

Research Articles

## Effect of E-Service Quality from Telkom Care Towards Indihome on Customer Loyalty

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### ABSTRACT

This study aims to determine the effect of whether e-service quality has a positive effect on perceived value, whether perceived value has a positive effect on loyalty, whether e-service quality has a positive effect on loyalty and whether perceived value is able to mediate the relationship between e-service quality and customer loyalty in Indihome internet service. This study uses primary data obtained by distributing online questionnaires to individual customers who use Indihome services in Yogyakarta, totaling 115 respondents. The data analysis technique used to test the hypothesis in this study uses the *structural equation model* (SEM) method with the AMOS 22 program. The results show that E-S-Qual has a positive and significant effect on perceived value, meaning that the better E-S-Qual, the higher the *customer's perceived value*. Perceived value has a positive and significant effect on customer loyalty, meaning that the higher the perceived value of the customer towards Indihome services, the higher the customer loyalty. E-S-Qual has a positive and significant effect on customer loyalty, meaning that the better E-S-Qual, the higher customer loyalty. Perceived value is a variable that significantly mediates the relationship between E-S-Qual and customer loyalty, meaning that the better the E-S-Qual, the higher the customer loyalty.

**Keywords:** E-S-Qual, perceived value, customer loyalty, IndiHome, SEM AMOS

### INTRODUCTION

The development of information technology in the era of globalization is growing rapidly. As time goes by, in the era of globalization the development of

technology takes on a very important role because it makes it easier for humans to carry out various life activities. At this time, the world knows a technology called internet media, where everyone through this media can obtain and convey the information needed anytime and anywhere. Apart from being a means of communication, the internet also provides opportunities for anyone to run a business. Following the existing developments, the traditional society has changed to become more modern, both in terms of behavior and culture. The development of internet technology has created many opportunities, one of which is marked by the emergence of a number of digital startups in various fields. However, a company that has become a pioneer in the telecommunications sector in Indonesia, namely PT. Telkom Indonesia, is also not inferior to startup companies in increasing service innovation.

Indonesia Digital Home (IndiHome) is one of the service products from PT Telekomunikasi Indonesia in the form of communication and data service packages such as home telephone (voice), internet (Internet on Fiber or High Speed Internet), and interactive television services (USee TV Cable, IP TV). Because of this offer, Telkom labels indihome as three services in one package (3 in 1) because apart from the internet, customers also get pay tv shows and telephone lines. Based on available data, the growth in the number of Indihome customers continues to experience significant development. During January-June 2021, Indihome subscribers increased by 285 thousand people or 11.4% to 8.3 million people spread over 496 districts/cities. This increase in indihome service users occurs because users certainly have a positive perception when using indihome services. Customers must have several reasons to keep using the product or service they choose. In this case, customers certainly have different levels of loyalty that affect the increase in indihome service users from year to year.

From the development of existing technology, entrepreneurs must make new innovations, namely providing convenience to customers in conducting transactions to maintain market share to continue to increase. By utilizing internet media in technological developments, and one of them is electronic services/e-services. It is undeniable that the quality of electronic services is a very important issue in order to create loyal customers. In the world of e-commerce, the concept of service quality is known as e-service quality. Other terms, namely electronic service quality, and online service quality, have the same definition (Putri and Verinita, 2019).

E-Service through online applications can of course be easily used anytime and anywhere, such as online shopping service applications (eg Bukalapak, Lazada, Shopee); hotel & ticket booking services (eg booking.com, aladin, traveloka, tickets. com); and even used/preloved sales service applications (eg olx, e-Bay, Carrousel). State-owned companies such as PT

Telkom are not left behind in developing the quality of electronic-based services, and one of them is the digital service IndiHome as one of the largest internet service provider platforms in Indonesia.

The limited empirical studies that examine the dimensions of E-S-Qual in electronic services in Indonesia encourage the author to examine the role of E-S-Qual on customer loyalty. Furthermore, this study aims to identify the relationship between E-S-Qual, perceived value (perceived value), and customer loyalty. Perceived value is a perceived value depending on how to evaluate the quality or benefits that will be received from a product compared to the costs or sacrifices inherent in the price. In other words, the perceived value of consumers represents a trade-off between the perceived quality or benefits in the product relative to the sacrifices consumers feel by paying the price (both products and services), (Balamuralikrishnan, 2018). Research conducted by Balamuralikrishnan (2018) found that there was a significant effect between E-S-Qual on perceived value in digital companies in India and a population consisting of students in the city of Tiruchirapalli with a sample of 39 respondents using the Pearson correlation and regression test.

