

Mix Marketing Ooredoo Phone Credit Customers

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Abstract

To avoid customer's switching cost or switching to other product, researcher plans to answer study hypotheses below which are (1) The influence of product quality toward the loyalty of Ooredoo PT Indosat phone credit customers (2) The influence of service quality toward the loyalty of Ooredoo PT Indosat phone credit customers (3) The influence of new product marketing toward the loyalty of Ooredoo PT Indosat phone credit customers. In This study method is the combination of verificative and descriptive study, and data collection using survey method with 255 Ooredoo phone credit customers of PT Indosat the Jakarta, Indonesia as the sample by using purpose sampling technique and analysis tool used is descriptive method and to answer the hypotheses analysis tool used is Structural Equation Model by using Lisrel software. The result of this research based on the analysis descriptive method toward the variables used are negative and some others are positive. The SEM analysis result toward the hypotheses test based on empirical data has 3 proved hypotheses: 1) Product Quality influences positively and significantly toward the Loyalty of Ooredoo PT Indosat phone credit customers, 2) Service Quality influences positively and significantly toward the Loyalty of Ooredoo PT Indosat phone credit customers, 3) New Product Marketing influences positively and significantly toward the Loyalty of Ooredoo PT Indosat phone credit customers.

Introduction:

The development of the more sophisticated cellular technology really helps consumers in using the facilities provided by the cellular phone credit operator. The competition of phone credit usage has many kinds of products such as Ooredoo, Axis XL product, Bolt 4G Ultrate Simpati, Smartfren and others. Telecommunication operators are demanded to be able to follow the competitive situation especially when the visual and sms service decreases and it is accompanied by the increase of data service demand. Customers look for the cheapest fare, durable, fast, wide coverage and complete data facility.

The complaint of many customers toward Ooredoo phone credit from Indosat are placed in the social media Twitter where they said that they never had any primary service. The complaint was posted in twitter @IndosatCa like sms package where customers lost all their credit into 0 a few minutes after their Yellow package of 1 Gb was extended. How the package extension was held while on the other hand, the credit was gone. Other complaint was about the unwanted Prime joy facility that could not be unregistered which made the lost of quota so that the customers assumed, even more, accused this as a credit stealing (pre-study, 2019).

As mentioned by Kotler (2010) that the marketing concept is marketing which is managing market to obtain exchanging and relation to create a value and satisfy the need and desire as a process by which someone or a group can get what they need and they want by creating and exchanging product and value with other people. Exchanging process includes seller to look for buyer, identify their needs, design good product, set the price of the product and service, promote it, keep and deliver it. Product development, research, communication, distribution, price and service settlement are the points of marketing activities. On the other side, Indosat programs use new fare with the benefits to help the consumers such as free call other IM3 every week, free call the call centre 185, free apps, and others. Indosat provides other option to not follow IM3 Ooredoo Prime and change to fare structure of non IM3 Ooredoo Prime.

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Therefore, the customers will return to the previous fare structure. As a form of responsibility, Indosat Ooredoo will return the credit that is used for IM3 Ooredoo Prime to all customers who do not want to follow the new fare. Customers can make a call to the Call Centre at 185, make their request at twitter @indosatcare, or visit the closest Indosat Ooredoo center. (Pre Study, 2019)

What happened above really disturbs the customers so that customers plan to leave Ooredoo phone credit. Based on the pre study above, researcher chooses the topic as “The Influence of Product Quality, Service Quality and New Product Marketing toward the Loyalty of Ooredoo Phone Credit Customers.”

Identification and Study Framework

Based on the problem identification, the literature review is “there any influence on of Product Quality, Service Quality and New Product Marketing toward the Loyalty of Ooredoo Phone Credit Customers” the with explanation as follow :

- [1] Is there any influence on the Product Quality to the Loyalty of Ooredoo Phone Credit Customers
- [2] Is there any influence on the Service Quality to the Loyalty of Ooredoo Phone Credit Customers
- [3] Is there any influence on the New Product Marketing to the Loyalty of Ooredoo Phone Credit Customers

Literature:

