

ANALYZING THE INFLUENCE OF CUSTOMER EXPERIENCE OF CALL CENTRE TOWARDS BRAND LOYALTY OF TELKOMSEL USERS IN MANADO

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ABSTRACT

A fairly rapid growth in Indonesian telecommunications industry has encourages the competition among existing providers. The need to increase customer satisfaction through CRM for every company is now considered to be more important. Nowadays, call centre not only limited to provide convenience feeling to the customers in keep in touch with the company. The extended function of this service can be use to build loyalty to a brand. Telkomsel as one of the famous provider also provide call centre in order to reach their customer all over Indonesia area and create the brand loyalty of the customer. This research is to analyze the experience of the customer when dealing with call centre in creating brand loyalty at PT Telkomsel. This research is conducted by using qualitative research and case study method with 9 respondents who are the customer of Telkomsel in Manado area as sample of respondents. The result shows that staff attitude has no direct influence on brand loyalty. On the other hand, the empathy and perception of commitment to service quality and customer satisfaction have direct influence on brand loyalty.

Keywords: *customer experience, brand Loyalty*

INTRODUCTION

Research Background

Communication is an important aspect of social human beings life who need each other. In general, communication is done verbally or non-verbally that can be understood by two or more individuals. Currently, the development of technology is growth rapidly, it causes a change in the way people communicate each other. The presence of communication tools is enabling people to share information without have to consider the time and distance that separates between two or more individuals. Looking at how important the communication tool for humans, it makes the demand for good communication tool that operates using electric signal transmission (telephone) and even that do not need to be connected to the network using a telephone cable (cell phone) are increasing.

Based on research from “Perseroan berdasarkan publikasi para operator telekomunikasi” in Hilmi (2010) along with the rapid development of the telecommunications industry in Indonesia as a result of increasing population and rising per capita incomes in recent years, the mobile telecommunications market in Indonesia has experienced tremendous growth over 2001 to 2006 with the total 6.4 million subscribers in 2001 to 69.8 million in 2006, or a CAGR (Compounded Average Growth Rate) of 61.8% .Currently, Indonesia has four wireless telephone networks which is the GSM system (Global System for Mobile Telecommunications), CDMA system (Code Division Multiple Access), EDGE system (Enhance Data rates for GSM Evolution) 3G system (Third Generation technology). However, mobile phone that using GSM and 3G are much demanded by Indonesian peoples. Because of the pressure of CDMA operators are offering cheap tariffs for their customer, it can affect the competition among cellular operators CDMA and GSM operators increase as they are required to meet the desires of its customers by providing cheap rates as well as the addition of new services that can make it easier for their customers so that their customers remain loyal to use their mobile operator services.

GSM entered Indonesia in 1994, and PT Telkomsel actively participates in the development of telecommunications in Indonesia as a national GSM operator with Satelindo in 1995. In 1996, Telkomsel launched its first product that is successful named Halo cards in various cities in Indonesia. In the current competitive business telecommunications provider, Telkomsel is still capable of being the market leader among mobile phone service provider in Indonesia. Nowadays, Telkomsel has three kinds of GSM mobile phone card that has been circulating all over Indonesia, such as: Kartu Halo, Kartu Simpati, and Kartu AS. Kartu Halo for post-paid customers while Kartu Simpati and Kartu AS are for prepaid customers. Telkomsel as the market leader in Indonesian growing telecommunications service industry will facing a new challenger right now. It happens because lately popping up more and more new mobile operators with advanced technology that began to compete in the same telecommunications services industry. CDMA operators are offering cheap tariffs for their customer, it can affect the competition among cellular operators CDMA and GSM operators increase as they are required to meet the desires of its customers by providing cheap rates as well as the addition of new services that can make it easier for their customers so that their customers remain loyal to use their mobile operator services.

PT Telkomsel provides three types of services that can enable customers to make a complaint or to request new information provided. 1. Face-to-face encounter, the service is provided for those customers who want to inquire directly about the product, complaints, etc. They can meet directly with the officer in Grapari, 2. Call centre (Customer Care), this service is a service provided by Telkomsel for all customers who want to deliver all things concerned with Telkomsel with using the media or via phone without having to waste time to go directly to Grapari or existing outlets, 3. Multimedia, this is the latest service provided by Telkomsel for customers using SMS media and website so that whenever and wherever customers are able to conduct their complaints freely and without limits.

