

EFFECT OF BRAND IMAGE CUSTOMER SATISFACTION IN TELECOM INDUSTRY IN SOUTH SULAWESI

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Abstract

The purpose this research goals, test and analyze the effect of brand image on customer satisfaction in the telecommunications industry in South Sulawesi This research is a quantitative research with survey method is explanatif (explanatory research) or research testing hypothesis.. Finally, this study empirically proved that the brand image direct and significant impact on customer satisfaction. However, the brand image is not significant and direct effect on customer loyalty. This shows the importance of brand image in enhancing customer satisfaction.

Keywords: image, satisfaction, customer, telephone

Introduction

The mobile phone industry has grown rapidly in Indonesia since 15 years ago, is evident from the number of cellular subscribers continues to increase from year to year. Indonesia is the fourth in Asia after South Korea, China and Japan. Currently in Indonesia operates 7 mobile operators with a GSM (Global System for Mobile) and others there are four operators of CDMA (Code Division Multiple Access). According to data from the Directorate General of Post and Telecommunication, in the period 2006-2010 the average growth per year of cellular users in Indonesia is 31.9% per year. Until the end of 2010 the number of mobile subscribers reached 211 million, of which GSM operators dominate 95% of the mobile market, the rest is the CDMA market 5%. While mobile payment schemes dominated by pre-paid (94%) and the remaining 6% of post-paid. Telkomsel as the market leader, subscribers has reached 94 million in 2010 with a market share of about 44.5%. The current range of mobile phones has penetrated to the remote area. Since 2008 Telkomsel as mobile operators have managed to reach 100% of all districts in Indonesia.

When compared with other countries 5 operator India, china 5 operator, Singapore 3 operator, Malaysia 2 operator. This study discusses the importance of brand image, customer value, excellent service, experience as consumer preferences in the use of mobile telecom products to improve customer satisfaction and loyalty. Gropper and Boliy (1999) explains that promote patient (customer) satisfaction as the ultimate goal for the success of the organization.

In an effort to retain customers, companies need to strive to create customer loyalty. However, companies need to realize that the loyal attitude alone is not sufficient to ensure the viability of the company, because the loyal attitude does not much affect sales and profit figures. The need for real action as proof that customers are truly loyal to the company, namely the customer retention (Buttle, 2004). Therefore, many companies have concluded to further adapt customer retention techniques in order to improve company performance (Hennig-Thurau and Klee, 1997). Customer loyalty, according to Andreassen and Lindestad (1998: 12) is reflective of psychological commitment to a particular brand. The purpose of repurchasing and the desire to maintain a positive interaction "word of mouth" which is one indication of customer loyalty. Customer loyalty associated with the services of a company. Customers will be loyal if they are satisfied and will continue to work closely on an ongoing basis. Meanwhile the company tends to make customers feel satisfied is an active strategy to maintain customer loyalty.

The company expected to be able to make the customers satisfied with the products produced and the level of service provided so as to make the customer feel satisfied and be loyal to assume that the products and services provided by the company in accordance with

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what they expect. Customer loyalty is very important for companies that want to maintain the viability of its business and its business success. According to Jennie Siat in Mouren Margaretha (2004: 297) states that customer loyalty is the ticket to success of all businesses. A satisfied customer will be able to re-purchase at a time that will come and inform others on what is perceived. Given that created loyalty to its customers, the company will acquire two benefits once, namely getting the profitability of the group sell their products and attract new customers because see the loyalty of existing customers, this means more and more companies make a profit for its survival.

Formulation of the problem Based on the background of the problems that have been described above, it can be formulated research problems in general and thorough as follows:

1. Does the brand image significantly influence customer satisfaction in the telecommunications industry in South Sulawesi?

A. Objective

1. To find out, test and analyze the effect of brand image on customer satisfaction in the telecommunications industry in South Sulawesi.

LITERATURE REVIEW

1. Marketing Services

Service marketing concepts used in this study as the basis of theoretical thinking to understand the concept and marketing strategy services, since the object of this study is that the insurance company service providers. In this section, before discussing the concept of marketing services, first put forward the concept of basic services. Services can be "deeds, processes and performances" (Zeithaml and Bitner, 2004: 3). Services may include ideas, ideas, processes and performance presented the service provided to customers whose production is intangible, simultaneously with the production of consumption, varied and not durable. Another view, the service is any action or activity that can be offered by one party to another that is essentially intangible their products. Thus, services marketing is marketing the idea, process and performance that can be offered by service providers to their customers. "The quality of services being marketed assured on the quality of the work" (Gronross, 2000; Lovelock, Zeithaml and Bitner in Astuti, 2001).