Product Quality

Boisvert and Nick (2011); Horvat (2013) stated that product quality is on customer attitude. Similarly, Ricko *et al.* (2017) in his research result stated that product quality contains customer attitude and sales volume. Joseph (2003) stated that product quality is a company feature that unites the needs or customer’s desire and customer satisfaction through its product. Taguchi (1982); Crosby (1979) product quality is showing product design process that focuses on customers. Product quality indicator used in this research is customer attitude, feature, and product design process (Boisvert and Nick,2011) ; Horvat, 2013); Joseph, 2003), Taguchi, 1982; Crosby,1979)

Service Quality

Rong (2008) stated that service quality is a strategy in winning commerce competition. Parasuraman *et al.* (1988) stated that service quality has five dimension concepts. They are reliability, responsive, empathy, assurance and tangible. Service quality is where customers will be interested in the facility used besides the personnel appearance. The ability of the personnels in serving suits the promises accurately and skillfully. The willingness to assist customers and give fast servicewith the knowledge possessed. Politeness of the employees to inspire trust and giving full attention to customers. (Rong 2008) The indicators of service quality used in this research are reliability, responsiveness, assurance, empathy (Parasuraman *et al.* ,1988)

New Product Marketing

Knowing the quality is useful for product to sell. Having many competitors must acknowledge the product weakness they want to sell. Consumers are interested more in the product that have more strengths. Product quality starts from the raw materials, making process to the product creation, interesting packaging that will make the product is memorable and easy to remembered by the consumers. The right marketing spot where we will sell the product must have product promotion banners that can be noticed by the the consumers easily. Product promotion offer on the ad you show is part of the strategy list of product marketing like in the website, marketplace or several social media such as Instagram, Facebook, and Twitter. Tokopedia, Kaskus, OLX, either free or paid for premium feature can also be used. Becoming the sponsor of charity program is very effective either by online or offline and the fund itself will be donated to social program (Arinal, 2018). According to Arinal (2018) in a new product there are several dimensions used that are market identifier, offline marketing location, marketing strategy, online and charity program.

Loyalty

Oliver (2007) stated that loyalty is where customers promise to have another buying or consistently will use the same service. Brown (1996) condition is that shows customer culture to have a repeat purchase and positive thought and always uses the service of the company. Lovelock (2010) stated that loyalty concept is where a desire fulfilled and they will recommend it to other people, and have a good relationship with the company, have a routine buying and recommend it to others.

Cronin *et. al.* (2000) explains that loyalty is a condition where a relation between quality and loyal customers is the source of profit. Loyalty indicators used in this research are repeat purchase (Oliver (2007), always use the service (Brown, 1996), Lovelock (1983) recommend it to other people.

Hyphotheses

The influence on Product Quality to the Loyalty of Ooredoo Phone Credit Customers

H1 : There is positive influence product quality to the loyalty of Ooredoo Phone Credit Customers

The influence on Service Quality to the Loyalty of Ooredoo Phone Credit Customers

H2 : There is positive influence service quality to the loyalty of Ooredoo Phone Credit Customers

The influence on New Product Marketing to the Loyalty of Ooredoo Phone Credit Customers

H3 : There is positive influence new product marketing to the loyalty of Ooredoo Phone Credit Customers

Study Concept

In accordance with study context, study conceptual model then being made that are The Influence of Product Quality, Service Quality and New Product Marketing toward The Loyalty Ooredoo phone credit customers **Figure 1.**

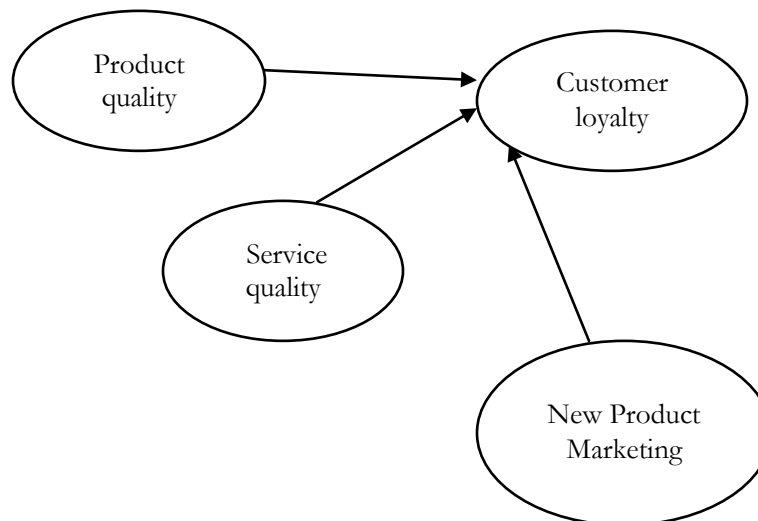


Figure 1. Research Conceptual Model

Study Methodology:

The design of this study is the combination of verificative and descriptive research by using survey method form . Data collecting uses questionnaire by asking a set of question to respondent using linker scale 1-5 (Sugiono, 2009) , sampling technique used is purpose sampling (Sugiono, 2009) that are 255 respondents of Ooredoo PT Indosat phone credit customers Jakarta, Indonesia and research is conducted early in 2019. Before starting the field task , there was questionnaire test spread out for 30 customer in Jakarta . It was done to complete validity and reliability instrument in this study (Supranto, 2013). Analysis tool used for the research variables uses statistics percentage average, and inter variable impact analysis uses Structural Equation Model (SEM) and Lisrel 8.8. (Hair, 2010).

Study Result:

a. Validity and Reliability Instrument

All of instrument items question product quality ,service quality , new marketing product and customer loyalty is valid and where the item total correlation >table correlation for what is 5%, sample n = 30 of 0,361 , and reliability values above 0,90 above 0,70 means reliable (Hair ,2010)

b. Descriptive Analysis

The average analysis result shows that respondents consider product quality, service quality and new product marketing are still problemetic while the respondent evaluation on customer loyalty is good.

c. Inter-variable influence Analysis

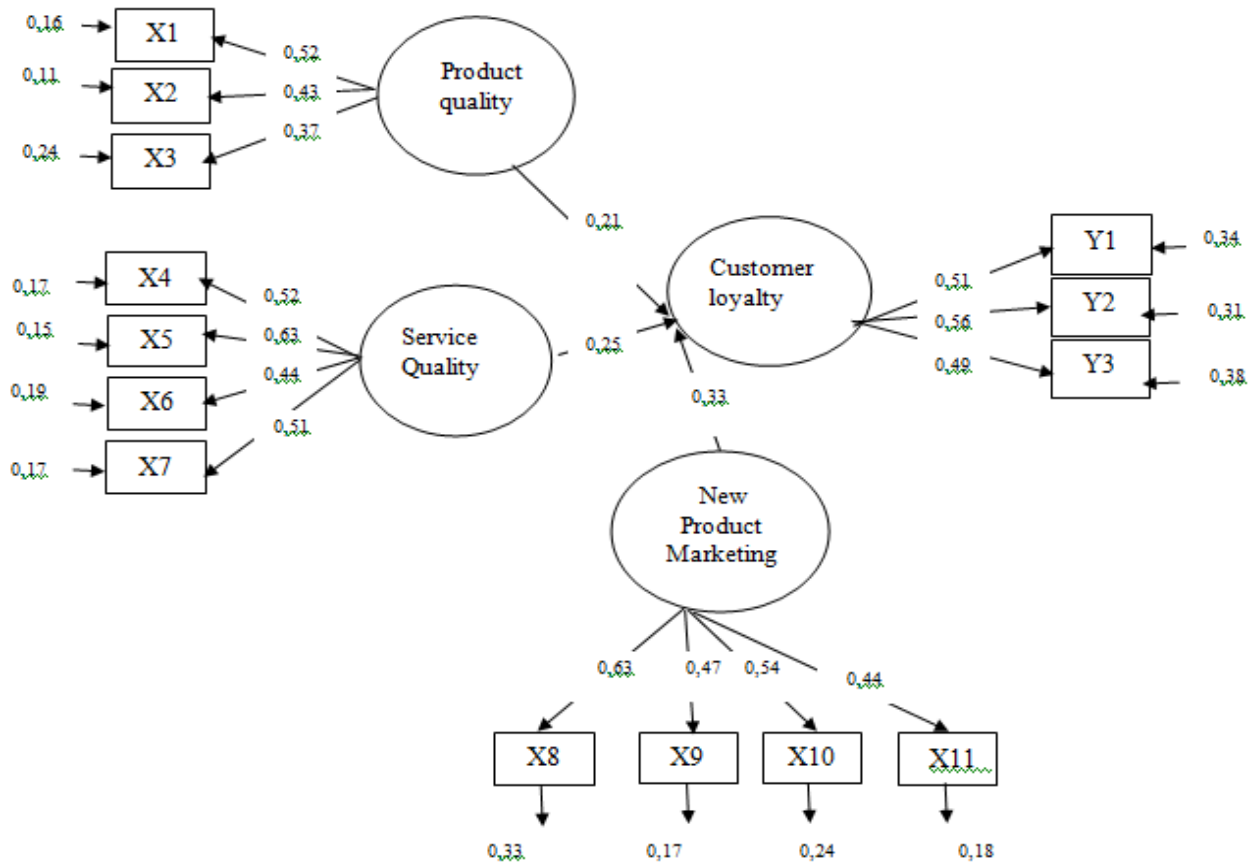
1. Imperical model (fit) is fitted with teoritical model (Hair 2010), Test result of model accuracy from 8 index 2 marginal fit (AGFI and IFI) and 6 is categorized as good fit category (RMSA,RMR ,GFI,NFI,CFI, IFI and RIF).

