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THE EFFECT OF PRICE, QUALITY OF SERVICE, BRAND IMAGE OF INTERNET PRODUCT VSAT IP BROADBAND QUOTA TO ALFAMART CUSTOMER SATISFACTION

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Abstract: The aim of this research was to determine the effect of Price, Quality of Service and Brand Image on Customer Satisfaction of Alfamart Customer in using VSAT IP Broadband Quota service of PT Telkomsat. Number of respondents in this research is 248 respondents who work in Alfamart retail stores especially Jabodetabek area. The research method uses a questionnaire with SEM (Structural Equation Modelling) data analysis which is described in PLS (Partial Least Square) - SEM Application. The result of this research showed that the Price variable has a positive and significant effect on Customer Satisfaction. Quality of Service variable has a positive and significant effect on Customer Satisfaction. Then the Brand Image variable also has a positive and significant effect on Customer Satisfaction.

Keywords: Price, Quality of Service, Brand Image, Customer Satisfaction, Evaluation of PLS - SEM Mode.

INTRODUCTION

The development of internet user in Indonesia increase every year, based on the data research in 2017 by Kadata databoks that figure 1 shows the internet user have reached 143.3 million peoples where the majority of users are in urban areas, while for sub urban or rural areas, there is limited infrastructure. One of alternatives technology is satellite technology for people needs and business in industrial area for natural resource management which has high purchasing.
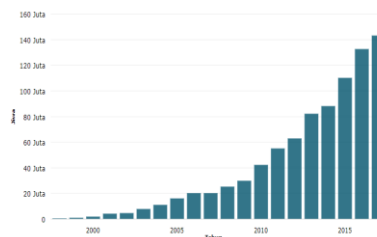
Picture 1. Internet User in Indonesia

Mangoesky provides a broadband internet service via satellite media (VSAT IP). Not only internet connection access, Mangoesky also provides free FTA channel. Mangoesky gives a solution to retail customer, residential, café/villa, UKM/SME, School, Government Office, and Corporation in rural or sub-urban areas that are not covered by ADSL, Fiber, and high-speed mobile access services. One of Mangoesky's retail customers is Alfamart. The marketing strategy use direct strategy. Based on source of databoks.katadata.co.id in 2017 that number of Alfamart stores increase every year. On December 2016, number of Alfamart stores is 12,300 stores, and on September 2017 increased to 13,400 stores, which means that there was an enhancement 1,100 stores.
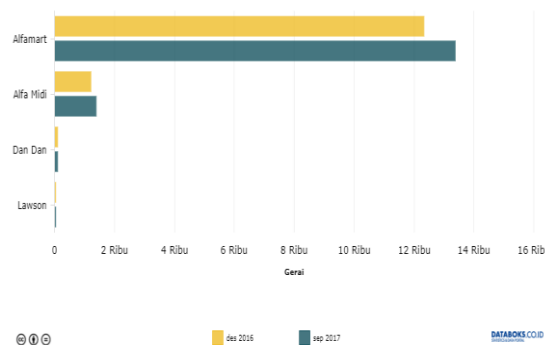
Picture 2. Number of Alfamart Stores

The fact shows that satellite broadband internet service of VSAT Mangoesky for retail Alfamart is still required; Table 1 shows the growth of Alfamart customer every year. There is an oppurtinity for Metrasat by VSAT IP Broadband Quota product to increase market share. However, the number of orders has decreased dramatically in 2018.

Table 1. Alfamart Customer Growth (2015 - 2018)

| No	Year	Number of Link
1	2015	283
2	2016	508
3	2017	321
4	2018	111
	Total Link	1.223

Source: Data of Metrasat (2018)

CSI value is more than 50% which means that the respondent is satisfied, but if the CSI value is less than 50% which means that the respondent is not satisfied. The CSI value in this research is divided into five criteria, from not satisfied criteria to very satisfied criteria (Fitriana, et all.2014).