According to data obtained from Corporate Communications Telkomsel wilayah Jawa Timur (2009:2) Arman Hazairin as Vice President Customer Lifecycle Management Telkomsel. "Currently, Telkomsel has 4 Caroline, supported by over 4,500 service personnel that are ready to serve the needs of 75 million customers for 24 hours nonstop traffic by an average of 1.5 million calls a day, or 45 million phones per month which makes the Vodacom call center as a service center Indonesia's biggest online customers. Based on the data shows that the Call Center is the most frequently contacted customers with the percentage reaches 85%, 13% users are using online access (such as: website, email, SMS), and only 2% users who walk-in to GraPARI. For the type of service that the customer requested, the majority or 80% of the requested information, 15% of service requests (such as: block, activation and mutation), and 5% of complaints."

From the statement above, the call centre plays an important role for the Customer Relationship Management (CRM) in order to get closer with the consumer and the company in this case PT Telkomsel in providing the information and deal with any complaints from customers. Because how good or bad the service from PT Telkomsel, particularly the Call Centre Representative will give influence to the company.

Research Objectives

The objectives of this research are:

1. To analyze the influence of staff attitude on brand loyalty of PT Telkomsel.
2. To analyze the influence of empathy on brand loyalty of PT Telkomsel.
3. To analyze the influence perception of commitment on brand loyalty of PT Telkomsel

THEORETICAL FRAMEWORK

Customer Experience

Carbone and Haeckel (1994) defined customer experience as the takeaway impression formed by people's encounters with products, services, and businesses perception produced when humans consolidate sensory information. Customer experience is the internal and subjective response customers have to any direct or indirect contact with a company (Meyer and Schwager, 2007). Meanwhile, Shaw (2007:8) stated that customer experience is a blend of an organization's physical performance, the senses stimulated and emotions evoked, each intuitively measured against customer expectations across all moments of contact.

Brand Loyalty

Jacoby and Kyner, (1973) cited by Touzani and Temessek (2009) Brand Loyalty is the biased (i.e., non random) behavioural response (i.e., purchase) expressed over time by some decision making unit with respect with one or more alternative brands out of a set of such brands, and is a function of psychological (decision-making, evaluative) process. Solomon (2011:360), brand loyalty describes repeat purchasing behaviour reflects a conscious decision to continue buying the same brand. While, brand loyalty, in marketing, consists of a consumer's commitment to repurchase or otherwise continue using the brand and can be demonstrated by repeated buying of a product or service or other positive behaviours such as word of mouth advocacy (Dick and Kunal, 1994). Further Reichheld (1993) stated that true brand loyalty exists when customers have a high relative attitude toward the brand which is then exhibited through repurchase behaviour.

Previous Research

Ahmed (2008) highlighted the impact of the customer experience on customer satisfaction and service brand loyalty that hypotheses and integrative framework provide a foundation for firms in order to manage customer experience. Sirapacha and Tocquer (2012) found that there is usually a high switching cost to reduce their churn rate and limits the opportunity for customers to experience other brands. Nawaz and Usman (2011) found that in mobile phone network market, service quality is considered as most important factor of brand loyalty. Baxter and Dean (2012) found that there was not a clear link between brand image and brand loyalty within a service branding context, with satisfaction being the strongest predictor of brand loyalty for both online travel brands, and attributes of the online environment (such as accessibility of information, reliability) did not have a significant impact on brand loyalty for either brand.

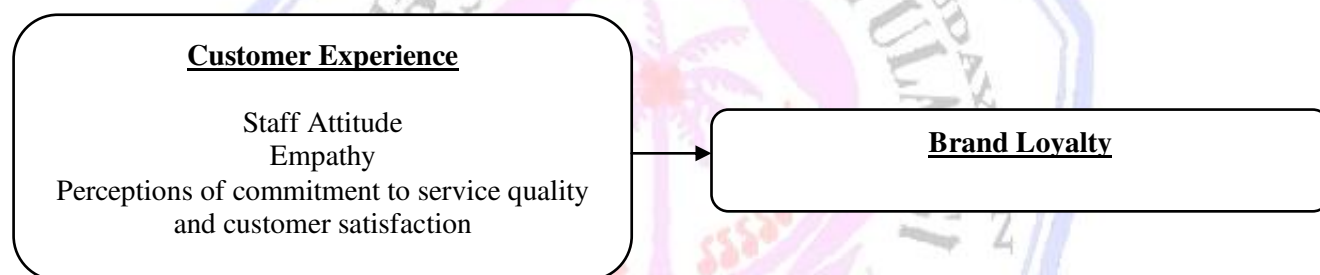


Figure 1 Conceptual Framework

RESEARCH METHOD

Type of Research

This research will use descriptive type of research where it will describe the experience of the customer dealing with call centre in creating brand loyalty.

