THE EFFECT OF PRODUCT ATTRIBUTE ON CUSTOMER SATISFACTION AND ITS IMPACT ON CUSTOMER LOYALTY OF PT. TELKOMSEL IN BANDA ACEH CITY

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ABSTRACT
This study is to analyze the effect of product attributeon customer satisfaction and its impack customer loyalty. The object of this research is the company of Telkomsel in Banda Aceh City. The population in this study is all customers of Telkomsel in Banda Aceh City. Sample is taken using non-probability sampling techniques for customers (consumers) who have purchased Telkomsel products, and it is determined as much as 150 respondents to meet the requirement of Structural Equation Model (SEM). Special for the indirect effect test, this research uses the Sobel test that can provide the significant value for indirect causality test. This research provides the descriptive analysis and verification analysis from previous causality theories. The descriptive analysis uses the mean score of the respondents perception that is collected by questionnaires. The descriptive result proves that product attribute, customer satisfaction, and customer loyalty are the variables in good condition, based on the respondent perceptions. Other than that, the causality test result proves that product attribute has an influence on customer satisfaction, customer satisfaction has an influence on customer loyalty, and product attribute has an influence to customer loyalty.Product attribute also indirectly influences customer loyalty through customer satisfaction of PT. Telkomsel in Banda Aceh. This indicates that customer satisfaction is a mediation variable in this model, and in the type of partial mediation.
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Keyword: Product Attribute, Customer Satisfaction and Customer Loyalty.

1. INTRODUCTION
The use of internet and telephone networks that have spread to remote areas has made people more consumptive in purchasing their own cellular credit. With the increasing frequency of internet communication and data usage, Indonesia has become a profitable country for cellular operators.

Telkomsel succeeded in gaining an income of IDR 21.87 trillion, during the first three months (Q1-18). It is lower compared to the same period in 2017 of IDR 22.3 trillion. The profits that were achieved during the first three months of 2018 wasIDR 6.41 trillion, Itwent down slightly compared to the same period in 2017 of IDR 7.7 trillion. Telkom Finance Director Harry M. Zen said in a statement that Telkomsel Mobile Broadband service also recorded a fairly convincing number of subscribers, which grew 21.3% to 108.73 million customers, while total

customers of Telkomselin the first quarter of 2018 were 192,322 million numbers. (www.indotelko.com).

The decline in corporate profits makes every company innovate according to technological progress and consumer demand. One of the things which is done by Telkomsel is to overcome the decline in the number of customers with the addition of networks. Of which the users of 3G and 4G devices in Telkomsel network are claimed to have increased 35.2 percent in the first quarter of 2018, compared to the same period last year.

Telkomselserves more than 108 million of data customers, of which 55 million are 4G customers. The use of Telkomsel data service (payload) also increased sharply by 145.8% compared to the first quarter of last year.In the first semester of 2018, PT. Telkomsel has built 6,900 BTS, all of which are BTS with 4G frequency partners. Therefore, PT. Telkomsel has committed to continue the transformation of the digital era over the digital ecosystem by spreading broadband networks in all regions of Aceh in particular, and encouraging total digital service adoption. In total, until the first quarter of 2018, the cellular operators whose 23rd birthday on May 26 has made BTS more than 167,000 BTS that spread across Indonesia, or an increase of 23.2 percent compared to 2017.So Telkomsel always strives to provide the best products and it creates good loyalty from upstream to downstream, namely service users.

One thing that fosters customer loyalty is always improving product quality. Telkomsel products for starter cards such as Simpati, AS, Loop cards are wrapped in very neat packaging and elegant designs that are liked by the public and a stable connection network.

Pricing of Telkomsel products is tailored to the needs of customers and it is quite competitive with other providers. Telkomsel has Plaza Telkom and Grapari which are outlets or locations that have the function to do walk-in customer services points, where each customer can access all products and services that are provided by Telkomsel. Whereas Grapari is specialized in providing cellular services that are managed by Telkomsel, on the other hand cellular outlets also the service on a smaller scale with the name of Gerai Halo (Halo Outlet). It is managed by third-party companies that partner with Telkomsel.