Table 2. Value Criteria of Customer Satisfaction Index (CSI)

| No	Index	Interpretation
1	81 % – 100 %	Very Satisfied
2	66 % – 80.99 %	Satisfied
3	51 % – 65.99 %	Quite Satisfied
4	35 % – 50.99 %	Less Satisfied
5	0 % – 34.99 %	Not Satisfied

Source: Fitriana, *et all*, 2014

Based on the Metrasat research, level of satisfaction for internet speed of VSAT IP Broadband Quota, figure 3 shows that customers are quite satisfied by 39% in 2018, which means that the customers are not satisfied.
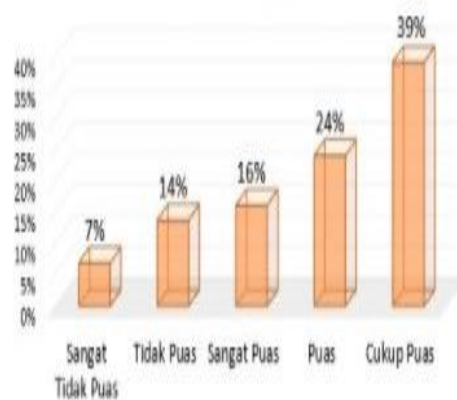
Source: Data of Metrasat (2018)

Picture 3. Level of Satisfaction for Internet Service of VSAT IP Broadband

Based on the pre-survey of the author, research object is 30 respondents, shown in figure 4.
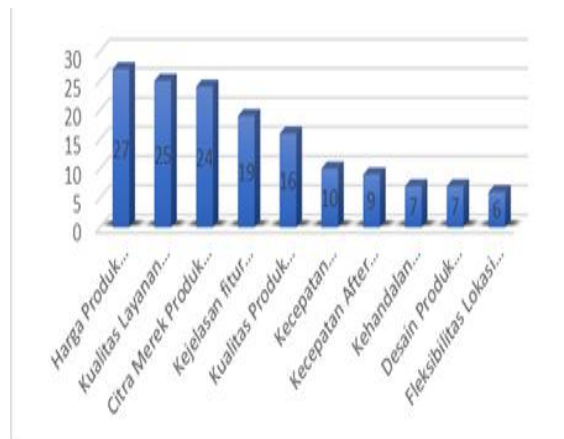
Source: Data of Pra Survey (2019)

Picture 4. Pre Survey Customer Satisfaction Factors

Pre-survey was held on 12 - 22 May 2019. Result for customer satisfaction factor is price with 20 respondents or 90%, quality of service with 25 respondents or 83.3%, and brand image with 24 respondents or 80%. Level of satisfaction for VSAT IP Broadband Quota product is not satisfied 73.3% or 22 respondents and satisfied 26.7% or 8 respondents. Based on the background, the author examine the effect of price, quality of service and brand image to all Alfamart customer satisfaction in Indoesia use VSAT IP Broadband Quota. Therefore, the author propose a research related to effect of price, quality of service and brand image to Alfamart customer satisfaction use VSAT IP Broadband Quota service at PT Telkomsat, Metrasat Division.

LITERATURE REVIEW

Internet Product VSAT IP Broadband Quota according to the product catalog (PT Telkomsat:11) VSAT IP Broadband Quota is a broadband internet service provided to internet users through satellite media (VSAT IP) with quota-based differentiation. VSAT IP Broadband Quota provides solution for retail, residential, café/villa, UKM/SME, school, government office or corporate in rural or sub-urban areas that are not covered by ADSL cable services, optical fiber or high speed mobile access. At this time, VSAT IP Broadband Quota provides speed up to 2 Mbps and up to 6 Mbps. Not only internet connection, VSAT IP Broadband Quota also provides bonus like free STB TV as an edutainment media with various TV channels.

The advantage of VSAT IP Broadband Quota is the ability to provide service according to SLA to satisfy customer and after sales service handling.

Price according to Kotler and Keller (2016), price is good or service value measured by an amount of money based on the someone or company value is ready to release the goods or service to others. Loyal customer will notice the price. The effect of price provides a new illustration of communication and marketing strategy to increase customer satisfaction. The price formula for satisfaction that there are two principles of price mechanism, it is potential to mark quality of product. Sale of high-quality product is characterized by high quality product. If the relationship between high cost and high quality is known, consumer can expect that high price has high quality.