Place and Time of Research

This research is conducted in Manado from June to August 2013.

Population and Sample

The population that is mainly observed in this research is all the users of cellular provider "Telkomsel". In this research, the samples that will be used are peoples or in this case the users of Telkomsel products in Manado who already have an experience using Telkomsel more than two years and ever call the call centre of PT Telkomsel as many as 9 respondents

Data Collection Method

This research use two types of data, which are: (1) primary data which is collecting from interview and observation. Sekaran and Bougie (2010) stated that whereas interview and questionnaire elicit responses from subjects, it is possible to gather data without asking questions of respondents. People can be observed in their

activities and behaviors or other items of interest can be noted and record; and (2) secondary data taken from books, journals, and relevant literature from library and internet.

Operational Definition of Research Variables

1. Customer Experience: All of the experiences that a customer (personally or group) has with the company that provide goods or services, not just in a short period of time but from overall time that customer spent in that business.
2. Brand Loyalty: Consistently loyal customers will buy products from brands they like, regardless of convenience or price. So, Brand loyalty is the result of the consumer behavior and preferences are influenced by someone.

Data Analysis Method

Validity and Reliability Test

The qualitative research validation has been doubted because of this research subjectivity, do not have or less of control in interview questions, and incredible the data resources. To check the validity of the research, it really need:

1. Credibility: to make sure that the participants know about the product and have an experience with the product itself.
2. Transferability: it is the extent to which the irrelevant in qualitative research because the researcher wants to describe the particular phenomenon.
3. Dependability: to established the confirmability of the inquiry.
4. Confirmability: to conclude and interpreted directly about the data to established the decision trial between credibility, transferability, and dependability.

Qualitative Research

Hancock (1998:2) stated that (1) qualitative research is concerned with the opinions, experiences and feelings of individuals producing subjective data; (2) qualitative research describes social phenomena as they occur naturally. No attempt is made to manipulate the situation under study as is the case with experimental quantitative research; (3) understanding of a situation is gained through an holistic perspective. Quantitative research depends on the ability to identify a set of variables; (4) data are used to develop concepts and theories that help us to understand the social world. This is an inductive approach to the development of theory. Quantitative research is deductive in that it tests theories which have already been proposed; (5) qualitative data are collected through direct encounters with individuals, through one to one interviews or group interviews or by observation. Data collection is time consuming; (6) the intensive and time consuming nature of data collection necessitates the use of small samples. Different sampling techniques are used. In quantitative research, sampling seeks to demonstrate representativeness of findings through random selection of subjects; (7) qualitative sampling techniques are concerned with seeking information from specific groups and subgroups in the population; (8) criteria used to assess reliability and validity differ from those used in quantitative research; and (9) a review of textbooks reveals a variety of terms used to describe the nature of qualitative and quantitative research.

RESULT AND DISCUSSION

Result

Telkomsel has been provided satisfactory service to their customers though they still have many problem that needs to be corrected to make Telkomsel as the best provider in Indonesia. This time she prefer to used two different numbers from different providers in different mobile phones, that is Telkomsel and 3. Because 3 provides cheaper internet package than Telkomsel. When the interviews have been completed and the results of the interview found the answers of the respondents are almost the same, both in terms of customer perspective and the experience in using the product of Telkomsel. Grouping come up automatically and it is so important for grouping the entire respondent into several groups in order to make it easier to analyze and draw conclusions from the answers of each respondent.

Staff Attitude

After collected the results of the interview, it can be found that few indicators in staff attitude can give effect to the brand loyalty feeling of a person. In brief, the findings and the result analysis are put in the table below:

Table 1. Staff Attitude Indicators

Indicators		Result
Respect	Satisfactory	
Politeness	Very Polite	
Mood	Most of the workers can control their mood well.	