Model Suitability Testing

No	Expected size	Estimated result	Match level
Ukuran Absolut Fit			
1.	$RMSA < 0,80$	$RMSA = 0,081$	<i>Good Fit</i>
2.	$RMR < 0.1$	$RMR = 0.021$	<i>Good Fit</i>
Ukuran Incremental Fit			
3	GFI > 0,90	GFI = 0,95	Good Fit
4	AGFI > 0,90	AGFI = 0,82	Marginal Fit
5	NFI > 0,90	NFI = 0,97	Good Fit
6	CFI > 0,90	CFI = 0,93	Good Fit
7	IFI > 0,90	IFI = 0,85	Marginal Fit
8	RIF > 0,90	RIF = 0,93	Good Fit

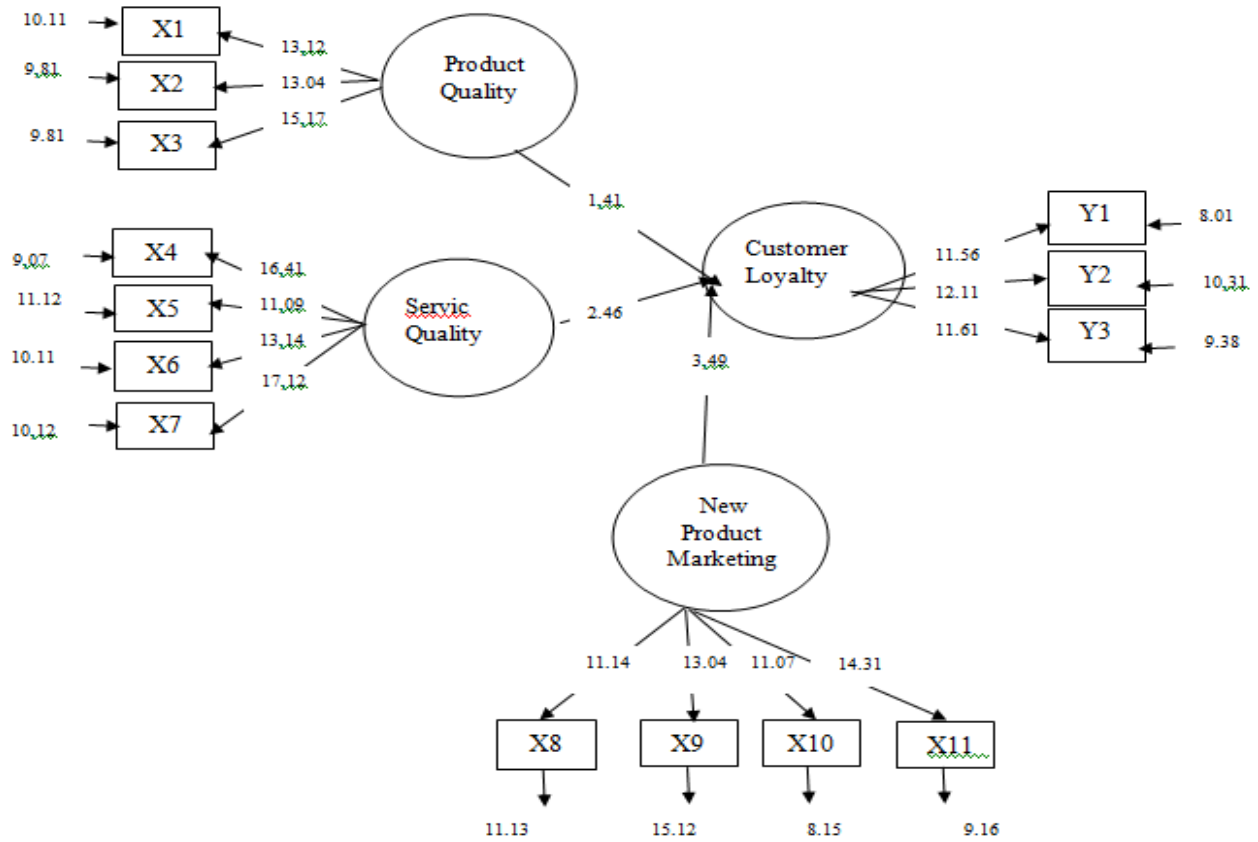
Sources : Computer Output (2019)

