

ABSTRACT

The condition of the cellular market has begun to saturate, not least in the West Java region. This is indicated by the high value of "churn" in West Java Regional Telkomsel of 39% per year, which is higher than the National Churn value of only 15-20% per year. This high churn value is caused by intense competition between operators, where there are 6 (six) operators in West Java, namely Telkomsel, Indosat, Xl, Hutchinson, Sinarmas, and Ceria.

Shifting customer behavior from legacy voice and sms to data services (social media, chat, browsing, etc.) and the increasing number of internet users with mobile phones has caused operator revenue to shift from voice and sms services to data services (internet). West Java Telkomsel noted that there was a shift in the composition of revenue data from 34% of total operator revenue in Q1 2016 to 85% in the first-half of 2017.

To maintain the sustainability of the company's business, the operator must focus on pressing the lowest possible number of churns, especially data customers by increasing customer satisfaction so that it will impact on customer loyalty. In this study, we will analyze the effect of network quality and customer service quality both offline and online on data customer satisfaction and loyalty. The network quality factors studied are speed, availability, accessibility, integrity, and reliability. While the quality factors of offline customer service at the customer service center studied are tangible, reliability, responsiveness, assurance, and empathy. And the quality factors of online customer service studied are efficiency, fulfillment, system availability, and privacy.

The sample of customers studied were Telkomsel broadband user in the West Java region, who actively used data services for social media, chat, or as a modem and had received services at the customer service center (Grapari). And also have installed the MyTelkomsel application and used it. Customer samples taken were 220 respondents and data collection was done using a questionnaire, with a total of 17 questions, with periods of time during June - July 2018. The data analysis method used was Structural Equation Model (SEM) with SmartPLS 3.0 software,

because this method is able to analyze formative and reflective measurement models and without assuming the data must be normally distributed, it is also able to analyze data with not too many amounts. The analysis phase consists of creating a model path, analyzing the outer model, inner model analysis, path coefficient and analysis of the entire model.

The results showed that the variables of network quality and quality of offline customer service have a significant effect on customer satisfaction. However, the quality of online customer service has no significant effect on customer satisfaction (t statistics $< t$ table). While for customer loyalty, the three independent variables have a significant positive influence, where the quality of offline customer service has the highest significant influence compared to the quality of the network and the quality of online services. And the results of the study also show that data customer satisfaction also has a significant effect on customer data loyalty

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