Source: Data Processed, 2013

First indicator is about respect to the customer, almost all the respondent feels quite satisfied with the performance given by Telkomsel call centre. The second indicator had positive result from the respondent, because majority of the respondent said the employee treated them politely from the beginning of their conversation until the employee hang up the phone. Therefore, this indicator has a big impact to a person in acquiring the brand loyalty. The third indicator is mood or emotions. From the result shows that most of the respondent felt that professionalism of the staff to control their mood is an important thing in determining the person will continue to use the product or service or not. The respondent said that so far the workers can control their mood really well, but there are some that still have not able to control it and do not treat their customers professionally and it will give a bad impression to the customer's mindset about a product or service. Total seven out of 9 respondents felt they were satisfied with the professional performance of Telkomsel through their call centre representative. If the support and trust of the community are lost, then all the pride and the good images soon will only be a distant memory. Especially nowadays it is emerged many other service providers that are more compatible than Telkomsel. Most of the respondent agrees that staff attitude is important in acquiring brand loyalty. The higher the level of customer satisfaction through staff attitude of Call Centre Representatives staff the highest the level of brand loyalty.

Empathy

This research found that there are some indicators that came up from the interview to measure the effect of empathy to the brand loyalty. In brief the findings and analysis of the result are shown in table below:

Table 2. Empathy Indicators

Indicators		Result
Understand the customer	Satisfactory	
Detect the emotional state and feelings of customer	Officers are quite capable to detect the emotional state and feelings of customers	

Source: Data Processed, 2013

First indicator is understand the customer. This research found that the informants are quite satisfied with the performance of the call centre representative because some of the staff quite understands to what the desires of their customers. The second indicator is detect the emotional state and feeling, to detect the emotional state and feelings of others through the spoken language behavior both verbal and non-verbal clients. Most of the customers are satisfied with what has been given by the existing officers. The officers were able to give full attention to the customer that is more than just what comes out of the mouth of their interlocutors, basically customers will feel happy if their expectations and their needs met by the product or service that they have been used. Therefore, in this case the call centre representatives should be able to give attention to the customer so that the customer does not turn or move to another provider but they will faithfully use the Telkomsel brand. From the customer's expectations based on the results obtained from the interview, it can be concluded that the call centre staff had performed a quite high empathy level to its consumer. Call Centre Representative is considered to have the ability to empathize with the customer and provide a feeling of emotion through the understanding of the customer.

Perceptions of Commitment to Service Quality and Customer Satisfaction

This study discovered several indicators that can measure the level of perception of commitment from the customer perspective. Some existing indicators of the perceptions of commitment to service quality and customer satisfaction, contained in the table below.

Table 3. Perceptions of Commitment to Service Quality and Customer Satisfaction Indicators.

Indicators	Result
Problem Solving	Satisfactory
Convenient and Accessible	Satisfactory

Source: Data Processed, 2013

First is problem solving, according to the result of the respondents experienced that they are satisfied with the performance given by Telkomsel Call Centre Representative because they can solve problems swiftly and clearly. So that most of the respondents gave a positive response in it. Second is convenient and accessible, in the interviews show that all the respondent are satisfied and they feel comfortable when dealing directly with CCR staff even though only by phone. It is because they do not need to spent their time to visit the nearest GRAPARI and according to them it easy to use because whenever and wherever the customer is, they are still able to make a complaint, or ask for information, and other matters relating with the product of Telkomsel.

Discussion

After completing all the interviews with the respondents, most of them have a different opinion and experience. Each person has their own character, belief, feeling, emotion and way to deal with surrounding problem. But actually they have same goal in order to creating the brand loyalty. To make it easier in discussing about the analysis result of the interview above, a grouping is needed. It appears automatically grouping for ease in explaining the results of the analysis have been obtained in this study as well as to analyze and can be easily concluded based on each perspective. In this study, respondents were divided into two groups based on their work, among other things: a group of students and non-student groups (in this case worker). There are three kinds of factor that taken from the customer experience from the customer's perspective, namely: staff attitude, empathy, and the last one is perceptions of commitment to service quality and customer satisfaction.

