

MEASURING THE BRAND LOYALTY OF UNSATISFIED TELKOMSEL FLASH CUSTOMER

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Abstract-*Telkomsel is one of the largest telecommunication company in Indonesia which provides a wide range of services to its customers. competing with Indosat and Smartfren with a total market share of 77.5%. Indonesia is the 5th biggest Twitter social media users in the world with 19.5 million users. The purpose of this study is to measure brand loyalty of customers who feel a dissatisfaction in experiencing Telkomsel Flash product. Basic understanding of the brand, brand equity, brand loyalty, social media, content analysis, and public relations are the theories related. Kurrently.com and Topsy.com are research helping tools in analyzing social media content other than using Twitter.com. The methodology contains of research framework and determining sampling method. Slovin Theory is used in determining the number of samples. There are 4 parts presented in data analysis. Finally, conclusion and recommendation were written based on data analysis and several necessary facts.*

Keywords : Telkomsel Flash, Brand Loyalty, Content Analysis, Social Media, Twitter

Introduction

The competition in telecommunications providers in Indonesia is very tight, which was shown by the market share of mobile ISP in Indonesia is greatly dominated by three well-known brand named Telkomsel, Indosat, and Smartfren, with the total of 77,5%. Internet service users in Indonesia has reached 55 million people with 29 million people being the user of mobile internet services (MarkPlus Insight, 2011) as cited by (Kompas, 2011). This number is directly proportional with the development of social networking users in Indonesia. Indonesia is currently the fifth largest user in the world with 19.5 million Twitter accounts (Tempo, 2012).

The development social networking use has affected many people in choosing a brand. Both of advantages and disadvantages of a brand can be easily exposed and viewed by mass of people in a matter of seconds, creating a positive or negative sentiment towards a certain product. Brand loyalty act as an important factor when product differentiation in each brand is getting harder to find. But, many internet service providers in Indonesia offering almost similar products one to another thus making a unique differentiation between each brand is very difficult to spot, this leading to an easier brand switching if one find a dissatisfaction or dissapointment towards the brand.

The Brand Definition

The word brand came from the Old Norseword "Brandr" which means to burn. Brand is something that represents what the product provided to customers. (American Marketing Association, 1960) defined brand as a name, sign, symbol, or design, or the combination of them to indentify the goods or services of one seller or a group of sellers to differentiate them from other seller.

A brand is created to represent what kind of product that a company will offer and the "secret recipe" for their success (Spence, 2012). They should define the true purpose of why they should be in the market and promises that they want to deliver to the customer (Adamson, 2009). Emotional bond between the brand itself, the product, and the customer is needed because today's consumers will decide to buy a product based on their perspective of the brand itself (Kam, 2007), which further potentially creating brand loyalty. When a customer see a brand for the first time, the brand creates a stimulus to be processed by 5 senses and continue to attention state, neural impulses and finally will end at the brain the perspective of the brand is taken (Gobe, 2008). The positive or negative reaction of the consumer towards the brand will create the meaning and awareness (Moriarty & Franzen, 2008).

Brand Equity

Brand Equity is the sum of all things related between the product, company, and its customers. There are several explanation of brand equity by some marketing experts. Fieldwick (1996) in (Jones, 1999) classified several meanings of brand equity which are the *"total value of a brand as a separable asset when it is sold, or included in balance sheet, a measure of strength of consumers attachment to a brand, and a description of the associations and beliefs the consumer has about the brand"*. Knapp (2000) in (Kotler, et al 2006) defines brand equity by dividing factors involved which are *"the totality of the brand's perception, including the relative quality of products and services, financial performance, customer loyalty, satisfaction, and overall esteem toward a brand."* Aaker (1991, 1996) grouped brand equity into five parts which are brand loyalty, brand awareness, perceived quality, brand association and proprietary assets. Aaker and Joachimstaler (2000) created a new brand equity by put out proprietary asset. (Egan III, 1992) in his journal "Brand Equity: The Value of a Trademark" concluded 3 marketing elements which have an effect on brand equity which are consumer awareness of the brand and its products, emotional associations that consumers attach to the brand, and perceived quality of the brand potential for extensions of the brand name to new products.

Brand Loyalty

Brand loyalty is one of the 4 parts of brand equity . (Hoyer et al, 2008) defined brand loyalty as a state where the consumer will buy a product over and over again due to the added value that a product has which is not available in other products. (Hernawan, 2012) in an article which discusses brand loyalty, describing that there are 4 factors that points out the importance of brand loyalty in the real life which are less cost in promotional activities, indirect promotion via loyal customers, ability to attract new customers, and tolerance to change the brand.

