"THE INFLUENCE OF SERVICE MARKETING MIX ON SMARTFREN CUSTOMER LOYALTY (Study on Brawijaya University Student as the Smartfren Customers)"

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Abstract

The Purpose of this research is to examine the effect of Marketing Service Mix (7Ps) Product, Price, Place, Promotion, People, Process and Physical Evidence on Customer Loyalty at Brawijaya University as a Smartfren customer. In order to know the relationship that occur among the independent variable (Product, Price, Place, Promotion, People, Process and Physical Evidence) on customer loyalty the regression analysis, F test and T test were conducted. This research is exploratory research, in accordance with its purpose to explain the correlation and relation of some variables. Population and samples in this research is Brawijaya student as customers of PT Smartfren Telecom, Tbk. The sampling technique is purposive sampling and the research instruments were tested using the validity test, reliability test and classical assumption test. The hypothesis testing was using the F and T test to analyze the data to be used in multiple regression analysis. Multiple regressions showed that simultaneously, marketing service mix had significant effects to customer loyalty. While partially tested, the variable of marketing service mix had no significance effect on customer loyalty, only variable price, promotion and physical evidence has significance influence partially toward to customer loyalty in use mobile data product of PT. Smartfren Telecom, Tbk.

Keywords: customer loyalty, marketing service mix (7Ps)

"PENGARUH BAURAN PEMASARAN JASA TERHADAP SLOYALITAS PELANGGAN SMARTFREN (Studi pada Mahasiswa Brawijaya Sebagai Pelanggan Smartfren)"

Abstrak

Tujuan dari penelitian ini adalah untuk menliti hubungan dari bauran pemasaran jasa yaitu produk, harga, tempat, promosi, orang, proses dan bukti fisik terhadap loyalitas pelanggan. Penelitian ini dilaksanakan pada mahasiswa Universitas Brawijaya sebagai pengguna Smartfren. Dalam upaya untuk memahami interaksi yang terjadi di antara variabel independen yaitu bauran pemasaran jasa yaitu produk, harga, tempat, promosi, orang, proses dan bukti fisik terhadap loyalitas pelanggan. Serangkaian tes telah dilakukan yang meliputi uji analisi regresi, Uji F dan Uji t.

Jenis penelitian yang dilakukan adalah *Explanatory Research* yaitu peneilitan yang bertujuan untuk menganalisis hubungan-hubungan antara satu variabel dengan variable lainnya atau bagaimana suatu variabel mempengaruhi variabel lainnya. Populasi dan sampel dalam penelitian ini adalah mahasiswa Universitas Brawijaya sebagai pengguna jasa dari PT. Smartfren Telecom, Tbk. Jenis teknik sampling yang digunakan adalah *purposive sampling* dan instrumen penelitian diuji dengan menggunakan uji validitas, uji realibilitas, dan uji asumsi klasik. Pengujian hipotesis dilakukan dengan menggunakan perhitungan F_{table} dan t_{table} untuk menganalisa data pada regresi linear berganda. Hasil dari analisa data pada regresi linear berganda menunjukkan bahwa secara simultan, bauran pemasaran jasa memiliki pengaruh yang signifikan terhadap loyalitas pelanggan. Sedangkan secara parsial tidak semua variabel bauran pemasaran jasa memiliki pengaruh yang signifikan terhadap loyalitas pelanggan, hanya variabel price, promotion and physical evidence yang memiliki pengaruh signifikan terhadap loyalitas pelanggan dalam menggunakan layanan *data mobile* dari PT. Smartfren Telecom, Tbk.

Kata Kunci: loyalitas pelanggan, bauran pemasaran jasa *(7Ps)*

BACKGROUND

In the last recent years, service industry in Indonesia grows significantly as reflected in the Indonesian economy growth in 2012 which reached 6.23 percent since all sectors of the economy are growth. The highest growth taken place in Transportation and Communication Sector which reached 9.98 percent (BPS, 2013). In the global era, transportation and communication become primary needs for most people.

The user of cellular phones grew up as shown by the analysis of the U.S. intelligence agency, the CIA, which said that the number of mobile phone users in Indonesia is quite high, reaching about 236.8 million mobile subscribers. AC Nielsen research institute recorded 95% of mobile phone users in Indonesia utilizing their handheld device to access the Internet (Detik.com, 2013). It means Indonesia has a larger number of customers who use telecommunication service provider.

Internet users in Indonesia grow more in these recent years. It can be

observed from the data released by (MarkPlus Insight, 2013) which conducted a survey on Internet users in Indonesia in 2013. "Internet users in Indonesia grow up to 22% this year compared to prior year and reaches74.57million users. From that amount of users, it shows that there is 30.1%of Indonesia's population who use internet. However, the internet users in Indonesia are mostly urban population (62.19 million) compared to the rest of 12.38 million of sub-urban or rural internet users from the total population of 245 million. There are available two kinds of cellular phone provider namely Global System for Mobile (GSM) and Code Division Multiple Access (CDMA).