In terms of Staff attitude according to most respondents, staff attitude does not contribute a high influential factor in influencing customer decisions on their loyalty to a brand especially in Telkomsel products. First indicator in staff attitude is respect to the customer, this indicator is important because Telkomsel provides services to the customer, they are obliged to respect their customers. The customer has influence in the expansion of the market especially in this case through the call centre because without customers an industry will grow more slowly. If the company appreciates their customer, the companies can learn more deeply about the strengths and weaknesses inside of the company. The second one is politeness, Telkomsel's employee show politeness in serving their customer as the indicator of Telkomsel's staff attitude. Most of respondent agree to give a good remark to the staff attitude in customer experience for creating the brand loyalty. The last one in this factor is mood, mood can also affect the perception of customers towards the products or services provide by company. Emotion can be stable, such as a state of mind or feelings or life satisfaction. Thoughts or feelings of the employee (in a good mood or bad mood) may affect the response of the service. Specific emotions can also be caused by the consumption experience, which affects customer satisfaction with services. Most of the respondent agrees that staff attitude is important in acquiring brand loyalty. The higher the level of customer satisfaction through staff attitude can also increase the level of brand loyalty from customer perspective.

In terms of Empathy, in this factor found several indicators to measure the empathy of Telkomsel. First is about understand the customer needs. Understand the needs of the customer is quite important for the company because the customer evaluations can be use as an indicator to improve the quality aims to prove that the system is focused on customer needs or not. This study indicates that customer want to be understand because it is their needs as an indication of Telkomsel to their customer. Second, detect the emotional state and feelings of the customer. This indicator needs the ability of call centre representative to provide active response in the form of actions to detect the emotions of the customer. This action can help them to express their needs,

desires, or feelings that exist when dealing with the customer. If the customers give positive emotion such as happiness and joy, it will increase customer satisfaction. In contrast, negative emotions such as sadness, grief, regret and anger can reduce the level of satisfaction. It can affect directly to the brand loyalty from the customer perspective. Therefore, from the customer's expectations based on the results obtained from the interview, it can be concluded that the call centre staff had performed a quite high empathy level to its customer that have a positive effect in creating brand loyalty. Call centre representative is considered to have the empathize ability with the customer and provide a feeling of emotion in understanding the customer.

The final factor is perception of commitment to service quality and customer satisfaction. Several indicators have been developed in this study. First is problem solving. It indicates that whether Telkomsel provide the problem solving to their customer. It means if a company has effective customer complaints systems in place, many of those customers with questions or problems can be retained. Satisfied complainants can be nearly as, or even more loyal than, customers who did not have a problem. Second one is convenient and accessible. Respondents are demanding convenience and easy access because they have high expectations to Telkomsel. Because the customer has high expectations, so Telkomsel have to be perfect in satisfying their customer that make them keep will loyal with the brand.

CONCLUSION AND RECOMMENDATION

Conclusion

Call centre plays an important role in building brand loyalty because they interact directly with customers and based on results analysis the respondents were quite satisfied with the service provided by the call centre staff (Telkomsel). Three conclusions can be formulated: Firstly, staff attitude has no direct influence on brand loyalty. Polite service, respect, and good mood of call centre representative staff influence the brand loyalty of PT. Telkomsel. Secondly, empathy has direct influence on brand loyalty. Understand of the customer and detect the emotional state and feelings of customer influence the brand loyalty of PT Telkomsel. Thirdly, perceptions of commitment to service quality and customer satisfaction through the call centre also give direct influence on brand loyalty of PT Telkomsel. Problem solving, convenient and accessible influence the brand loyalty.

Recommendation

In order to creating the brand loyalty of Telkomsel, there are many things that Telkomsel have to manage especially in three factors considered in this research with regard to customer expectations to the call centre staff, namely: staff attitude, empathy, and perception of commitment to service quality and customer satisfaction that it proves that these three factors have fairly close relationship in the form of brand loyalty. Firstly, Telkomsel have to provide SEFT training (Spiritual Emotional Freedom Technique) which is self-empowerment training in Healing - Success - Happiness - Greatness, training teaches practical skills that are easy to use in addressing the emotional and physical problems when the employees are face the situation or condition that is not comfortable. So that they are able to remove barriers in order to improve their employee performance. Secondly, Telkomsel is required to equip their employees in this case Call Centre Representative staff to have the skills, steady credibility and extensive knowledge. Therefore, the Call Centre Representative must put their customer in their first place. Thirdly, Telkomsel must increase the number of call centre staff and also their system in order to reduce the frustration of customers because a lot of customers need to queue and even had to call the Telkomsel call centre for a several times in order to deliver their complaint.

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