Quality of Service. According to Parasuraman cited by Tjiptono (2011:198) that there are five main dimensions in service quality as follows : (1) Reliability. Company's ability to provide accurate services from the first time without making any mistakes and delivering services suitable to agreed time. Responsiveness related to readiness and ability of employees to help consumers and respond the requests, inform when services will be provided and provide the service quickly. (3) Assurance, behaviour of employees who are able to make grow consumer confidence in the company and the company can create a sense of security for customer. Assurance is that the employees are always polite and master the knowledge and skills to handle customer question or problem. (4) Empathy is that company understands the customer problems and acts for customer, give attention to customer and has comfortable operating hours. (5) Tangible is attractiveness of physical facilities, complete facilities, and appearance of employees. Based on the five dimensions of service quality, customer satisfaction can be measured, understood and used as good result to increase quality of service to customer, both first time customer and customer who have repeatedly used the service.

Brand Image. According to Kotler and Keller (2012:347), brand image has dimensions as follows : (1) Excellence of brand association, one of factors forming brand image is product excellence, the product is excellence in competition. (2) Strength of brand association, every valueable brand has a soul, a special personality is a fundamental responsibility for brand owner to express, socialize the soul/personality in an advertisement, promotion and other marketing. That is a link between product/brand and customer. Build the popularity of a brand to be a famous barand is not easy. However, popularity is one of keys that can shape a brand image to customer. (3) Uniqueness of brand association is the uniqueness that is owned by the product. Based on the definition of experts about brand, can be concluded that brand is an identity of a brand that offered to customer that can distinguish product in the company from competitor like name, word, symbol, design, or combination.

Customer Satisfaction. According to Oliver (Hurriyati, 2010:129) that the key to maintain customer is customer satisfaction, the dimensions of customer satisfaction are : (1) Expectation is customers are satisfied if the product according to the expectation. (2) Subjective Disconfirmation is customers are satisfied if there is no problem related to product. (3) Performance Outcomes is customers are satisfied if the product performance is optimal benefit.

RESEARCH METHODS

Research Design. Type of research is quantitative verification research use explanatory survey to examine a specific population in PT Telkom Satellite Indonesia customer. Instrument survey use questionnaire and data analysis use SEM (Structural Equation Modelling) to process data and then hypothesis test to find the effect of independent variable (X) on dependent variable (Y).

Operational Definition and Variable Measurement. Variable for this research is 3 independent variables and 1 dependent variable. (1) Independent Variable (X) : (X1) = Price (X2) = Quality of Service (X3) = Brand Image (2) Dependent Variable (Y) : (Y) = Customer Satisfaction.

Population and Sampling. Population for this research is Alfamart retail customer in Java branch who has used the VSAT IP Broadband Quota product for 3 years. Based on the management information of PT Telkomsat, total of Alfamart retail customer is 646 customers in Java. Sampling method use part of probability sampling is satisfied random sampling. Sampling processed by strata/level. Determination of sample refers to Slovin formula with precision level 5%, total sample is 248 respondents.

Data Collection Methods. Primary data with total Alfamart customer is 248 customers who use internet service VSAT IP Broadband Quota by questionnaire survey and Secondary data from the agency and related sources (website and print media). The data collection method is field research method which means read the literature books. Secondary daya aims to strenghthen the primary data.

Data Analysis Method. (1) Descriptive statistic test to get value of min, max, mean, and standard deviation to measure data distribution. (2) Model evaluation in PLS - SEM. According

to Haryono (2017) that the model evaluation in PLS consists of 2 stages, outer model or measurement model and inner model or structural measurement. Evaluation of measurement model is classified to reflective and formative model. Model evaluation of PLS - SEM.

FINDINGS AND DISCUSSION

Research Result. This research aims to analyze the Effect of Price, Quality of Service, Brand Image on the Customer Satisfaction to Internet Product VSAT IP Broadband Quota Mangoesky PT Telkomsat. Data collection process by instrument distribution with questionnaire to 248 Alfamart stores Jabodetabek area that use Mangoesky product.

Characteristic of Customer Description. The characteristic is working time, position and location or Alfamart branch related to customer satisfaction using VSAT IP Broadband Quota product.

Result of Descriptive Statistis Test. Product price has value minimum 8, maximum 40, mean 28.21 and standard deviation 5.03. Quality of service has value minimum 10, maximum 50, mean 36.70 and standard deviation 5.03, Brand Image has value minimum 8, maximum 30, mean 22.75 and standard deviation 2.75. Customer Satisfaction has value minimum 9, maximum 30, mean 22.05 and standard deviation 3.17.