In Indonesia telecommunication service industry, the market has several providers including Telkomsel, Indosat, XL, Axis, and Three in GSM network; further, there are also Esia, Ceria, Starone, Flexi, and Smartfren in CDMA network. Those providers compete to attain greater and greater customers. To earn greater profit, the service provider competitors deliver good quality product and services. Service is an act or performance that creates benefits for customer by bringing about a desired change in or on behalf of the recipient (Lovelock and Lauren, 2002). Service is hard to measure, because every customer's needs and wants are different; yet, we can use service marketing-mix as a tool to measure customer loyalty in using telecommunication service provider.

Smartfren telecommunication service provider is interesting to be observed as a since the number of existing CDMA providers were quite a lot but only Smartfren which survives in the competition. Based on article, in 2012 esia provider has decreased in the number of customers so have loss of Rp3 billion (marketing, 2014). When CDMA provider difficult to achieve revenue, Smartfren still able to get their own. In the fourth quarter of 2013, revenue Smartfren reportedly reached around Rp2.4 billion. Increased sharply, approximately 47% compared to same quarter in the previous year. Increasing of Smartfren revenue is contributed from a lot of data services, where ARPU (average revenue per user) are 4 to 5 times higher than voice (marketing, 2014).

The improvements of Smartfren revenue make these CDMA operators still expand in adding BTS (Base Transceiver Station) they also plans to develop 2,000 points in Indonesia. Area which Smartfren want develops BTS, such as Jakarta, Bandung, Surabaya, Yogyakarta, Semarang, and Malang. (marketing, 2014).

The number of Smartfren customer, on 2013 fourth quarter was around 11.3 million customers. Based on the data, numbers of data mobile customer are reached about 5.9 million customers whereas around 900 thousand are blackberry customer. The high number of Smartfren mobile data customer that's indicating customer satisfaction for Smartfren services.

The researcher thus uses 7ps service mix as a tool of research to measure its role on customer loyalty for Smartfren product users. Based on the 7Ps of service marketing mix, we can find the dominant variable that can be considered in arranging marketing program. Based on that, it is expected to be able to increase the number of

customers who use the Smartfren product in Malang.

The factors that are analyzed are based on the service marketing mix: 7P which consist of product, price, place, promotion, people, process, and physical evidence. Product is any object or service which any organization produces on a large scale with some specific volume of units. Service product is a product that can provide benefits, to meet consumer needs, and can satisfy the consumer.

Customer satisfaction is customer's reaching or feeling toward buying a product or service (Malekhi 2008). When customers feel satisfied in using a product, they will continue to use the product. It means that they repurchase and will be loyal. Oliver (2007) defines loyalty as "A deeply held commitment to re-buy or re-patronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behavior". Further, Mascarenhas *et.al* (2006) state that "We submit that when marketers offer products and services that consistently have strong physical attributes-based satisfaction, provide high emotional experience and high perceived value summing to a high total customer experience they will automatically generate high and lasting customer loyalty." Based on the description above, the researcher takes a thesis entitled as ***"The Influence of Service Marketing Mix on Smartfren Customer Loyalty (Study on Brawijaya University Student as the Smarfren Customers)".***

THEORITICAL FRAMEWORK

Marketing Theory

Marketing deals with identifying and meeting human social and needs; in other words it is "meetings the needs profitability". Philip Kotler defines marketing as "a social and management process in which individuals and groups satisfy their needs and wants through creation, supply, and exchange of valuable products with others", (Kotler, Saunders, Armstrong, & Wong, 2007). It implies that there is a link between social and management process as a good strategy in marketing tools.

Based on the management point of view, marketing is a process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals. Basically, marketing management is the art and science of choosing target markets and getting, keeping, as well as attaining more customers through creating, delivering, and communicating superior customer value.

Service

Service product is intangible performance, so customer cannot clearly identify the product yet they can feel it. The definition about service is, any act or performance that one can offer to another that is essentially intangible and does not result in the ownership of anything (Kotler and Keller, 2006). Intangible is something that is experienced and perceived but cannot be touched or preserved.

In service process, people as part of the product and customer are involved in the production process; every customer

can choose and determine what kind of service they want. Qualified employee is needed to deliver customer satisfaction. Service sector is also hard for customer to evaluate the service that they have already received since service is just perceived through feeling and experience not seeing and choosing.

Service Marketing Mix

"Marketing mix is the set of the marketing tools that the firm uses to pursue the marketing objectives in the target market." (Kotler, Ang, Leong and Tan, 1999). "Theories of marketing management and strategy need to evolve and change to keep pace with changes in the marketplace and in marketing practice" (Goldsmith, 1999). The marketing mix is not a theory of management that has been derived from scientific analysis, but a conceptual framework which highlights the principal decisions that marketing manager makes in configuring their offerings to meet customers' needs. The tools can be used to develop both long term strategies and short term tactical programmers" (Palmer, 2004).