Twitter as Social Media

Social media or commonly known in Indonesia as "social networking" is a web-based technology that has an objective to bridge the communication between people around the world with 2 or 1 way dialogue system in an interactive way. Nowadays, The effect of social media in influencing customers to consider a product can be said to have a very huge. A study from (Nielsen, 2009) states that 90% of people tend to skip television commercials and only 14% of people still believe in a television commercial. In this study also mentioned that the highest level of confidence in one's product preferences is through the person or friends that they already know thus believe in them (90%) and 70% through brand websites and brand website. Twitter is one famous social media in the world that is known for it's simplicity and easy of usage, founded by Jack Dorsey in 2006. Twitter enables its user to send a 140 limited characters, called tweets. Each twitter user can build a conversation by replying the other tweets, or by retweeting it. A conversation also can be done by a direct message feature provided by Twitter. Indonesia was the 5th largest twitter user country around the world.

Topsy.com and Kurrently.com for Social Media Tracking

Social media tracker are proved to be useful to help the user searching for what is limited in Twitter itself. Topsy.com and Kurrently.com are the example of social media trackers. Topsy.com is a special search engine for Twitter which provide a specific information database from twitter that we want to get. It also provides an advanced search feature which consist of several useful command to filter our search result or inserting a keyword. Kurrently.com is a real time search engine which provide a live tweeting activities of the information that we want to search. It gathered live data from 3 social media which are Twitter, Facebook, and Google Plus. Kurrently.com provides an option to filter our search result in a couple of languages.

Content Analysis

According to ucdavis.edu, content analysis is a technique to give a clear description of a communication by analyzing relevant medium that can be reviewed such as television, video, and internet. they further explains that content analysis is frequently is used in order to gather a new data recorded by the researcher. Content analysis is divided into two parts which is conceptual analysis and relational analysis. Conceptual analysis is a method of how a certain words appear in a single sentence or a reading, for example how many times the word "exciting" appears in a volume of words. In order to bring a flexibility to the research, rules or code can be set. Relational analysis is the second part of content analysis and the next part of conceptual analysis. Relational analysis will further analyze the text contains of those words whether if both share the same meaning or not. Content analysis are proved to have a several advantages. Some of them are looking directly to a certain communication based on a text thus taking the central aspects of the interaction, allow quantitative and qualitative operations, and insight through a various models of human's thought and language used.

Public Relation

Public relation is playing an important role in branding and handling or communicating over things in internal part or to external part of a company. (Olaito, 2010) in his article "How Public Relations Help Brand Building" explains several public relation's role in managing or maintaining the brand itself which are making sure to deliver brand promise, two way communication between company and public, maintaining customers relationship and loyalty to the company, and developing programs to keep a positive brand image. With a huge growth of social media usage especially in Indonesia, public relation must take part in it. Hundreds or thousands conversation about a certain brand can be easily found in it. @Telkomsel, @XLCare, and @smartfrenworld are being the examples of several internet service provider brand's public relations strategy to communicate their brands with its customer and developing a good brand image.

Methodology

Framework and Sampling

The research framework is divided into four parts. Each part was arranged in sequence based on how the research was done. The first part is deterring keywords for research. In order to measure the brand loyalty of Telkomsel Flash complaining customers. Keywords have to be determined to know exactly what we are going to search. The keywords were divided in 2 parts which are the main keyword and the sub keyword. The main keyword for the research is "Telkomsel Flash" followed by the sub keywords which related to negative sentiments. So filtering is needed to separate it from positive and neutral sentiments.

Second part is searching for the negative sentiment. However, searching result from twitter search tab is limited to one week before the searching begin, thus making the research more difficult unless

the minimum sample required is met in that range of period. Several tools were used to acquire more data in order to anticipate a not responding customers. Topsy.com and Kurrently.com were the best tools available that was able to be found. Topsy.com provides a search result for various range of time (a day, a week, a month, a year, and all time). Kurrently.com helped filtering the search result into Bahasa Indonesia only, to eliminate the possibility of encountering irrelevant tweets.

The third part is building the conversation with the respondent. It consists of two steps which are asking for permission to be interviewed and asking the main question. Two main questions that were asked are :

“How long have you use Telkomsel Flash product? And Why did you choose Telkomsel Flash for the first time?”

“Do you have any interest in switching to another internet provider / brand which offering more quota usage with competitive price?”

The last part is collecting data. Data collection began as soon as the first respondent replied the first and second question. Collecting data started at January 27, 2013 and ended at February 4, 2013. The raw information data were collected in one Microsoft Excel file. The data is separated into four columns which are account name, product usage duration, reason of choosing product, and switching tendency.

The minimum samples required to perform this research was based on the research population. Word “Telkomsel Flash” acted as the main keyword for this research thus making the number of Telkomsel Flash mention per month as the population. In a purpose to make the sampling easier with a large amount of possible respondents, this research required the number Telkomsel Flash mention since December 1st, 2012 until February 4th, 2013 (66 days). There are 5391 Tweets mentioning Telkomsel Flash in 66 days and focusing on negative tweets, there are 1449 Negative Tweets related to Telkomsel Flash in 66 days which acted as the population. Since this sampling is Purposive Sampling type, Slovin Theory is able to be used on determining sample size. In order to perform this research, 94 tweets was needed with a marginal error of 10% (Confidence level of 90%).