2. LITERATURE STUDY
Customer Loyalty

Brand image is a very important aspect of purchase intention. It encourages consumers to consume more value on certain brands that have a good image and helps consumers to decide whether the brand is a better choice for them. A brand image will help in creating long-term relationships between products and customers. It is a very constructive way to make a better brand personality in the market with the aim of increasing product sales(Delsi Tuttia Rahmi, 2017).

Loyalty is a commitment which is held more deeply by consumers to make purchases in the future and at present, (Zehir, Şahin, Kitapçi, & Özçahin, 2011). Loyalty can be concluded as a behavior related to attitude, and a loyal customer will show regular buying behavior and it is shown all the time(Erciş, Ünal, Candan, & Yıldırım, 2012)

Customer Satisfaction

Customer satisfaction both internally and externally is based on the concept of service quality. However, the service quality is produced in the factory and provides good quality. But it

results when customers interact with service providers to get the services which they need. Therefore, service quality is a concept of how to instill service quality in each phase of service, and involve all personnel in the organization. Product service is substantial service quality. In the context of higher education, it includes the main products of educational services such as curriculum, competence, reputation, class activities, lecturer quality, and completeness of teaching materials such as the availability of books, journals, modules in the library, (Erciş et al., 2012).

Thus it is important to be able to create satisfaction for consumers of educational services, because if the service which is received by consumers meets or even exceeds the expected level of satisfaction, then the satisfaction further strengthens the reliability and integrity of service providers which leads to the creation of stronger trust(Naibaho & Yuliati, 2017).

As the mediating variable, customer satisfaction can be seen if loyal customers have characteristics that can make repeated purchases of the same company products in different places then notify others about the satisfaction that are obtained from the company, and there is rejection of offers from competing products from other companies(Pandowo, 2016).

Product Attribute

Attribute of a product is all related or anything that can be offered to each consumer or market that is intended to increase customer satisfaction and fulfill customer desires or needs, including physical goods, services, experience, people, places, events, organization, information, property, or ideas(Shapiro, Reams, & So, 2018)

Attribute of product is also said to be services and goods which can consist of several attributes that are real or not real including packaging, price, color prestige, quality and brand that are added with service and reputation from the seller of products. They are offered by the company to target markets to get responses of buying(Erciş et al., 2012).

Research Hypothesis

From the discussion above, authors formulate the hypothesis both as follows.

H1 : Product attribute, customer satisfaction, and customer loyalty are in good conditions.

H2 : Product attribute has an influence on customer satisfaction,

H3 : Customer satisfaction has an influence on customer loyalty, and

H4 : Product attribute has an influence to customer loyalty

3. RESEARCH METHOD

The object of this research is the company of Telkomsel in Banda Aceh City. The variables are product attribute, customer satisfaction and customer loyalty. The population in this study is all customers of Telkomsel in Banda Aceh City. Sampleis taken using non-probability sampling techniques for customers (consumers) who have purchased Telkomsel products, and it is determined as much as 150 respondents to meet the requirement of SEM. This research provides the descriptive analysis and verification analysis from previous causality theories. The descriptive analysis uses the mean score of the respondents perception that is collected by questionnaires. The causality test provides with Structural Equation Model (SEM) as a statistic technique by using Amos Software. SEM is one of multivariate statistics method that uses in this research to test the model. Special for the indirect effect test, this research uses the Sobel test that can provide the significant value for indirect causality test.

4. RESULT

The descriptive result about the product attribute, the respondent perception in the indicator of "the product of PT. Telkomsel which is offered to consumers in accordance with consumer needs" obtains the lowest average value of 4.06 while the indicator of "the product of PT. Telkomsel has a wider network or coverage area compared to other companies" obtainsan average value of 4.34, which is the highest average value of the product attribute variable. So, it can be explained that product attribute of PT. Telkomsel in Banda Aceh is positively perceived by customers.

The descriptive result about the customer satisfaction, it shows that the indicator of "I feel satisfied with the services which are provided by PT. Telkomsel" obtains the lowest average value of 3.99, then the indicator of "There is a match between my expectations and the reality that I received" is an indicator with the highest average value of 4.16 at the Likert scale unit. It describes that customer satisfaction is able to have an impact on increasing customer loyalty because customers will always use products and services from PT. Telkomsel in Banda Aceh city in the future.