In 1981, Bernard H. Booms and Mary J. Bitner further developed the traditional marketing mix developed by the American Professor of Marketing Jerome McCarthy into the extended marketing mix or services marketing mix. This services marketing mix is also called as 7Ps model or the 7 Ps of Booms and Bitner. This marketing strategy extends the original marketing mix model from four to seven elements. While Jerome McCarthy has only defined four verifiable marketing elements, the 7Ps are an extension as a result of which this services marketing mix can also be applied in service companies and knowledge intensive environments.

Product

Product is an object or service an organization produces on a large scale in a specific volume of units. An example of a material product is the disposable razor.

Price

Price is what the customer pays for a service or product. Price is the most important factor for marketing. The price of a product or service is determined by several factors that an organization invests during the preparation of the product such as material costs, market share, product identity etc. The price of a product may go up or go down depending on the time and the price of a certain product which vary due to market development and change.

Place

This element represents the location where the product is available for the customers. It is possible that the product is not available in all locations but only in a certain selection of locations.

Promotion

This element comprises all the efforts the company or organization makes to stimulate the popularity of their product in the market, for instance through advertising, promotional programs, etc.

People

People include those who are directly or indirectly involved in the trade of the product or service. People here are mainly customer-contact

employees (contact centre employees, representatives, account managers, etc.), customers, personnel and management. It is mainly the customer-contact employees who represent the image of the organization; further, those employees should be able to they translate the quality of the company into a service. There are also some 'service' providers related to their occupation or entrepreneurship profession. The occupations include instance stylists, hair dressers, coaches, trainers, gardeners, lawyers, contact-centre employees, etc. They deliver a physical service with a visible result.

Process

The element of process represents the activities, procedures, protocols and more by which the required service is eventually delivered to the customer. As services are the results of an action for or with customers, a process involves a sequence of steps and activities to get there. The element of 'process' is an essential element within the entire marketing strategy. This element comprises all activities and services in which the people that are involved play an important role.

Physical Evidence

Physical evidence refers to an environment in which a service comes about from an interaction between an employee and a customer which is combined with tangible commodity. The physical evidence includes a representation of a service such as brochures, company stationery, business cards, reports, company website, etc.

The 7 element of 7Ps, it determines the success and the sustainability of a service company. They influence purchase intention, customer satisfaction and customer experience. Within the service companies, quality and feedback are always at the top of the list so that they can serve their customers well, retain them, and improve the necessary service processes and service scope.

Customer Loyalty

Customer loyalty is an important matter for a company. Customer loyalty can improve profit, productivity, and also sustainability of a company in a tight competition of the business world. According to Kotler (2006), customer loyalty is a repeat of purchase made by a customer because some commitment to a brand or company. There are two factors that affect a loyal customer. The first is price factor as someone certainly will choose a company or brand which provides a cheap price among the available choices. The second is the habit of someone who has been familiar with the brand will be difficult to switch to a different company or other brands.

There are four characteristics of customers who are loyal to a product or services (Griffin, 1995) such as:

a. Re-purchase on a regular basis.

b. Making a purchase other product lines from that company.

c. Provider references to others.

d. Showed resistance to the pull of a competitor or not easily influenced by the persuasion of other competitors.

Loyalty is defined as a condition where the customer has a positive attitude toward one particular brand and has a commitment of that brand, as well as tends to continues in the future

purchase (Mowen and Minor, 1998). So, customer loyalty can be defined as someone's loyalty on a product either goods or service. Customer loyalty is a manifestation of customer satisfaction in using the facilities and services provided by a company. Loyalty is confirmed as a consumer always has a positive attitude and loyal to the company (Uncles and Laurent, 1997).

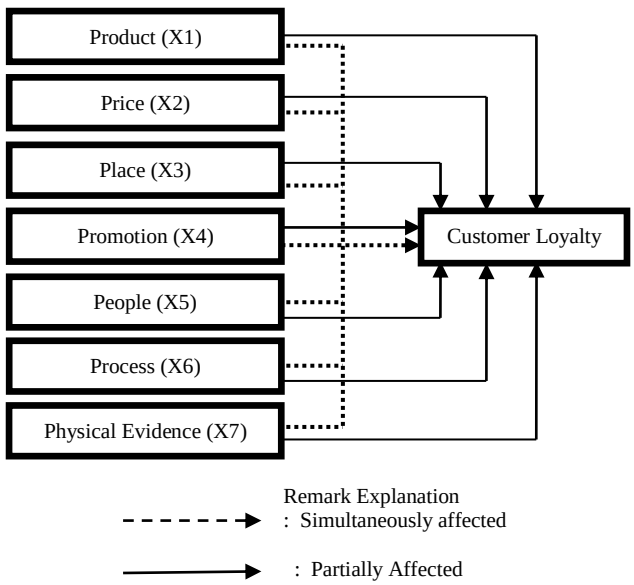
The definition proposed by Oliver (2007) states that customer loyalty is a strong commitment to re-purchase or subscribe the preferred product consistently in the future, giving rise to a series of the same product purchase them repeatedly, despite situational influences and marketing efforts could potentially lead to brand switching.