Table 3. Descriptive Statistic Test

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Price	248	8	40	28.21	5.03
Quality of Service	248	10	50	36.70	5.03
Brand Image	248	8	30	22.75	2.75
Customer Satisfaction	248	9	30	22.05	3.17

Source: Questionnaire result from excel, 2019

SEM Analysis Use SmartPLS. This research use SEM analysis and AmartPLS Application version 3.0. Partial Least Square (PLS) is one of alternative method Structural Equation Modeling (SEM) that can be used to solve this problem (Haryono, 2017).

(1) Outer Model Evaluation. Evaluation of measurement model or outer model is to assess the validity and realibility model. Outer model with reflexive indicator by convergent validity and discriminant validity from the indicators and composite realibility for indicator block (Ghozali and Latan, 2015). Simulating for Outer Model Evaluation consists of :

(a) Validity Test . Convergent validity test from each construct indicator according to Chin in Ghozali and Latan (2015), the indicator is valid if outer loading more than > 0.7.
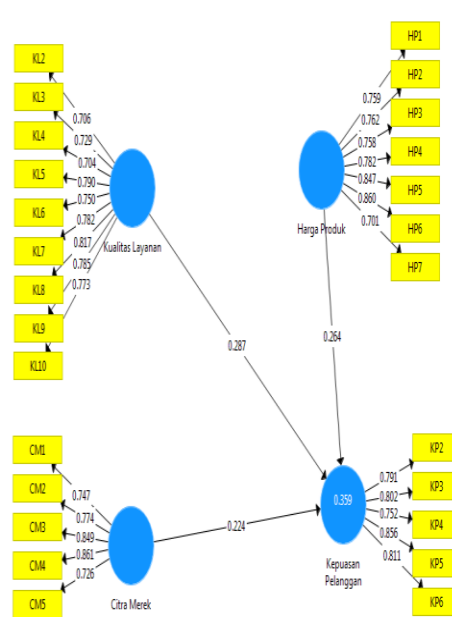
Source: Questionnaire result from SmartPLS vers. 3.0, 2019
Picture 5. Research Model

(b) Average Variance Extracted (AVE) Test. Another method to assess discriminant validity is compare the square of AVE for each construct with correlation value between constructs in the model. The acceptable AVE value is more than 0.5 (Ghozali and Latan, 2015). AVE value of Price is valid $0.613 > 0.5$, Quality of Service is valid $0.578 > 0.5$, Brand Image is valid $0.629 > 0.5$, and Customer Satisfaction is valid $0.645 > 0.5$.

Table 4. Result of Average Variance Extracted (AVE) Test

Variable	Average Variance Extracted (AVE)	Result
Price	0.613	Valid
Quality of Service	0.578	Valid
Brand Image	0.629	Valid
Customer Satisfaction	0.645	Valid

Source: Questionnaire result from excel vers. 3.0, 2019

(c) Dicriminant Validity Test. Discriminant validity shows a construct is completely different from other variables. Discriminant validity from measurement model with reflective indicator that is assessed based on crossloading measurement with construct. Be expected that measurement result of each latent variable compared to its indicator for other latenrt variables.

(d) Reliability Test. According to Ghozali and Latan (2015) composite reliability test aims to simulate instrument reliability in a research model. If all latent variable values have composite reliability value > 0.6 and cronbach's alpha > 0.6, it means that the construct has good reliability and reliable or consistent questionnaire.

(2) Inner Model (Structural Model). Inner model test is development of model concept based and theory based to analyze the relationship of exogenous and endogenous variable which have been described in a conceptual (Ghozali and Latan, 2016). Inner model test, as follows:
(a) R Square (R2). R2 value is 0.359 which mean that part of moderate category.

Table 5. R2 Value Each Variable

Variabel	R^2	Description
Customer Satisfaction	0.359	Reliabel

Source: Questionnaire result from excel vers. 3.0, 2019

(b) Effect Size (F2). Effect Size (f^2) value to evaluate whether without an exogenous variable has a substantive effect on the endogenous variable. F2 value is 0.02, 0.15, and 0.35 can be interpreted whether the latent variable predicator has small, medium, and large influence in the structural level according to Chin (1998) in Ghozali and Latan (2015). Price, Quality of Service and Brand Image have 0.094, 0.086 and 0.053 which have small effect on Customer Satisfaction.

