MARKETING MIX PERFORMANCE AND CUSTOMER RELATIONSHIP IN IMPROVING TRUST OF INDIHOME CUSTOMER: A CASE FROM WEST JAVA INDONESIA

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ABSTRACT
In recent years, an internet provider company faced a lack of market achievement. The fluctuation amongst the customers could also be viewed according to the report where they felt that the service should be improved in terms of responsive richness, customer trust, customer relationship management and etc. The need to have a clear look at the whole context on the way to increase the customer should be taken into consideration in particular. This study attempts to examine the strategic marketing initiated to enhance the customers’ relationship in making loyal to this company product. With the survey on 280 respondents in three different states, the random sampling technique was used through combining the cluster sampling technique. With analyzing the relationship between variables of Structural Equation Modeling (SEM) approach, the result showed that strategic marketing mix performance combined with customer relationship has a significant role in improving the customer trust. This finding gives an implication for the management of the company to improve the customer trust supported by the customer relationship and the marketing mix performance development.

Keywords: Marketing Mix Performance, Customer Relationship, Customer Trust, Indihome

INTRODUCTION
Teledensity is an indicator that shows the number of telephone line units compared to the population. Teledensity of internet services shows the number of internet connections compared to the population. Indonesia’s internet teledensity, which includes fixed and mobile access, has only reached 15.36% far below Singapore at 74.18%. This means that the number of internet connections compared to Indonesia’s population is still relatively low compared to Singapore.

Seeing these opportunities, PT Telekomunikasi Indonesia, Tbk (Telkom) presents triple play throughout Indonesia through IndiHome services. This Triple Play service includes landlines, Internet on Fiber or High Speed Internet, and UseeTV Cable (IPTV). In addition to Telkom, there are other telecommunications provider companies in Indonesia, namely Biznet, Firstmedia, IndosatOoredoo GIG, MNCPlay Media, and MyRepublic. The provider company has similarities in the types of products, namely providing internet and cable TV services, but what distinguishes IndiHome from PT Telkom is the presence of telephone products. IndiHome’s superiority lies in the set of boxes that use HD technology that will increase the sharpness of image quality and can record television shows for 1 week, so customers can watch television shows. In addition, the quality of the internet network that has used optical fiber produces internet speeds of 10 Mbps - 1000 MPB, as well as landline networks that are not owned by competitors.

Telkom claims that the superiority of high-speed internet is a mainstay service, because it is able to transfer data with bandwidths of up to hundreds of Mbps beyond the quality of coaxial or copper cables. UseeTV Cable also adds value to Telkom’s Triple Play services, by presenting features such as TV on Demand, Video on Demand, Pause and Rewind, and Video Recorder.

IndiHome services will continue to grow, considering that internal and external factors are indeed very supportive. Internal factors, namely production equipment owned by Telkom have fulfilled the existing capacity. According to Spire (2017: 2), in terms of fixed broadband, IndiHome has the largest market share of 96.2%, Biznet 0.3%, First media 2.1%, MNC Play 0.3% and other 1.2%. While external factors, namely the improvement of people’s purchasing power along with the recovery of the economy in Indonesia and the increasing need for information and entertainment through the internet.

However, there has been a problem with IndiHome since this product was launched in West Java, which from January 2015 to December 2016 could not reach the sales target. In addition, there have also been new fluctuations in IndiHome customers in West Java in 2015-2017. The decline in new tides occurred in July 2016, September 2016, October 2016, November 2016, and December 2016, when compared to the same month in 2015. Meanwhile in 2017 did not show a graph of the increase in the number of new but fluctuating pairs, even though they were occurred a sharp jump from 20,360 in November to 34,424 customers in December.

In addition, IndiHome’s extraction from August to September 2016 has increased in September and then declined in October and increased again in November and then declined again in December. But conditions continued in January 2017 and increased until March. The highest number of rejections in the period of 2015 s.d 2017 occurred in May 2017 as many as 5,885 and in November 2016 there were 5,822 rejections.

To be able to maintain customer achievement and continue to increase the number of customers, it requires a great deal of trust from customers towards telecommunications service providers. Kotler and Keller (2009) suggest the importance of building customer trust and confidence so that customers will voluntarily be loyal to the company. Customer trust is very
important in developing relationships, especially in the service business that is full of risks. Based on the results of observations in the field and the results of deep interviews with related parties, a picture of the alleged causes of the still high confidence of IndiHome customers in West Java is related to marketing mix performance and customer relationship.