Regarding the relationship between perceived value and customer loyalty, several previous empirical studies have shown that there is a significant effect of perceived value on customer loyalty (Chinomona *et al.*, 2014); (Wasim *et al.*, 2017). Chang *et al.* (2009) argues that consumers' perception of value contributes positively if towards e-loyalty by reducing the need for individuals to seek alternative service providers. Lee *et al.*, (2016) stated that consumers who show a sense of loyalty will have a positive impact on service quality. Loyalty is defined as the proportion of consumers to choose some specific product or service compared to the total number of purchases made by these consumers.

Although the majority of studies show a positive effect of E-S-Qual on loyalty, several other studies have shown contradictory results, namely research conducted by Brown and Jayakody (2008) found that the quality of electronic services does not directly affect consumer loyalty to the site. Service quality positively affects user satisfaction, and information quality positively affects perceived usefulness. Both user satisfaction and perceived usefulness positively affect site loyalty. Based on the explanation of E-S-Qual, perceived value, and customer loyalty, it can be concluded that the quality of electronic facilities needs to be evaluated as the impact of E-S-Qual which will be able to affect customer loyalty, especially in Indonesia Digital Home services (abbreviated IndiHome).

Based on this phenomenon, the problem in this study is whether e-service quality has a positive effect on perceived value, whether perceived value has a positive effect on loyalty, whether e-service quality has a positive effect on

loyalty and whether perceived value is able to mediate the relationship between e-service quality and loyalty to Indihome customers.

## LITERATURE REVIEW AND HYPOTHESIS

### Customer Loyalty Concept

According to Neupane (2015) customer loyalty is a form of responsibility or serious action to re-purchase a product/service continuously in the future, and this will have an impact on repeated shopping activities for the same type of goods, although it is influenced by the environment which has the potential to cause a change in customer behavior. Loyalty is related to consumer attitudes that have consumer intentions to repurchase and recommend it to their closest people (Sondoh, *et al.*, 2007).

Loyalty is the true estuary of a series of marketing activities, not only limited to customer satisfaction, loyalty that is able to reflect the end result of a process in which internal arrangements play a role (Thakur, 2012). Hurriyati and Ratih (2014) stated that customer loyalty is a very important impetus to create sales, as a form of deep commitment from customers to repurchase. Loyal customers always refuse to offer products or services from other companies. They already have their own love for the product or service that has been used.

Izogo (2017) defines that customer loyalty is a continuous repurchase or sustainable support behavior towards goods or services that are the choices for consumers, thus, recruiting loyal customers becomes important if there are more competitive offers. Understanding customer loyalty includes exploring why consumers continue to choose the product or service they choose and other consumers choose other product or service offerings from competitors (Moore *et al.*, 2012).

Indicators to measure loyalty according to Pandey, Tripathi, Jain, and Roy (2019), that is disseminating positive things about the site to friends, recommending the site to friends, convincing friends to use the site, considering the site as the main choice for purchases in the future, and do more business with the site in the next month.

### Relationship of E-S-Qual with Perceived Value

That is two types of value from online shopping sites, namely utilitarian and experiential. Utilitarian value is defined as an overall assessment of functional advantage combining four dimensions namely cost saving, service, time saving, and reward selection. Utilitarian values are relevant to the specific task of using online shopping sites such as purchase considerations. Experiential value is defined as the overall representation of the experiential benefits of entertainment, escapism, visual appeal, and interactive activities involved in

online shopping activities. The value of online shopping gives rise to various types and the overall value positively affects consumer satisfaction and loyalty.

Keeney (1999) revealed that in online retail settings, consumer value perceptions come not only from the product itself, internet channels also affect the process of searching, ordering, and receiving products. This means that the quality of the service on the online site (E-S-Qual) affects the value that will be obtained by consumers. This is also in line with research conducted by Zehir and Narcikara (2016) which said that the research was conducted on electronic businesses in Turkey, the objects in the study were the 10 most popular online-based retailers in Turkey with a total distribution of 645 questionnaires. distributed to consumers who use these electronic services. With the increase in internet-based retail businesses, the quality of e-retailer services has been recognized as an important factor in determining the success rate of e-commerce businesses, so this study proves that there is a positive influence between digital service quality and perceived value.