Brand Image (Brand Image) According to Kotler (2000), mentions that the brand image are a number of beliefs about the brand. Keller defines brand image as perceptions about a brand as reflected by the brand itself into memory when a consumer sees the brand. The conceptual model of the brand image according to Keller (1998) includes the attributes of the brand, the brand advantage and brand attitudes. Knowledge of a brand in the memory / memories essential for the making of a decision and have been well documented in the memory (Alba, Hutchinson and Lynch, 1991 in Keller, 1993: 2) so that the knowledge of the brand (brand knowledge) is very important in influencing what people think of someone about a brand. Brand image (brand image) is the image of a brand that is considered as a group of associations that connect consumers to the idea a brand name (Biel, 1992: 8).. In this study, dimension or indicator variable corporate brand image (brand image), proxied by the dimensions of corporate image presented by Keller (2003), which developed into five dimensions as follows: 1. Professionalism representing quality approach (quality) of the attributes, benefits and behavior. 2. Modern representing innovative approach of the attributes, benefits and behavior. 3. Serving all segments of society that represent the values and programs of concern for the environment and social responsibility. 4. Safe which is the approach of corporate credibility (Popular) 5. Concern for consumers that an approach of orientation to the customer (customer orientation). 6. Customer Value On the concept of customer value gives an overview of the customers of a company, through a consider what

they want, it will be a positive value and believe that they benefit from a product (Woodruff, 1997). William A. Band (1991) saw the need for cross-functional within a company, namely, marketing, operations and human resources as a prerequisite in managing customer value. From some of the research that has been done by several researchers obtained a definition of customer value. Customer value is the customer's overall assessment of the usefulness of a product that is based on the perception of what is acceptable and what is given (Zeithami, 1987). Perception buyers about the value that describes a comparison between the quality or benefit that they feel the product with the sacrifices they feel when paying the price of the product. Furthermore Garvin in 2001 Zhang explained that the six elements of customer value that appearance, idiosyncrasies, beliefs, suitability, durability, ease of Customer Value is the perceived quality of customers that are tailored to the relative prices of the products produced by a company (Slater and Narver, 1994, P.23). With the value of the customer or the customer, we mean emotional bond formed between customers and manufacturers as customers use a product or service important produced by the manufacturer and find these products provide an additional value (Butz and Goodstein, 1996).

6. Excellent Service

According to Barata (2004: 31) excellent service (service excellence) is composed of five basic elements, among others:

1. Ability(ATP)
2. Attitude
3. Attention
4. Action
5. Accountability

According to Gita Nelwan to create excellent service, must start with 1 vision, 1 Word, 1 Team. Only with a common vision can bring forth the same words that in turn will create a solid team. Every employee needs to have a common understanding that the paradigm of "Customer is King". The essence of the service is hospitality (hospitality).

7. Customer Experience (Customer Experience)

In detail Kartajaya Schmitt in 2006, said that the customer experience as a marketing approach can be seen from the following indicators:

1. The Five Senses (Sense)
2. The feeling (Feel)
3. How to Think (Think)
4. Habits (Act)
5. Linkage (Relate)

8. Customer Satisfaction

Oliver (1997) defines customer satisfaction as service after buying evaluation, where the perception of the performance of alternative products or services chosen meet or exceed expectations before purchase. If the perception of the performance can not meet the expectations, then there is dissatisfaction (Umar: 2003).

9. Customer Loyalty

In the decade of the 2000s, the orientation of world class companies experienced a shift from the conventional approach towards contemporary approaches (Bhote, 1996). This contemporary approach focused on customer loyalty. There is nothing wrong in the conventional approach, but what is done is not enough. In the language of mathematics, the

conventional approach "Necessary but not sufficient" To compete in the dating, for example, satisfied customers could switch suppliers if there are competitors that provide discounts or better service. According schanaars (1998), "there are four kinds of possible relationships between customer satisfaction and loyalty the failures, forced loyalty, defector and successes". Customer satisfaction should be accompanied by the customer loyalty. Customers are really loyal not only potentially become a word-of-mouth-advertisers, but most likely also loyal to the company's portfolio of products and services for many years.

Loyalty behavior actually began to emerge in the era of the 1970s, after a period in which most of the studies have shown that loyalty is a pattern of repeat purchase (Oliver, 1997). Loyalty is the most important factor in determining the success of a retail business and the sustainability of the store, and in the absence of loyalty in the retail business, the competitive advantages possessed such never existed and is not successful (Omar: 1999). Mowing and Minor (1998) define loyalty as a condition where the customer has a positive attitude toward a brand, committed to the brand, and intends to continue purchasing in the future. According Uncles and Laurent (1997): "Loyalty conceptualized as a behavioral measure (including exclusive purchase and repeat purchase probability) and an attitudinal measure (including brand preference, liking, commitment, and intention to buy)" According to Loudon and Bitta Delta (1993), "store loyalist Refers to the customer's inclined to patronize a given store during a specified period of time". Customers who are considered loyal to subscribe or re-purchase for a certain period. Loyal customers are very meaningful for enterprises because of the cost to acquire new customers is more expensive than maintaining existing customers (Peter and Olson, 2002) .There are several characteristics of a customer can be considered loyal according to Griffin (2002: 31) Among others:

- Customers who make purchases on a regular basis with a willingness to continue to use (regular Makes repeat purchases)
- Customers who purchase for other products in the same place or purchased outside the line of products and services (purchases across product and service lines), recommends it to others who ask for advice (recommend them to other customers, customers who refer to others (Refers companies)
- Saying or convey something positive about the company to others (positive behavioral intentions are reflected in the service provider's ability to have the customer);
- Customers that can not be influenced by a competitor or a resilience not to move to another product or showing immunity of appeal similar products from competitors (demonstrates immunity to the fullness of the competition)

Research Methods

Research Approach This research is a quantitative research with survey method is explanatif (explanatory research) or research hypothesis testing.

Discussion

This discussion focused on the decisions resulting from hypothesis testing, as an attempt to answer the formulation of the research problem. Results of analysis of hypothesis testing are described as follows: 1. Effect of Brand Image Customer Satisfaction To answer the problem formulation and the first hypothesis can be observed from the analysis path in Table 16. From Table shows that the brand image (X1) has a positive and significant impact on customer satisfaction services (Y1). Results of this study showed that a good brand image will make customers more satisfied. This finding agrees with the results of research Pribanus Wantara (2009), by lifting the title influence brand image, reputation and excellent service to the satisfaction and loyalty of students PTS in East Java that conclusion says that the brand image, reputation, excellent service will increase student satisfaction but only image brand and reputation have a significant influence on the loyalty of students, not including excellent service and also the satisfaction of the students will be able to increase the loyalty of the

students. Statistical results descriptive indicate that modern as an indicator of the dominant form variables brand image that is visible from the average value that is high compared with other indicators, it proves that the use of mobile cards is because it has a brand that is well-known and famous so always keep in mind, with his trademark so that consumers dianggap be easy to use so modern compared to other cellular products.

The facts in the study showed a telecommunications users shows that customers go to counters that sell mobile cards majority of customers assume that the provider has a modern value that, the right choice to use products means lebih priority to fame brand telecommunications service provider rather than other factors, so that the modernization can provide a sense of prestige or pride for the customer and the provider's image looked relatively good, so in such a way the brand image becomes the main provider and the first to be considered for customers in responding to the need to use cellular products. This is consistent with those described in the grand theory that among aspects of the product that is intangible (intangible), the brand is the most important thing, Where the majority of the marketing strategy tends to highlight the brand (including all elements are added as a logotype or slogan) than the products that are being sold. Branded service providers need to be managed properly so that such can provide a positive brand image in the eyes of customers who can benefit provider companies, as explained that a strong brand and modern is a very valuable asset that will ultimately impact satisfaction for its customers.

It can be proved that the brand image has a positive and significant impact on customer satisfaction. Satisfaction is the result of the buyer's perception of the brand image it receives from the service provider / enterprise. The given image that is able to meet customer expectations, it will cause the customer to feel satisfied. So it can be said that when the brand image increases, then it can be used also as an indicator of increasing customer satisfaction. Parasuraman et al (1998), Sivadas (2000) and Selnes (1993) in his research also proves the existence of a positive and significant influence of brand image on customer satisfaction. Empirical evidence shows that that company / organization can compete and have a competitive advantage, the services offered by the company / organization must be truly qualified. The strategy needs to be done by a company / service providers to obtain a quality service is the development of innovation through research and development so that the services offered will always be up to date which is oriented to meet the needs and desires of customers as well as the accuracy of delivery to meet customer expectations.

Another opinion expressed by Graeff (1996) states that the rapid development of the market, will encourage consumers to be more expensive than its brand image to the characteristics of the products offered. These conditions indicate that the product is in the position of "mature" in the product life cycle. Murphy (1990) indicates three levels of product life cycle, including proprietary, competitive and stage image. Proprietary explains that the brand was able to demonstrate the uniqueness of a product on the market. Competitive explains that the brand is able to describe a product has a competitive advantage that will drive the competitors to perform product development in order to survive in the market. While the stage to explain that the brand image of a product capable of being decisive in differentiating a product in the minds of consumers in their purchase decision than other products.

In building a good brand image there are several variables that are relevant to be studied further. Meenaghan and Shipley (1999) noted the importance of marketing communication in enhancing brand image. It is also stated by Graeff (1996), which have more specifically discussed the importance of the promotion in building a brand. Based on the above description and the results of the above studies, shows that there is a direct and positive influence brand image significantly to customer satisfaction.

Conclusion

The results of this study prove that empirically brand image direct and significant impact on customer satisfaction. However, the brand image is not significant and direct effect on customer

loyalty. This shows the importance of brand image in enhancing customer satisfaction. This is consistent with the hypothesis 1 and proved that the brand image and significant positive effect on customer satisfaction in the telecommunications industry in South Sulawesi.

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