The marketing mix is also an important factor because it can control the marketing tools used by the company to produce the desired response from various target markets. The problem faced by IndiHome is in terms of products, although IndiHome products have services that are not owned by competitors, namely telephones. But the advantages of services on IndiHome products do not affect customer demand for services and products provided by the company. Telkom Indonesia Indome Price is more expensive than competitors. This is likely related to customer value perceived by customers, namely with the bundling system on IndiHome products with prices paid for 3 services, not in accordance with the needs and expectations of customers and prospective customers, most of which only require 2 services, so there are 1 service already paid but not used. For product promotion, Indi Home is doing more door-to-door personal selling, as well as promoting personal to person personal selling by introducing Indi Home products to the public by all Telkom employees who are deployed directly to the field. The promotion is known as the uproar (mass marketing movement).

According to Zeithaml andBitner (2012), Service Marketing Mix is defined as an element controlled by an organization that can be used to satisfy or communicate with customers, this element appears as the main decision variable in marketing text or marketing plans. The marketing mix consists of things the company can do to influence customer demand for services and products provided by the company. Traditionally, for tangible products used 4P models. While services use the 7P approach to meet customer needs, namely: products, prices, places, promotions, people, physical facilities, and processes.

Customer trust is also thought to be related to managing customer flexibility. Customer flexibility is a factor that plays an important role in the world of telecommunications business today which is felt to be very complex, so a new approach is needed to manage consumers. Lovelock and Wirtz (2011) suggest that CRM (Customer Relationship Management) is a form of marketing activity to produce a deeper or meaningful relationship with customers. While according to Kotler & Bowen (2010), CRM acts as a tangent point with customers to maximize customer loyalty.

Meanwhile, information obtained based on observations that customers are still disappointed with the service from Indi Home regarding the follow-up of any complaints reported by customers. If customers complain, if payment problems, Telkom will quickly inform, especially talking fines must be fast. But when it comes to complaints handling problems, it is not as fast as payment information. So that customers do not feel a good relationship with the company. Meanwhile, customer care or retention is very important with the aim that consumers can be loyal to the company's products and services. With the establishment of good relations with customers, it is expected to increase customer value and customer trust in Indi Home products.

Based on this background, this study aims to examine the effect of marketing mix performance and customer relationship on Indi Home customer trust in West Java.

LITERATURE REVIEW

Marketing mix performance

According to Zeithaml and Bitner (2012) Service Marketing Mix is defined as an element controlled by an organization that can be used to satisfy or communicate with customers, this element appears as the main decision variable in marketing text or marketing plans. Kotler and Keller (2012) said "the marketing communication mix consists of eight main lines of communication namely advertising (advertising), sales promotion (sales promotion), events and experiences (events and experiences), Public Relations and publicity, direct marketing (direct marketing), interactive marketing, word-of-mouth marketing and personal selling.

Zeithamland and Bitner (2012) say that the dimensions of Service Marketing Mix are organizations controls, communicate, marketing plan. Kotler and Keller (2012) say that the dimensions of Service Marketing Mix are marketing tools, marketing objectives.

So, based on a study of these definitions and considering the unit of analysis in this study, namely PT Telkom Indonesia West Java Area, the marketing mix performance in this study is measured based on the dimensions of product, price, promotion, place, people, physical evidence and process"

Customer relationship

According to Gronroos (2000) relationship marketing focuses on three main areas, namely decision making, determining the value of the product, determining the form of the interaction process as the core of relationship marketing and determining the communication process planned to attract, develop and improve customer relationships. Baran, Galka and Strunk (2008) explain that CRM is a marketing strategy that focuses attention on managing customer experience by better understanding their needs and their buying behavior.

Berry (1983) in Ivana Adamson, Kok-Mun Chan, Donna Handford (2003) argues that the dimension of relationship marketing is repositioning. Oliver (1999) argues that the relationship marketing dimension is preferred product or service, fixture despite, marketing efforts. Gronroos (2000) argues that the dimensions of relationship marketing are value process, interaction process, communication process.

LITERATURE REVIEW

Marketing mix performance

According to Zeithaml and Bitner (2012) Service Marketing Mix is defined as an element controlled by an organization that can be used to satisfy or communicate with customers, this
voluntarily be loyal to the company. According to Sirdeshmukh et al. (2002) customer trust is the hope held by consumers that service providers can be relied upon to fulfill their promises. Schurr and Ozanne (1985) in Roland Kantumperger (2010) have the same opinion in terms of the dimensions of customer trust, namely the trustworthiness of words or promises within the organization and will fulfill their obligations in exchange relations. As for equality expressed by Sirdeshmukh et al. (2002) in Roland Kantumperger (2010: 6) that customer trust is held by consumers that service providers can be relied upon to deliver they're promises.