Research Hypothesis

Hypothesis is a tentative answer to the problems of research until it is proven by the data collected (Arikunto, 2006). Based on the theory that is discussed above, it results in a hypothesis model. As for the reasons in writing of the research hypothesis that can be used to help researchers make the process more focused research because new answers based on relevant theory, not based on empirical facts obtained through the collection of data (Sugiyono, 2011). Based on problem that already formulated, the research hypotheses are:

- **H1:** There is simultaneous influence of variable product, price, place, promotion, process, and physical evidence on customer loyalty in using Smartfren data mobile product.
- **H2:** There is partial influence of variable product on customer loyalty in using Smartfren data mobile product.
- **H3:** There is partial influence of variable price on customer loyalty in using Smartfren data mobile product.
- **H4:** There is partial influence of variable place on customer loyalty in using Smartfren data mobile product.
- **H5:** There is partial influence of variable promotion on customer loyalty in using Smartfren data mobile product.
- **H6:** There is partial influence of variable people on customer loyalty in using Smartfren data mobile product.
- **H7:** There is partial influence of variable process on customer loyalty in using Smartfren data mobile product.
- **H8:** There is partial influence of variable physical evidence on customer loyalty in using Smartfren data mobile product.

Hypothesis Model



RESEARCH METHOD

Based on the problem formulation and research objectives, the type of research used in this study is explanatory research. Explanatory research is a research that aims to examine the causal relationship among variables that explain a particular phenomenon (Carol, 2008).This study utilizes quantitative approach by using survey method through questionnaires distribution. Kerlinger (in Sugiyono, 2011) states that "survey was conducted on a population study (large/small), but the data studied are the sample which is taken from the population.

Data collection techniques that are used in this research consist of three ways of data collection depending on the data source. Primary data are gathered through questionnaire distribution and interview; while secondary data are collected from review of literature.

Sampling method utilized in this research is non probability sampling. Non probability sampling is sampling design in which the elements and the exact number of population are unknown which thus the chance of being selected as sample subjects is not able to be precisely determined (Sekaran, 2010).

The sampling technique of this research uses purposive sampling, which is a non-probability sampling design in which the required information is gathered from special or specific targets or groups of people on some rational basis (Sekaran, 2010). For this research sample, the sample consideration consists of some criteria, including:

1. Registered as Brawijaya University Student.
2. The user of Smartfren Mobile data product.
3. Already use Smartfren Mobile data product for three months or more.
4. Already visit Smartfren Gallery to buy some product, complaint and help.

The research sample is determined based on Malhotra's opinion; thus, the sample number is 7 x 5 = 35 samples. To get more objective result, the minimum number of samples is 35. By the sample number, it is expected to attain result that can describe the overall characteristics and condition of the population. But to make easier in calculate, writer use 100 samples to research.

Validity Test

Validity can be defined as the extent to which differences in observed scales' scores reflect the true differences among objects on the characteristics that are being measured, rather than systematic or random errors (Malhotra and Peterson, 2006). An instrument concludes as valid if the correlation probability result is less than 0.05 (5%); whereas, it is not valid if the result is greater than 0.05.

Variable	Item	$r_{calculate}$	r_{table}	Explanation
Product (X_1)	$X_{1.1}$	0.280	0.195	Valid
	$X_{1.2}$	0.537	0.195	Valid
	$X_{1.3}$	0.469	0.195	Valid
Price (X_2)	$X_{2.1}$	0.610	0.195	Valid
	$X_{2.2}$	0.450	0.195	Valid
	$X_{2.3}$	0.487	0.195	Valid
Place (X_3)	$X_{3.1}$	0.596	0.195	Valid
	$X_{3.2}$	0.596	0.195	Valid
Promotion (X_4)	$X_{4.1}$	0.435	0.195	Valid
	$X_{4.2}$	0.477	0.195	Valid
	$X_{4.3}$	0.507	0.195	Valid
	$X_{4.4}$	0.580	0.195	Valid
	$X_{4.5}$	0.522	0.195	Valid
People (X_5)	$X_{5.1}$	0.501	0.195	Valid
	$X_{5.2}$	0.501	0.195	Valid
Process (X_6)	$X_{6.1}$	0.435	0.195	Valid
	$X_{6.2}$	0.435	0.195	Valid
Physical Evidence(X_7)	$X_{7.1}$	0.730	0.195	Valid
	$X_{7.2}$	0.730	0.195	Valid
Customer Loyalty (Y)	Y_1	0.678	0.195	Valid
	Y_2	0.619	0.195	Valid
	Y_3	0.538	0.195	Valid

Based on the table above, the result is all question item on the questionnaire have significant correlation with the total of variable score item. Which is $r_{calculate}$ from each item has bigger value than r_{table} (0.207). With that result, the conclusion is the entire item question in the questionnaire is valid.