(c) Result of Predictive Relevance (Q2). Q-square indicates how the observation value produced by the model and also the estimated parameters. Range of Q2 value is $0 < Q2 < 1$, getting closer to 1 that means the model is getting better. Q2 is equivalent to coefficient of total determination in path analysis. $Q2 > 0$ indicates the model has predictive relevance, otherwise if the Q2 value $\leq$ 0 indicates the model lacks predictive relevance. Q-Square = 1- [(1-R2)]= 1 − [1-0.359)]= 1 − 0.641= 0.359. Q-Square is 0.359. This shows that the diversity of research data is 35.9% and 64.1% and others is not explained in this research.

(d) Hypothesis test. Hypothesis test use t-statistic coefficient. Input/output of bootstrapping is t-statistic. Indicator that has a t-statistic > 1.96, means significant (Ghozali and Latan, 2015). Indicator is called influential if p-value < 0.05 (Haryono, 2017).

Result of Hypothesis test the research model: Hyphotesis 1 Price to Customer Satisfaction, Price has t-statistic 4.905 > 1.96, p-value 0.000 < 0.05 and original sample 0.264, so the H1 is accepted, it means that Price has positive and significant effect on Customer Satisfaction. Hyphotesis 2 Quality of Service to Customer Satisfaction, Quality of Service has t-statistic 3.459 > 1.96, p-value 0.001 < 0.05 and original sample 0.287, so the H2 is accepted; it means that Quality of Service has positive and significant effect on Customer Satisfaction.
Hyphotesis 3 Brand Image to Customer Satisfaction, Brand Image has t-statistic 2.634 > 1.96, p-value 0.009 < 0.05 and original sample 0.224, so the H2 is accepted, it means that Brand Image has positive and significant effect on Customer Satisfaction.

 Discussion of Research Result
(1) The effect of Price to Customer Satisfaction

Price has t-statistic 4.905 > 1.96, p-value 0.000 < 0.05 and original sample 0.264, so the H1 is accepted; it means that Price has positive and significant effect to Customer Satisfaction. If the Price increases, then increase the Customer Satisfaction.

(2) The effect of Quality of Service to Customer Satisfaction

Quality of Service has t-statistic 3.450 > 1.96, p-value 0.001 < 0.05 and original sample 0.287, so the H2 is accepted, it means that Quality of Service has positive and significant effect to Customer Satisfaction. If the Quality of Service increases, then increase the Customer Satisfaction.

(3) The effect of Brand Image to Customer Satisfaction

Brand Image has t-statistic 2.634 > 1.96, p-value 0.009 < 0.05 and original sample 0.224, so the H3 is accepted, it means that Brand Image has positive and significant effect

CONCLUSION AND SUGESTION

Conclusion

The research aims to find the effect of price, quality of service and brand image to customer satisfaction in using internet service VSAT IP Broadband Quota. Based on the data analysis and discussion, as follows :

(1) Price has positive and significant effect to Customer Satisfaction in using internet product VSAT IP broadband quota PT Telkomsat Metrasat division.

(2) Quality of Service has positive and significant effect to Customer Satisfaction in using internet product VSAT IP broadband quota PT Telkomsat Metrasat division.

(3) Brand Image has positive and significant effect to Customer Satisfaction in using internet product VSAT IP broadband quota PT Telkomsat Metrasat division.

Suggestion

Suggestion to increase Customer Satisfaction, as follows :

(1) Price has positive and significant on customer satisfaction. The strongest relationship is price competitiveness dimension. Suggestion for the company is to maintain price competitiveness against copetitors by not letting down the quality of service to maintain customer satisfaction.

(2) Quality of Service has positive and significant on customer satisfaction. Suggestion for the company on the empathy dimension is to improve the competency of aftersales and equip PT Telkomsat's company internal employees in the Metrasat division especially care center and network operation control with product knowledge so that the service network problem can be resolved very well.

(3) Brand Image has positive and significant effect on customer satisfaction. Suggestion for the company in uniqueness dimension is to expand customer socialization related to transaction security.

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