is 0.882 which means that 88.2% of the variations in the Customer Satisfaction (Y) variable can be explained by variations in variables Price (X1), Service Quality (X2), Customer Value (X3), and Brand. Image (X4), the remaining 11.8% is depicted by variations of others.

Table 11
Goodness of Fit Test

Model	SumOf Squares	D F	Means Square	F.	Sig.
1 Regress.	585,047	4	146,262	215,051	,000 ^b
Res.	74,814	110	0,680		
Tot.	659,861	114			

Source: SPSS data processing

Table 11 shows the sig. value of 0,000 where α is 0.05. The p-value (0.000) < α (0.05), indicating that model is fit. The F-count value is 215.051 while the F α value is 2.46, the value of Fcount (215,051) > F-table (2.46), indicating that the model is fit as well.

Table 12
Hypothesis Test

Model	Unstand. Coeff.		Stand. Coeff.		
	B	Std. Error	Beta	t	Sig.
Constant	2,325	,858		2,710	,008
X 1	,048	,062	,039	,776	,439
X2	,358	,060	,287	5,955	,000
X3	,848	,071	,670	11,991	,000
X4	-,073	,036	-,066	-2,020	,046

Source: Processing of SPSS



According to Table 12 above, regression model is identified as follow:

$$y = 2,325 + 0,048 X1 + 0,358 X2 + 0,848 X3 + (-0,073) X4 + \epsilon$$

Where:

Y = *Customer Satisfaction*

X1 = *Price*

X2 = *Service Quality*

X3 = *Customer Value*

X4 = *Brand Image*

ϵ = *Error*

Price, the p-value X1 (0.439) > α (0.05), then H_0 cannot be rejected, meaning that there is no impact of Price on Customer Satisfaction on the 4G network XL prepaid card in Bekasi City. Service Quality The p-value is X2 (0,000) < α (0.05), then H_0 is rejected, meaning that Quality of Service gives an impact on Customer Satisfaction on the 4G network of XL prepaid cards in Bekasi City. Customer Value, the p-value X3 (0,000) < α (0.05), then H_0 is rejected, meaning that there is an impact of Customer Value on Satisfaction of Customer on the 4G network XL prepaid card in Bekasi City. Brand Image, the p-value is X4 (0.046) < α (0.05), then H_0 is rejected, meaning there is an impact of Brand Image on Satisfaction of Customer on the 4G network XL prepaid card in Bekasi City.

From this research it can be concluded that from all dependent variables only Price that has no impact on Customer Satisfaction.

5. Limitation and Recommendation

Limitations in this study are the number of respondents who are only 115 people, only covering the city of Bekasi, and limited variables. Suggestions for the next research should be to increase the number of respondents, expand the research area, and use other variables that may affect Customer Satisfaction.



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