Realibility Test

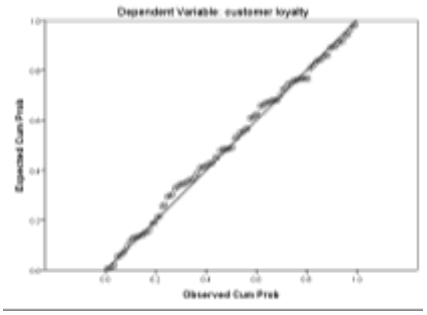
Reliability refers to the extent to which a scale produces consistent result if repeated measurements are made. Therefore reliability can be defined as the extent to which measures are free from random error (Malhotra and Peterson, 2006). An instrumentis reliable when the reliability instrument score is greater than 0.6 (s > 0.6). If α is smaller than 0.6, the statement is not reliable and *vice versa* (Arikunto, 2006).

Variable	***Cronbach Alpha* Coefficients**	**Explanation**
Product (X_1)	0.610	Reliable
Price (X_2)	0.696	Reliable
Place (X_3)	0.740	Reliable
Promotion (X_4)	0.741	Reliable
People (X_5)	0.667	Reliable
Process (X_6)	0.600	Reliable
Physical Evidence(X_7)	0.836	Reliable
Customer Loyalty (Y)	0.768	Reliable

Based on the table, known if the *Cronbach Alpha* is 0.6 or bigger than 0.6. Therefore, the conclusion is question instrument that used in this research is reliable or certifiable.

Normality Test

Normality test is use to know whether the data will be distributed normally or no. A good data distribution is when the data have normal distribution or close to normal. Normality test that will be used is, plot graphic whereas normality assumption will be fulfilled when points or dot on the graphic approach diagonal axis. The result of Normality test can be seen on:



Normality test also can be tested by using the analysis of *One Sample Kolmogorov-Smirnov Test.* If Asymp.sig value is greater than it states that the regression model is spread normally. From the analysis of One Sample Kolmogrov-Smirnov Test result in the table below:

Kolmogorov Smirnov-Z	**Significance**	**α = 0.05**
0.522	0.948	0.05

Based on the table above, the result of significance value from Kolmogorov-Smirnov Test is 0.948, whose value is greater than α (0.05), the conclusion is the residual fulfilled normality assumption.

Multicollenearity Test

The aim of multicollenearity test is to test whether in regression model correlation is finding among independent variable. There is multicollenearity problem, when correlation occurs. Good regression

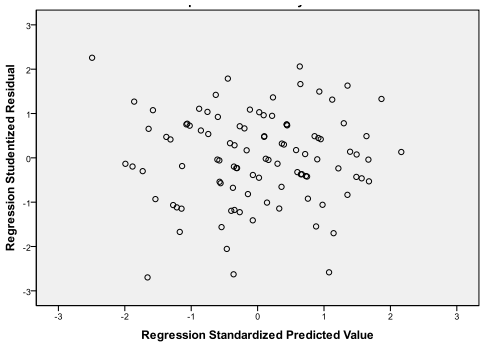
should not have correlation with other independent variable. This research use *tolerance* and *variance inflation factor* (VIF). Where, one regression model that was free from multicollenearity is has VIF value <10 and number of *tolerance* >0.1 the result of multicollenearity test is in the table below:

Independent Variable	Tolerance	VIF	Explanation
Product (X_1)	0.694	1.441	No Multicollenearity
Price (X_2)	0.823	1.215	No Multicollenearity
Place (X_3)	0.749	1.336	No Multicollenearity
Promotion (X_4)	0.783	1.277	No Multicollenearity
People (X_5)	0.837	1.194	No Multicollenearity
Process (X_6)	0.676	1.479	No Multicollenearity
Physical Evidence(X_7)	0.881	1.134	No Multicollenearity

Based on the calculation on the table, we can see from *tolerance* value shown there is no independent variable which has *tolerance* value less than 0.10 and the result from calculation of *variance inflation factor* (VIF) is more than 10. Therefore, for the conclusion there is no multicollenearity from those independent variables in this research.

Heteroscedasticity Test

Heteroscedasticity Test that use in this research is to see a certain pattern in *scatterplot* graphic between SRESID and ZPRED, where Y axis predicted Y and X axis is residual (Y predicted - Y actual) which has been examined. If certain pattern exist which is the spot from certain order (waves, spread and narrowing) it's indicated the heteroscedasticity. If there are no certain patterns which the spot is not spreading, it indicates that there is no heteroscedasticity. The research result of heteroscedasticity test can be seen as follow:



Scatterplot graphic

Based on the figure above, graphic scatter plot show if the data spread is very random and no certain pattern occurs, and spread over 0 on Y axis. The conclusion is there no heteroscedasticity on the regression model.