Whereas Anderson and Weitz (1989) in Roland Kantumperger (2010) have another opinion that customer trust is one party believes that their needs will be fulfilled in the future with actions taken by other parties. Crosby et al. (1990) in Roland Kantumperger (2010) have the same opinion that customer trust is the belief that the seller will serve the long-term interests of consumers.

Based on the opinion of Mitchell in Egan (2001), several situations and indicators of trust are as follows:

1. Probity (focus on trust and integrity and reputation)
2. Equity (related to fair-mindedness, benevolence)
3. Reliability (related to the reliability and accuracy and consistency of the product or service expected in some cases related to the warranty issued by the company).

So based on the study of the concepts and dimensions of customer trust above, and by considering the unit of research analysis, the variable customer trust in this study is measured by dimensionals constructs that include guarantees of quality, company reputation, and fulfillment of promises,

Hypothesis development

The study mentions the effect of the marketing mix on customer trust, as found in the Long-Yi Lin (2011) study that promotion strategies have a significant positive effect on customer trust. Nina Kurnia Hikmawati, Sucherly, and Surachman Sumawihardja (2015) about the influence of marketing relations and marketing mix on customer trust in telecommunications operators in Indonesia, who found that these variables significantly influence customer trust, where the marketing mix has a higher degree of influence than marketing relations. Raza and Rehman (2012) found that customer trust is influenced by price, service, and brand image. In addition, Ofoegbu & Udom (2013) found that customers tend to leave telecommunications providers if there is no sales promotion either as an incentive for buyers or compensation; customers are ready to switch to other telecommunications providers that offer attractive sales promotions.

Morgan and Hunt (2014) describe the relationship between customer willingness and customer trust. Iwana Adamson et al. (2013) who found that to increase the trust of corporate customers, parallel channels of communication must be developed with customers, and show flexibility in their relationships and maximize the benefits of reciprocal relationships. Nina Kurnia Hikmawati, Sucherly, and Surachman Sumawihardja (2015) found that marketing relations and marketing mix had a significant effect on customer trust. Hulten (2007) stated that active customers are more relational, with high levels of trust and commitment, and passive customers are less relational.

Based on the description above, the following hypotheses are arranged:

H: Marketing mix performance and customer relationship affect customer trust both simultaneously and partially.

METHODOLOGY

This is a quantitative research with the unit of analysis is Indi Home customers in West Java region. The study is conducted in several major cities in West Java region which included in region 3 in the Telkom region of West Java, namely Bandung, Tasikmalaya, Cirebon, Sukabumi, and Karawang with a total sample of 280 respondents. The sampling technique used is multistage random sampling which combined cluster sampling technique with systematic random sampling. In analyzing the relationship between variables used the SEM (Structural Equation Modeling) approach.

RESULT AND DISCUSSION

Goodness of Fit

The following tabel show the result of Goodness of Fit with Structural equation modeling (SEM).

<table>
<thead>
<tr>
<th>Measures</th>
<th>Target Tingkat Kecocokan</th>
<th>Hasil Estimasi</th>
<th>Tingkat Kecocokan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chi-Square</td>
<td>$p$-value &lt; 0.05</td>
<td>0.707</td>
</tr>
<tr>
<td>2</td>
<td>RMSEA</td>
<td>RMSEA &lt; 0.05</td>
<td>0.00</td>
</tr>
<tr>
<td>3</td>
<td>NFI</td>
<td>NFI ≥ 0.90</td>
<td>0.91</td>
</tr>
<tr>
<td>4</td>
<td>CFI</td>
<td>CFI ≥ 0.90</td>
<td>0.98</td>
</tr>
<tr>
<td>5</td>
<td>IFI</td>
<td>IFI ≥ 0.90</td>
<td>0.98</td>
</tr>
<tr>
<td>6</td>
<td>RFI</td>
<td>RFI ≥ 0.90</td>
<td>0.91</td>
</tr>
<tr>
<td>7</td>
<td>GFI</td>
<td>GFI ≥ 0.80</td>
<td>0.89</td>
</tr>
<tr>
<td>8</td>
<td>AGFI</td>
<td>AGFI ≥ 0.80</td>
<td>0.87</td>
</tr>
</tbody>
</table>

Source: Primary data Processing, 2019

The overall analysis of model reveals that there is a good measure of Goodness of Fit (good fit), and very good (close fit). Thus, the goodness of model has been fit.