Research conducted Zehir and Narcikara (2016), and research Chinomona *et al.* (2014) prove that there is a positive and significant influence between digital service quality on perceived value. The results are also supported in the research of Widiaputri *et al.* (2018), which found that the quality of digital services had a significant effect on perceived value. Lasyakka (2015) proving that the influence of digital service quality which includes reliability, website design, security, and customer service has a positive and significant effect on the perception of value on the lazada.co.id website. Based on some of these explanations, the following hypothesis is put forward:

**H<sub>1</sub>:** *E-S-Qual has a positive effect on perceived value.*

### **Relationship of Perceived Value with Customer Loyalty**

According to Zeithaml (1988) perceived value is the overall consumer assessment of the utility of a product based on perceptions of what is received and what is given. Perceived value is currently considered the most significant factor in attracting and retaining consumers (Mosavi and Ghaedi, 2012), as well as being a construct to predict consumer buyer behavior (Chen and Dubinsky, 2003). Overall, consumers make future purchase intentions based on the value gained from the last contact, by leveraging the relationship so as to mediate the expectation of future benefits. Therefore, repurchase is possible by building relationships with consumers and continuing to provide value thereby increasing loyalty.

Research conducted by Zehir and Narcikara, (2016); Zehir *et al.* (2014) found that perceived value has a positive and significant effect on customer loyalty. The research is supported by research by Yoo and Park (2016) which

reveals that there is an influence of the perceived value of mass customization on customer loyalty. Research conducted by Lin, Lobo, and Leckie (2017) specifically examines the role of perceived value in companies that use green branding strategies on customer loyalty, finding that there is a positive and significant influence between perceived value on customer loyalty. Based on some of these explanations, the following hypothesis is put forward:

**H<sub>2</sub>:** *Perceived value has a positive effect on loyalty.*

### **E-S-Qual Relationship with Customer Loyalty**

E-services are defined as the provision of services over electronic networks, such as the internet are a strong source of competitive differentiation. In the form of e-commerce and e-governance. Loyalty can come from an online company that provides the best service compared to competitors is a determining factor in customer loyalty (Reichheld and Schefer, 2000). Quach, Thaichon, and Jebarajakirthy (2016) in their research which tries to investigate the dimensions of the service quality of internet service providers (ISPs), and the side effects of customers loyalty in high-tech services. Research data obtained from new users. The research analysis includes grouping ISP customers based on customer databases and evaluating customer perceptions of the dimensions of internet service quality. Through the use of structural equation modeling, the respondents in this study amounted to 4000 respondents, filling out the questionnaires distributed via email. The respondents' criteria in this study were residential internet users in all regions in Thailand in 2013. This study proves that the dimensions of ISP service quality affect customer behavior loyalty.

This research was conducted by Lee and Wong (2016), research that refers to the state of the mobile trading market which is still relatively in its early stages, but there is hope for mobile internet penetration to grow rapidly in the future. The research findings prove that efficiency, system availability, compliance, privacy, are factors that affect customer loyalty, so it is hoped that service providers will be able to build m-commerce customer loyalty in Malaysia. This result is supported by research Jiang *et al.* (2015) which finds that e-service quality has a positive effect on customer loyalty. Vicramaditya (2021) also found that e-service quality has a positive and significant effect on customer loyalty. Based on some of these explanations, the following hypothesis is put forward:

**H<sub>3</sub>:** *E-S-Qual has a positive effect on loyalty.*

### **E-S-Qual Relationship to Loyalty through Value Perception**

Perceived value is defined as the result between benefits and sacrifices where quality is a benefit and price is a sacrifice. The dimensions of consumer value

perceptions consist of four main aspects, that are: (1) Emotional value, that is utility derived from positive feelings or affective/emotions arising from consuming the product; (2) social value, that is utility obtained from the product's ability to improve the concept the consumer's social self; (3) quality/performance value, which is the utility obtained from the perception of the expected quality; (4) performance of the product and price/value of money, that is the utility obtained from the product due to the reduction of short-term costs and long-term costs.