FINDINGS AND DISCUSSION

Multiple Regression Analysis

Variable	Standardized Coefficient Beta	$T_{calculate}$	*significant*	Explanation
Constanta	-0.679	-0.306	0.760	
X_1 Product	-0.054	-0.366	0.715	**No Significant**
X_2 Price	0.273	2.309	0.023	**Significant**
X_3 Place	0.024	0.136	0.893	**No Significant**
X_4 Promotion	0.136	2.019	0.046	**Significant**
X_5 People	0.048	0.295	0.768	**No Significant**
X_6 Process	0.333	1.963	0.053	**No Significant**
X_7 Physical Evidence	0.389	2.370	0.020	**Significant**
α = 0.05 R-Square = 0.296 F-Calculate = 5.523 F-Table = 2.11 *Sig* F = 0.000 t-table = 1.98				

First Hyothesis Testing (H1)

Hypothesis testing as a purpose to know whether product, price, place, promotion, people, process and physical evidence variable has simultaneously influent toward loyalty of customer PT. Smartfren, Telecom tbk. Certainty of accepted or rejected from this hypothesis is if in every variable $F_{calculate} > F_{table}$ so, H_0 rejected and H_a

accepted, if in every variable $F_{calculate} < F_{table}$ so, H_0 accepted and H_a rejected.

Based on the table above, multiple regression analysis, hypothesis testing regression model is use F test. The value of F_{table} with *degrees of freedom* (df) $n_1 = 7$ and $n_2 = 92$ is 2.11. Based on that, the result is $F_{calculate} > F_{table}$ (5.523 > 2.11) and the amount of significances is 0,000 which is small than alpha (α = 0.05). Therefore, the result is H_0 is rejected and H_a accepted. With the meaning Variable Product, price, place, promotion, people, process and physical evidence has simultaneously influence to customer loyalty of Smartfren mobile data product.

The coefficient of determination is one tool that can be used as a measure of goodness of fit. The coefficient of determination is used to measure the proportion of (part) or a percentage of the total variation in Y that is explained by the regression model. According to Santoso (2010), *adjusted* R^2 is R^2 which has been adjusted. Where this value is always smaller than R^2 and the number could have a negative price. Regressions with more than two independent variables are used as the coefficient of determination adjusted R^2.

Based table above, multiple regression analysis, coefficient determination on Table 5.8, the regression mode has a coefficient of determination (R^2) of 0.296. It means that the regression model was able to explain the influence between the variables X to Y by 29.6% and the remaining 60.4% is explained by other variable that not detected, that not use in this research.

T Test

Determination of accepted and rejected in this hypothesis is in every variable $t_{calculate} > t_{table}$ so H_0 rejected and H_a accepted, and if in variable $t_{calculate} < t_{table}$ so H_0 accepted and H_a rejected. It also can see by significance level, if small than α (0.05) so H_a accepted. The result of this hypothesis can be seen on the table above.

Independent Variable	$t_{calculate}$	Sig.	Explanation
Product	-0.366	0.715	No Significance
Price	2.309	0.023	Significance
Place	0.136	0.893	No Significance
Promotion	2.019	0.046	Significance
People	0.295	0.768	No Significance
Process	1.963	0.053	No Significance
Physical Evidence	2.370	0.020	Significance

Second Hypothesis testing (H2)

Value of $t_{calculate}$ variable product is -0.366, whereas $t_{calculate} < t_{table}$ (-0.366 < 1.98), and significance level is 0.715 which is bigger than α = 0.05. That is show, if variable product is no significance toward to customer loyalty.

Third Hypothesis testing (H3)

Value of$t_{calculate}$ variable price is 2.309, whereas $t_{calculate} > t_{table}$ (2.309 > 1.98), and significance level is 0.023 which is small than α = 0.05. That is show, if variable price is significance toward to customer loyalty.

Fourth Hypothesis testing (H4)

Value of $t_{calculate}$ variable place is 0.136, whereas $t_{calculate} < t_{table}$ (0.136 < 1.98), and significance level is 0.893 which is bigger than α = 0.05. That is show, if variable place is no significance toward to customer loyalty.

Fifth Hypothesis Testing (H5)

Value of $t_{calculate}$ variable promotion is 2.019, whereas $t_{calculate} > t_{table}$ (2.019 > 1.98), and significance level is 0.046 which is small than α = 0.05. That is show, if variable promotion is significance toward to customer loyalty.