2. The output of the computer on test hypotheses related to The influence of Product Quality, Service Quality And New Product Marketing Toward Customer Loyalty can be seen in **Figure 2** and **Figure 3** :



Chi - Square = 510.41 df = 197, P-value = 0.00000, RMSEA= 0.081

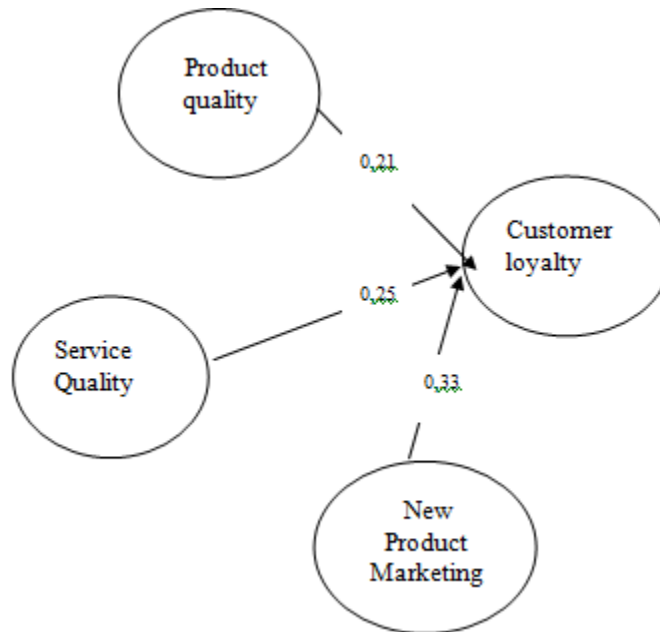
Figure 2 . Measuring Model Influence Line Coefficient



Chi – Square = 510.41 df = 197, P-value = 0.00000, RMSEA= 0.081

Sources : Computer analysis output (2018)

Figure 3.T- Count Measuring Model Influence



No	Influence	Value
1	Product quality Customer Loyalty	0,21
2	Service Quality Customer Loyalty	0,25
3	New Product Marketing Customer Loyalty	0,55

Source : Analysis Result 2019

Figure 4. Study Result Structural Model

Research Result:

a. Descriptive Analysis

Descriptive research result shows respondents evaluation that is negative toward the items of research variables and needs to have improvement as mentioned below:

1. Product quality, the item need to be evaluated is customer attitude
 2. Service quality, the items need to be corrected are handling customer complain and product is suitable with the one promised
 3. New product marketing, the items need to be corrected are offline marketing location and charity program participation
 4. Customer loyalty, the item need to be corrected is recommending to other people
- b. The conclusion of this study is hypotheses test based on the empirical data is proven to be significant. There are three hypotheses are proven.

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