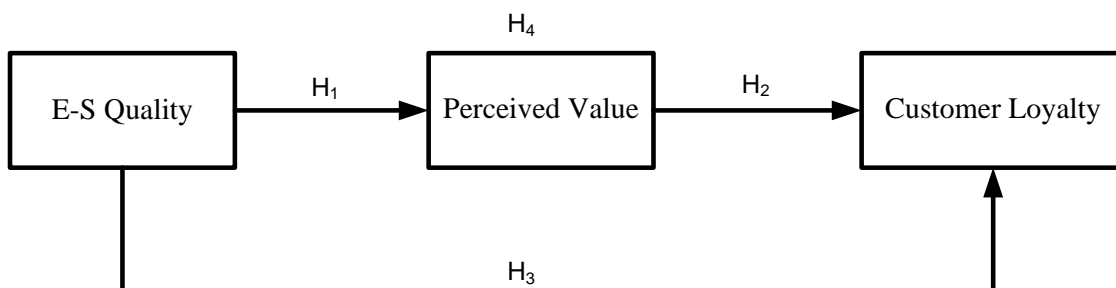
Consumers tend to feel treated fairly if they feel that the ratio of their returns to inputs is proportional to the ratio of returns to inputs experienced by the company. The consumer value (perceived value) is a higher goal and customer loyalty is a lower goal because this is a behavioral intention. Thus, consumer values regulate the behavioral value of loyalty to service providers as long as the relational exchange provides superior value. E-loyalty as the intention and consumer to visit or use the site, make a purchase or consider buying from the site in the future where consumers will not switch to another site. Loyalty behavior refers to the consumer's intention to do more business and recommend to others.

Research Jiang *et al.* (2015) found that the results of the mediation test showed that the perception of customer value played a partial mediating role in the effect of ease of use, maintenance, product portfolio, and reliability on customer loyalty, and as a full mediation in the relationship between security and customer loyalty. This is confirmed by the perceived value research acting as a mediator between the relationship between e-service quality and customer loyalty. Based on some of these explanations, the following hypotheses were formed:

**H<sub>4</sub>:** *E-S-Qual has a positive effect on loyalty through value perception.*

## RESEARCH FRAMEWORK

Based on previous research studies and theoretical basis, the framework of this research is as follows:



**Figure 1.** Research Framework

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## **RESEARCH METHODOLOGY**

### **Population dan Sample**

In this study the population is all individual customers who use the services of Indihome in Yogyakarta. Meanwhile, the sampling was carried out using the convenience sampling method, which is a technique for determining the sample based on population members who can be met by researchers and are willing to be respondents who will be used as samples.

The number of research samples refers to the opinion of Hair *et al.*, (2014) who say that the research model using the structural equation modeling (SEM) model can be calculated based on the multiplication between values of 5-10 of the number of indicators. In this study there are 24 indicators so that the number of samples is  $5 \times 24 = 120$  respondents.

### **Data Collection Method**

The data in this study used primary data. Primary data is information collected by researchers directly from the source. Primary data in this study was obtained by making and distributing questionnaires to respondents.

### **Research Variable**

The independent variable in this study is e-service quality which adopted the research conducted by Zehir *et al.* (2014) measured by 17 question items consisting of four indicators consisting of efficiency, fulfilment, system availability and privacy.

The dependent variable in this study is customer loyalty which is measured using 5 question items referring to the research Zehir *et al.* (2014). While the mediating variable is the perceived value which is measured using 4 questions referring to the research Zehir *et al.* (2014). While the mediating variable is the perceived value which is measured using 4 questions referring to the research Zehir *et al.* (2014).

### **Data Analysis Technique**

Before analyzing the data, the validity and reliability were tested first. The results of the validity test showed that all of the questions could be declared valid, and the reliability results found that all variables could be declared reliable.

The results of the validity test show that all questions can be declared valid and reliable. Data analysis technique using structural equation modeling analysis with AMOS 22.0 program.



## RESULTS AND DISCUSSION

### Respondent Profile

**Table 1.** Respondent Profile

Demographic Variables	N	%
<i>Gender</i>		
Male	46	40.0
Female	69	60.0
<i>Age</i>		
13-25 years	27	23.5
25-40 years	76	66.1
40-55 years	12	10.4
<i>Educational Background</i>		
S1	82	71.3
> = S2	20	17.4
<i>Type of Work</i>		
Student	27	23.5
Self employed	38	33.0
Private employee	27	23.5
Civil servant / TNI / POLICE	18	15.7
Others	5	4.3
<i>Length of Time as an Indihome Customer</i>		
< 1 years	48	8.6
1 – 2 years	79	14.1
> 2 years	138	24.6
Total	115	100.00

Source: Primary data processed, (2022)

Based on Indihome customers in Yogyakarta, mostly female respondents responded by 60%. The majority of respondents are young and productive, i.e. between 25 – 40 years, 66.1%, have a bachelor's degree in education and work as an entrepreneur and have been an Indihome customer for more than 2 years.