Sixth Hypothesis Testing (H6)

Value of $t_{calculate}$ variable people is 0.295, whereas $t_{calculate} < t_{table}$ (0.295 < 1.98), and significance level is 0.768 which is bigger than α = 0.05. That is show, if a variable person is no significance toward to customer loyalty

Seventh Hypothesis Testing (H7)

Value of $t_{calculate}$ variable process is 1.963, whereas $t_{calculate} < t_{table}$ (1.963 < 1.98), and significance level is 0.053 which is bigger than α = 0.05. That is show, if variable process is no significance toward to customer loyalty.

Eight Hypothesis Testing (H8)

Value of $t_{calculate}$ variable physical evidence is 2.370, whereas $t_{calculate} > t_{table}$ (2.370 > 1.98), and significance level is 0.020 which is small than α = 0.05. That is show, if variable physical evidence is significance toward to customer loyalty.

Based on the hypothesis testing that use ANOVA, it known if variable 7Ps (Product, Price, Place, Promotion, People, Process, and Physical Evidence) has significance influence simultaneously toward to customer loyalty in use mobile data product of PT. Smartfren Telecom, Tbk. PT. Smartfren Telecom, Tbk need to evaluate the marketing mix variables which are: product, price, place, promotion, people, process and physical evidence simultaneously for increase customer loyalty. The other important things for PT. Smartfren Telecom, Tbk is more understanding indicator that can be supporting variable product, price, place, promotion, people, process, and physical evidence to increase customer loyalty. Has an evaluating the action that already do, all this time of PT. Smartfren Telecom, Tbk to correct the indicator that feel less by customer.

Based on hypothesis testing, not all of variables from marketing mix have influence partially toward to customer loyalty. Variable product, place, people and process have no significance influence partially toward to customer loyalty of PT. Smartfren Telecom, Tbk. Variable price, promotion, and physical evidence has significance influence toward to customer loyalty.

Based on hypothesis testing, it is known if product has negative influence and no significance toward to customer loyalty of PT. Smartfren Telecom, Tbk. Product indicator is include of signal condition, menu packages, and product capability such as clear voice production. 55 Respondent as Smartfren customers agree with menu packages that Smartfren offer, but it's relatively same with other brand same product. 46 respondents has neutral for producing clear sound, 39 respondents also for signal condition, its mean not bad and also not too much good quality for both of them.

Variable Place has no significance influence, based on answer from respondent 48 agree if Smartfren card available in strategic location and 51 agree if Smartfren product ease to obtained by customer. Therefore place is has no significance influence, because Smartfen product use for a long time or durable goods, so when customer already buy or get the product they not want to re buy. That's why respondent agree with place where the Smartfren product available but variable place also has no significance influence toward to customer loyalty.

Based on answer from respondent on variable people, 50 agree and 40 neutral if Smartfren customer service communicative and accurate in giving service to customer. Communicative and accurate customer service that Smartfren give to customer has no significance influence toward to customer loyalty. That's because other brand some product also has same service that they give to customer so, no excellence in variable people that can increase customer loyalty.

Customer answer on variable process, 54 and 43 agree in giving satisfy service, also in giving direct new information to the customer. giving satisfy service and direct information also has no significance influence toward to customer loyalty. That's because other brand some product also has same service that they give to customer so, no excellence in variable process that can increase customer loyalty. Respondent view as a customer, feels less satisfaction when receive direct information by personal communication. Therefore it is need to be evaluating, because of advertising repetition almost every day that will disturb customer, so they will no care with it.

The other variables of marketing mix which is price, promotion, and physical evidence has significance influence partially toward to customer loyalty of PT. Smartfren Telecom, Tbk. The explanation of every variable is:

According to hypothesis testing, it is known if price has positive influence and significance toward to customer loyalty of PT. Smartfren Telecom, Tbk. Smartfren product has advantages that can increase customer loyalty, which is affordable and cheapest price than other brand same product. Customer answer has 51, 43 and 41 agree with affordable price, cheapest price with other brand, and price equal with product quality. Based on that, customers agree if Smartfren product offer the affordable, cheap competing with other brand that's why price has significance influence to customer loyalty. Customer view as university student, price is first determination of customer to choose the product that they want to buy or use. Therefore, when PT. Smartfren Telecom, Tbk keep the price or give cheaper price compete for their product it will increase customer loyalty more.

Variable promotion has 47, 43 and 32 agree with capability of Smartfren in gives an attractive advertising from electronic print media, and sponsorship. 34 and 33 people disagree with capability of Smartfren in gives direct and personal marketing. Based on respondent view, three items from variable promotion, which is electronic such as television and radio, print media such as brochure, banner, and sponsorship has effective influence in give a promotion to customer. Therefore, two items which is direct and personal marketing no has effective influence in give promotion. But, overall of variable promotion has significant influence to customer loyal

and increasing the effective promotion will attract customer more also the needed of information can fulfilled by promotion media.