Results

32% of the respondents believed that Telkomsel Flash is providing a product with wide coverage and signal stability followed by 19% of respondents believed that it is offering a better connection speed than other competing brands. 13% of respondents chose the product because of their close person recommendation who can be their family or relatives. So it should be noted that the power of word of mouth in using internet service provider is an important factor of people choosing Telkomsel Flash .Contradict with the result above, there are 41% of respondents complaining about the connection speed issues and followed by 22% of respondents complaining about coverage and signal issues. It has to be noted that these two issues are very different, the signal issues came up when the supposed HSDPA or 3G suddenly unreachable or dissapeared thus making 2G or EDGE only signal available, the difference of these two signal strength then affecting the connection speed. The connection speed issues came up after the respondents felt that they should've experienced a high speed internet connection because they were already in 3G available network or connection. The tendency in brand switching of the respondents is considerably high, there were about 52% of respondents already planning what brand that they want to switch to or at least have an intention in switching from Telkomsel Flash and the rest (48%) are not planning to switch the brand. Among 51% of dominant reason respondents choosing over the product (Wide coverage & stability and connection speed), 50% of them have a tendency to switch to another brand. This can be caused by failure of Telkomsel Flash product to give its customers what they were expecting for. This shows that Telkomsel Flash should be careful in delivering promise and expectation to the customers. 19% of the respondents believed that Telkomsel Flash still has the best coverage and

signal stability among its competitors. Moving to the same level, there are also 19% of the respondents still tolerable of using Telkomsel Flash eventhough they have encountered a frequently coming problems with no exact solutions. 13% of the respondents felt that they didn't have any intention in brand switching. 9% of the respondents hold a doubt over the other brands as they thought that they might encounter same issues that they currently faced if they switched to the other brands. Another 9% thought that Telkomsel Flash still has the best quality over its competitors and long term user (loyal) of Telkomsel product. The other factors involving in their decision to stay with the brand are distributed quite prevalent with 2 – 7% for each factors which means there were plenty of different reasons that could come from a customer to stay with Telkomsel Flash. Among the respondents who said no in brand switching from dominant reason in choosing Telkomsel Flash (Wide coverage/stability and connection speed), 38% of them still have faith or belief that Telkomsel Flash still has better coverage and connection speed among its competitors and followed by 17% of them felt that they are tolerable in using the product.

Discussion

The result above shows that the failure to deliver the brand promise can cost a huge potential of losing customers. From other perspective, Telkomsel Flash is currently competing with many other famous brands in internet service provider category such as Indosat and Smartfren, this type of competition is called oligopoly which few firms dominate a certain market (product or services). Oligopolist characteristic can be seen by a frequent head-to-head competition of a brand and its competitors in marketing strategy (pricing or non – pricing). Other brands have already creating price war among them which can be seen by the existence of many interesting packages or offers with competitive prices. This condition put the them to have more benefit Telkomsel Flash. In the condition where the followers try to put a disadvantages towards Telkomsel Flash as a market leader, they should evaluate quickly whether to act or wait and watch the situation. Non-pricing marketing strategy (e.g advertising) among internet providers also already occured in various media, from common media such as television, billboard, and social media until uncommon one like park bulb lamp. All of the known brands are promising a fast, stable, and trustable internet connection. But in fact, the similar kind of problem also encountered in the other brands, which means there are no exact brand that really stand out than the other brands.

With almost 9 years of technology development in Indonesia, there are still many complaints here and there regarding the true quality of 3G technology. The fact that Telkomsel Flash mobile broadband promising a connection speed up to 7,2 Mbps still left a question of how and what condition have to be required in order to achieve that exact speed. Telkomsel never really explain this condition, the same situation also apply in the other brand. This can be categorized as a fake promise, but current situation where internet service is being the daily need of the people especially in Indonesia, creating a tendency from the company to ignore such kind of complaint because all of the brands encountered similar kind of problems and customers whether like or not have to deal with the situation. Switching to the other brands doesn't guarantee to free from the same problem.

Public relation role in a company is to make a bridge between the internal part of a company to external parties such as investors or public as well as maintaining company's image in front of them. Telkomsel Flash's public relation is no different than this, a sufficient ability and knowledge in communicating by publishing a news release, web development, and media handling are being the part of their activities. One of Telkomsel public relation's program which is Komunitas Paling Indonesia help Telkomsel to build positive image to its customers and creating brand loyalty. So the possibility in brand switching of unsatisfied Telkomsel Flash customer is considerably high. However, the similar condition in other brands might actually occured since similar kind problems also exist in them. This left the players with no other choice but very active in head to head competition by creating new marketing strategies for short term or long term period in order to maintain the customer's loyalty as well as attracting new customers.

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