This shows that customer loyalty to Indihome services is quite large, so they have a commitment to continue to use products and services from Indihome. The results of the descriptive analysis can be shown in table 2:

**Table 2.** The Results of The Descriptive Analysis

Variable	Descriptive		Coefficient Correlation		
	Mean	SD	(1)	(2)	(3)
ES-Quality (1)	4.314	0.53447	1		
Perceived Value (2)	4.015	0.65585	0.362**	1	
Customer Loyalty (3)	4.127	0.37550	0.350**	0.301**	1

Source: Primary data processed, (2022)

Based on the results of the descriptive analysis as shown in table 2, it shows that the average respondent's assessment of the variable that is rated the highest occurs in the career ES-Quality variable, which is 4.314 (very good). The next order is the assessment of customer loyalty with an average of 4.127 (loyal), and perceived value with an average of 4.015 (low). From the results of the correlation analysis showed that all variables were strongly correlated with the dependent variable with a significance level of  $p < 0.01$ .

### Research Instrument Test Results

Convergent validity is done by comparing the value of the outer model (loading factor) with a critical value of 0.5. If the loading factor  $> 0.5$  then the instrument item is declared valid and vice versa if the value is  $< 0.5$  then it is declared invalid. The results of covergent validity can be shown in the following table:

**Table 3.** Convergent Validity and Reliability

Variable	Outer Loading	CR	AVE	Description
E-Service Quality	0.566 - 0.809	0.970	0.758	Valid
Perceived Value	0.707 - 0.879	0.917	0.779	Valid
Customer Loyalty	0.600 - 0.809	0.928	0.783	Valid

Source: Primary data processed, (2022)

Based on the results of validity testing as shown in table 3, it shows that the results of the validity have met convergent validity because all loading factors  $> 0.5$ . Likewise, the average variance extracted (AVE) value is also above 0.5. Thus, all indicators can be declared valid.

The results of the reliability test showed that all variables were declared reliable with construct reliability  $> 0.7$ . Based on the analysis data above, all variables and indicators can be declared valid and reliable.

## Normality and Outlier Test

**Table 4.** Normality and Outlier Test

Variable	c.r. (Skewness)	Outlier Test	
Variable	Normality	No Respondent	p-value
LO5	-1.194	105	0.015
LO4	-0.062	36	0.018
LO3	-0.541	88	0.02
LO2	-0.238	5	0.026
LO1	0.169	34	0.032
PN4	-0.311	62	0.041
PN3	-0.259	19	0.07
PN2	-0.265	6	0.071
PN1	0.405	108	0.082
E	-2.181	60	0.089
F	-1.075	31	0.09
SA	-1.924	49	0.095
P	-1.012	37	0.1
Multivariate	1.480	45	0.104

Source: Primary data processed, (2022)

From the results of the overall CR skewness analysis, there is no value greater than 2.58, so the distribution can be said to be normal. Likewise, the outlier test shows a p-value > 0.001, so there is no outlier data in this study.

## Goodness of Fit

The results of the goodness of fit test in the research model are shown in table 5 below:

**Table 5.** Measurement Model – Goodness of fit

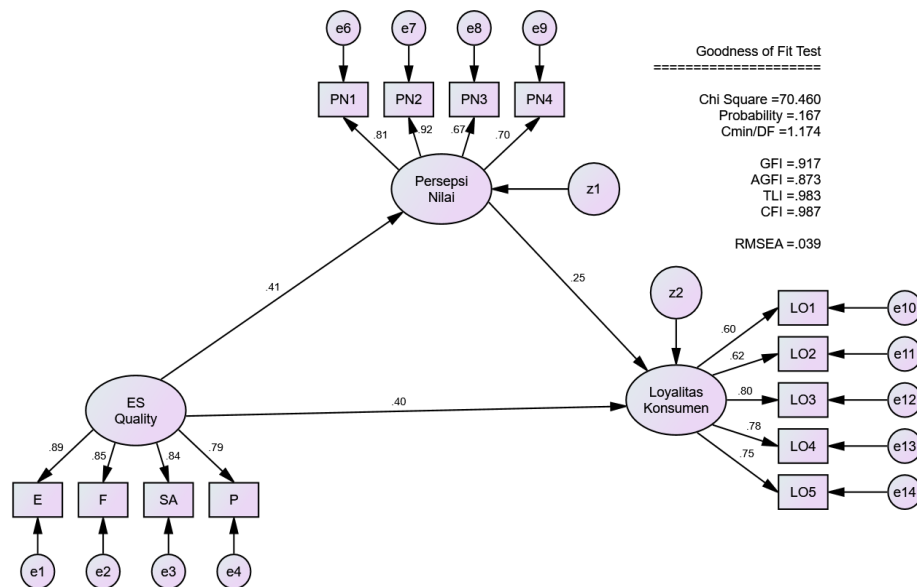
Criteria	Critical Value	Model Results	Conclusion
X <sup>2</sup> - Chi-square	Expected Small	70.460	Good Fit
Probability	≥ 0,05	0,167	Good Fit
RMSEA	≤ 0,08	0,039	Good Fit
GFI	≥ 0,90	0,917	Good Fit
AGFI	≥ 0,90	0,873	Marginal Fit
TLI	≥ 0,90	0,983	Good Fit
CFI	≥ 0,90	0.987	Good Fit

Source: Primary data processed, (2022)

From the results of the goodness of fit index measurement above, it can be concluded that most of the parameters have met the expected requirements. Judging from the value of chi-square, probability, CMIN/DF, RMSEA, TLI, CFI and has met the goodness of fit requirements, and only the AGFI parameter whose value is less than 0.9 so it can be concluded that this research model has a good measure of model accuracy.

### Hypothesis Testing and Discussion of Data Analysis Results

Hypothesis testing with SEM analysis obtained the following path results:



**Figure 2.** Results of Path Analysis (Standardized Coefficients Model)

Source: Primary data processed, (2022)

Based on the picture above, it can be explained the results of testing the first hypothesis to the fourth hypothesis. While the estimated results of the SEM analysis can be shown in the following table:

**Table 6.** Estimation of SEM Analysis Results

Relationship Between Variables	Standardized Estimate	S.E.	C.R.	P	Description
ESQ → PV	0.412	0,130	4,031	0,000	H1 supported
PV → CL	0.252	0,056	2,272	0,023	H2 supported
ESQ → CL	0.405	0,077	3,404	0,000	H3 supported
ESQ → PV → CL	0.104	0,048	2,132	0,032	H4 supported
R Square	0.311				

Source: Primary data processed, (2022)

From figure 2 and table 6, it can be explained that the coefficient of determination (R Square) is 0.311, so it can be interpreted that the overall research model is able to explain customer loyalty by 31.1%, and the remaining 68.9% is explained by other variables.

### **Effect of ES-Quality on Value Perception**

Based on the results of the study, the standard regression coefficient was 0.412 with a p-value of 0.000 less than 0.05. This sig. means that the effect is positive and significant. Which means that the better the e-service quality provided by Indihome, the higher the perceived value. It can be concluded that e-service quality has a positive effect on perceived value. So the first hypothesis of this research is accepted.

This research supports the idea that e-service quality activities are considered as drivers of customer value perceptions. The customer's perceived value is a customer assessment carried out by comparing the benefits to be received with the sacrifices incurred to obtain a product/service. However, customer perceived value can also mean the customer's effort to compare the products/services of a particular company with competing companies in terms of e-service quality.

This finding is in accordance with research conducted Zehir and Narcikara (2016) and research Chinomona *et al.* (2014) proves that there is a positive and significant influence between digital service quality on perceived value. The results are also supported in the research of Widiaputri *et al.*, (2018), which found that the quality of digital services had a significant effect on perceived value. Lasyakka (2015) Proves that the influence of digital service quality which includes reliability, website design, security, and customer service has a positive and significant effect on perceived value on the lazada.co.id website.

### **The Influence of Perceived Value on Customer Loyalty**

Based on the results of the study, the standard regression coefficient was 0.252 with a p-value of 0.023 less than 0.05. This sig. means that the effect is significant positive. Which means that the perception of better value for Indihome services in Yogyakarta also increases customer loyalty. So it can be concluded that the perceived value has a positive effect on loyalty. Therefore, the second hypothesis is accepted.