Based on customer answer, 64 and 52 agree with capability of Smartfren to make interesting design and attractive color of promotion tool. Physical evidence that can support promotion tool can attract and interesting for customer. Based on respondent view as a customer that university student, television advertising concept is attractive and creative especially for young generations. Therefore it will attract customer and will make customer loyal.

Research Implication

Research Implication result of this research is concerning things that need to be done by the company by practical application of variable marketing service mix. Several things that can to be done by PT. Smartfren Telecom, Tbk Malang to increase customer loyalty are:

1. PT. Smartfren Telecom, Tbk Malang should increase their quality of product such as better voice quality; strengthen signal condition such as build new BTS (base transceiver station).
2. PT. Smartfren Telecom, Tbk Malang should maintain the price level, because their products prices already compete even cheaper than other brand some product menu, which is it make customer loyal because customer here are has sensitively in choosing price.
3. PT. Smartfren Telecom, Tbk Malang should build up Smartfren gallery and shop to make fulfill customer needs and wants especially about customer service and shopping smartfren product.
4. PT. Smartfren Telecom, Tbk Malang should be able to promote more their product line, such as open table, event, and sponsorship especially in campus area. With the purpose to more attract young people.
5. PT. Smartfren Telecom, Tbk Malang should build good communication between company to customer by communicative and good customer service to make help customer in fulfill their needs and wants.
6. PT. Smartfren Telecom, Tbk Malang should update their product information to make customer easy to knowing the newest information of product menu package, special offer, and newest product.
7. PT. Smartfren Telecom, Tbk Malang should make an interesting and good physical evidence to attract customer more.

Conclusion

According to research result, the conclusion is:

1. Service marketing mix variables which consist of 7Ps (product, price, place, promotion, people, process and physical evidence) has simultaneous and significant influence on customer loyalty in using mobile data product of PT. Smartfren Telecom, Tbk.
2. Variable product has no partial influence on customer loyalty in using mobile data product of PT. Smartfren Telecom, Tbk.
3. Variable price has partial influence on customer loyalty in using mobile data product of PT. Smartfren Telecom, Tbk.
4. Variable place has no partial influence on customer loyalty in

using mobile data product of PT. Smartfren Telecom, Tbk.

5. Variable promotion has partial influence on customer loyalty in using mobile data product of PT. Smartfren Telecom, Tbk.
6. Variable people has no partial influence on customer loyalty in using mobile data product of PT. Smartfren Telecom, Tbk.
7. Variable process has no partial influence on customer loyalty in using mobile data product of PT. Smartfren Telecom, Tbk.
8. Variable physical evidence has no partial influence on customer loyalty in using mobile data product of PT. Smartfren Telecom, Tbk.
9. Variables product, place, people, and process do not have significant influence partially on customer loyalty. Product that smartfren offer is same with competitor product. Place as a location is not have influence to loyalty, because customer doesn't need to come everyday. As long as customer need and wants for smartfren product and services already fulfilled, they not really care about the location. People as customer service also has same standard in handle complaint, give service, and suggestion to customer, also for process there is no differentiation that smartfren give to customer so it has no partial influence to customer loyalty.
10. Variables price, promotion and physical evidence bring significant influence partially on customer loyalty. Price is sensitive thing for customer because customer here is for Brawijaya University student as a young generation so they considering about the price first, also price for product menu is cheaper than competitor even they offer same package. Smartfren promotion is very attractive especially for young people because smartfren always update the latest trend and apply to their advertising concept. Physical evidence as a concept, atmosphere, service office ambient condition which is can attracting customer more. Their concept of that are use attracting colour such as red, yellow, and white which can make customer feel interseting.
11. The conclusion based on the result are not all variables 7Ps has partial influence to marketing service mix. This is due to when customer see the promotion with attracting concept. They also will se and considering about the price, when price is matching to their budget they will use that service. Thats why other variables such as product, place, people, and process has no significant influence because they doesnt need that. The other variable that not detected may has influence toward to customer loyalty.

Recommendation

Based on research result, there are some suggestions that should be considered by PT. Smartfren Telecom, Tbk to make customers more satisfied and also make them more loyal. The suggestions that author wants to propose are:

a. In order to make customer loyal, PT. Smartfren Telecom, Tbk should evaluate the indicators of 7Ps that are able to increase the influence on customer loyalty such as price, promotion, and physical evidence. The items that do not have significant influence should be evaluated to make those variables

perform better in influencing customer loyalty.

b. In order to attract customer purchase intention, satisfaction and loyalty, PT. Smartfren Telecom, Tbk should make richer product line at affordable price. The other purpose is to compete with other brands within the same product.
c. In order to fulfill customer's needs and wants, PT. Smartfren Telecom, Tbk should evaluate and improve their distribution channel, particularly for Smartfren card product. Distribution channel should spread evenly from a small retailer to bigger retailer for achieving greater customer satisfaction with the brand.

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