

ABSTRACT

The rapid development of digital technology has transformed telecommunications services into a basic necessity for society. Internet access has now reached a large portion of the population in Indonesia, with widespread distribution across various regions including West Java. As the dominant player in the home internet market in this region, IndiHome holds a strategic position while also facing complex challenges in maintaining its customer base. The main issue faced by this service provider is related to the numerous user complaints. Recurring technical issues and resolution processes that are often considered slow have created dissatisfaction among customers. This situation raises fundamental questions about how service recovery strategies can affect consumer loyalty in the long term. This research specifically focuses on analyzing the relationship between service recovery efforts and customer loyalty levels, considering the role of corporate image as a mediating factor.

This research uses a quantitative approach through online questionnaires to 96 IndiHome customers in West Java. Data were analyzed using Structural Equation Modeling (SEM) with the help of SmartPLS software to test the relationships between variables. The data analysis techniques used in this study include descriptive analysis, outer model analysis, inner model analysis, and hypothesis testing.

The research results prove that service recovery has a positive and significant impact on customer loyalty. Other findings show that service recovery also significantly improves corporate image. Furthermore, corporate image has been proven to play a significant partial mediating role in the relationship between service recovery and customer loyalty. The research findings provide important implications for telecommunications service providers to optimize service recovery mechanisms in order to enhance corporate image and maintain customer loyalty. Theoretically, this research contributes to the development of service marketing literature, particularly in the context of the telecommunications industry in Indonesia.

Keywords: Service Recovery, Customer Loyalty, Corporate Image, Telecommunications, Indihome