The descriptive result about the customer loyalty, the respondent perception of the indicator of"I will still become consumer even though there are other products near where I live"gets the lowest average value of 4.10 which is the lowest average value, while the indicator of "I always invite relatives to use services on PT. GrapariTelkomsel Banda Aceh" obtains the highest average value of 4.28 in the Likert scale unit. itexplains that customer loyalty at PT. Telkomsel in Banda Aceh City is already in loyal area. This is because customer loyalty which is shown by PT. Telkomsel Banda Aceh in providing services to customers is very well so as to have an impact on improving service to customers.

The next analysis is data processing in the full model stage as it is explained in Figure 1 below.
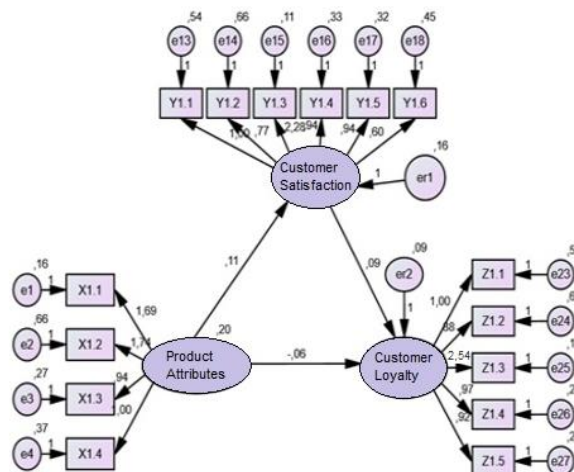
Figure 1. Full Model of SEM

The effect of product attribute with the level of customer satisfaction is obtained by the value of the critical ratio of 3.828 and significance below 5% or equal to 0.000. So that it describes the product attribute which is marketed by PT. Telkomsel in Banda Aceh City has an influence on increasing customer satisfaction at PT. Telkomsel in Banda Aceh City.

Regarding customer satisfaction in its influence towards customer loyalty, the value of the critical ratio is 3.034 with a significant level which is smaller than alpha 5% so that it figures the satisfaction which is perceived by the customer can influence customer loyalty to the product at PT. Telkomsel in Banda Aceh City.

The value of the influence of product attributeon customer loyalty obtains the critical ratio value of 2.652 and significance less than 5% or less than alpha 5%. Then it explains that product attribute that stick to the product has an influence on increasing customer loyalty.

For the indirect effect, The value of the influence of product attributeon customer loyalty through customer satisfaction obtains the p value from the Sobel Test 0.013 or less than alpha 5%. Then it explains that product attributehas an influence on increasing customer loyalty through customer satisfaction. So the customer customer satisfaction is a trigger variable to increase the effect. In this case, the customer satisfaction is a partial mediation type.

From the test result, both direct and indirect influece are proven significant. This means to increase customer loyalty at PT. Telkomsel in Banda Acehcity, it will be better if the leader of the company directly improves the attributes of Telkomsel products or improve the quality of its products, especially related to implementing product attribute standards that are more acceptable to all consumers. Customer loyalty is undeniable to be one of the corporate leader idols, and has even become the most important strategic goal of the company in recent times.

5. CONCLUSION

The descriptive result proves that product attribute, customer satisfaction, and customer loyalty are the variables in good condition, based on the respondent perceptions. Other than that, the causality test result proves that product attribute has an influence on customer satisfaction, customer satisfaction has an influence on customer loyalty, and product attribute has an influence to customer loyalty. This indicates that the product attributes which are possessed by PT. Telkomsel in Banda Aceh can provide satisfaction to customers, and customer satisfaction and also product attribute caneffectthe increasing of customer loyalty.Product attributealso indirectly influences customer loyalty through customer satisfaction of PT. Telkomsel in Banda Aceh. This indicates that customer satisfaction is a mediation variable in this model, and in the type of partial mediation.

These results can be a reference and this model assist the next development of research model especially in management and marketing fields. The originality lies in the combination of previous models, and in the object. The limitation of this research is in the number of varibles that are only three, with one object.

These all findings also contribute to managerial implications of the organization related, that is PT. Telkomsel. The leaders should be aware and pay more attention to the he product which is offered to the consumer must be in accordance with customer needs so that it is easily accepted.

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