Perceived value or customer value is one of the most important steps to gain a competitive advantage. From the results of comparisons made by customers between providers, customers will judge which company they think provides the best service. The best assessment according to this customer will

increase their satisfaction with the company which in turn will encourage them to make repeat purchases so as to increase customer loyalty.

This finding supports research conducted by Zehir and Narcikara (2016); Zehir *et al.* (2014) found that perceived value has a positive and significant effect on customer loyalty. The research is supported by research by Yoo and Park, (2016) which reveals that there is an influence of the perceived value of mass customization on customer loyalty.

### **Effect of E-Service Quality on Customer Loyalty**

Based on the results of the study, the standard regression coefficient was 0.405 with a p-value of 0.000 less than 0.05. This sig. means that the effect is significant positive. This means that the better the consumer's assessment of e-service quality, it will further increase consumer loyalty. So it can be concluded that E-S-Qual has a positive effect on loyalty. Therefore, the third hypothesis is accepted.

E-Service quality is defined as an extension of the ability of a company to facilitate shopping, purchasing, and distribution activities effectively and efficiently. Loyalty can come from an online company that provides the best service compared to competitors is a determining factor in customer loyalty. This result is supported by research Jiang *et al.* (2015) which finds that e-service quality has a positive effect on customer loyalty. Vicramaditya (2021) also found that e-service quality has a positive and significant effect on customer loyalty.

### **The Effect of E-Service Quality on Customer Loyalty Mediated by Perceived Value**

Based on the results of the analysis, the Sobel test value obtained is 2.132 with a p-value of 0.032 which is smaller than 0.05, so it can be said that perceived value is able to mediate the relationship between e-service quality and customer loyalty. For this reason, the fourth hypothesis is accepted.

The findings of this study indicate that consumer's perceived value is a variable that significantly mediates the relationship between e-service quality and consumer loyalty. The quality of online services that are increasingly satisfying will certainly provide value to their customers so that their loyalty will be stronger. The consumer value (perceived value) is a higher goal and customer loyalty is a lower goal because this is a behavioral intention. Thus, consumer values regulate the behavioral value of loyalty to service providers as long as the relational exchange provides superior value.

Research results support research research Jiang *et al.* (2015) found that the results of the mediation test showed that customer value perceptions played a partial mediating role in the effect of ease of use, maintenance, product

portfolio, and reliability on customer loyalty, and as a full mediation in the relationship between security against customer loyalty.

### **LIMITATIONS OF THE RESEARCH**

Research is still far from perfect because it has several limitations when conducting research. Some of the limitations include the method of distributing this questionnaire only online through the help of google forms, so that the answers given by respondents have not shown a true assessment considering that researchers are not able to control by meeting directly with respondents.

The difficulty of getting respondents, researchers only get the number of respondents as many as 115 respondents. Another limitation is related to the low coefficient of determination, which is only 31.1%, indicating that there is still a need for development by including other variables that have a strong influence on consumer loyalty such as satisfaction, trust, tariffs, and other variables.

### **MANAGERIAL IMPLICATION**

The implication of the results of this study recommends for Indihome management in Yogyakarta that e-service quality is an effective tool for developing customer relationships, and building consumer loyalty by measuring the level of perceived value from customers.

E-service quality is a service that continues to improve its innovation, especially those that are still rated the lowest by customers, such as Indihome internet service access which allows me to access it quickly. Access speed is the most important thing but is often a major problem in indihome services, for example during network repair or network development so that it can interfere with customer convenience. For this reason, this speed is a factor that is continuously maintained so that consumers do not feel disappointed, because and remain loyal to using Indihome services.

### **CONCLUSION**

Based on the results of data analysis, it can be concluded that e-service quality has a positive and significant impact on perceived value. This means that the better the e-service quality, the higher the perception of customer value. The results of the analysis also found that perceived value has a positive and significant impact on customer loyalty.

This means that the higher the customer's perceived value of Indihome's services, the higher the customer's loyalty. Likewise, e-service quality has been proven to have a positive and significant impact on customer loyalty. This means that the better the e-service quality, the higher the customer loyalty.

Further findings have proven that perceived value is a variable that significantly mediates the relationship between e-service quality and customer loyalty. This means that the better the e-service quality, the higher the customer loyalty.

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