Data processing with LISREL obtained by the load values of standard factors and calculate the value of the construct reliability coefficient summarized in the following table 2:
**Measurement Model**

Standardized loading factor estimation is presented in the figure above, show that the observed variables (indicators) have a standardized loading factor $>0.50$. The value of the standardized loading factor of the observed variable is greater than the critical value, then variables have good measurement validity.

**Table 2 Standardized Loading Factor and Construct Reliabilities**

<table>
<thead>
<tr>
<th>Construct Lateen</th>
<th>Observable Variable</th>
<th>Standardized Loading Factors (SLF)</th>
<th>error variants</th>
<th>Average Variance Extracted</th>
<th>Construct Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>0.76</td>
<td>0.42</td>
<td>0.50</td>
<td>0.80</td>
<td></td>
</tr>
<tr>
<td>X1.1</td>
<td>0.70</td>
<td>0.51</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X1.2</td>
<td>0.72</td>
<td>0.48</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X1.3</td>
<td>0.70</td>
<td>0.51</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X1.4</td>
<td>0.71</td>
<td>0.50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price</td>
<td>0.75</td>
<td>0.44</td>
<td>0.52</td>
<td>0.81</td>
<td></td>
</tr>
<tr>
<td>X1.5</td>
<td>0.74</td>
<td>0.45</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X1.6</td>
<td>0.69</td>
<td>0.52</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X1.7</td>
<td>0.75</td>
<td>0.44</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X1.8</td>
<td>0.69</td>
<td>0.52</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promotion</td>
<td>0.73</td>
<td>0.47</td>
<td>0.51</td>
<td>0.81</td>
<td></td>
</tr>
<tr>
<td>X1.9</td>
<td>0.72</td>
<td>0.48</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X1.10</td>
<td>0.70</td>
<td>0.51</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X1.11</td>
<td>0.71</td>
<td>0.50</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Based on Table 2, the latent variables have a value of coefficient construct reliability (CR) that is greater than critical value (CR ≥ 0.60) and average variance extracted (AVE) coefficient greater than critical value (AVE ≥ 0.50). This shows that the latent constructs have good reliability.
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Structural Model

### Table 3: t-value, Standardized Coefficient, and R-Square

<table>
<thead>
<tr>
<th>Structural Equation</th>
<th>Effect</th>
<th>Standardized Coefficient</th>
<th>$R^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\eta_1 = (\gamma_{11} \times \xi_1) + (\gamma_{12} \times \xi_2) + \zeta_1$</td>
<td>$\xi_{1 \rightarrow \eta_1}$</td>
<td>0.33</td>
<td>0.31</td>
</tr>
<tr>
<td></td>
<td>$\xi_{2 \rightarrow \eta_1}$</td>
<td>0.41</td>
<td></td>
</tr>
</tbody>
</table>

Hypothesis Testing

The results of partially testing explained by the table 4:

<table>
<thead>
<tr>
<th>Hypothesis Testing</th>
<th>$\gamma$</th>
<th>t value</th>
<th>$R^2$</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Marketing Mix Performance $\rightarrow$ Trust</td>
<td>0.33</td>
<td>4.65</td>
<td>0.13</td>
<td>Significant</td>
</tr>
<tr>
<td>2 Customer Relationship $\rightarrow$ Trust</td>
<td>0.41</td>
<td>5.66</td>
<td>0.19</td>
<td>Significant</td>
</tr>
</tbody>
</table>

*significant at $\alpha=0.05$ (t table =1.98)

The table above, there are influence from the Marketing Mix Performance and customer relationship on customer trust where t value $> t$ table with the coefficient of determination $R^2$ of 0.31 or 31% of the two exogenous variables. Customer relationship has more dominant influence on customer trust ($R^2 = 19\%$).

![Research Findings Diagram]

**Figure 2 Research Findings**

The results of the study show that the hypothesis is accepted that marketing mix performance and customer relationship affect customer trust both simultaneously and partially. Customer relationship has a greater influence than marketing mix performance in increasing customer trust in IndiHome customers in West Java.

Convenience is a customer relationship aspect that has the highest impact in increasing customer trust, followed by customer gathering and reward. Convenience shows the ease of getting information from every service offered to customers, activating services offered to customers, obtaining access to bills from cellular operators, and Customer Relation Officer (CRO) who are ready to serve communication needs quickly and easily. With these various facilities, customers can increase their trust in the IndiHome provider.

Customer gathering and rewards also have an impact on increasing customer relationships so as to increase customer trust. Customer gathering and the attractiveness of the customer gathering program can improve customer relations. While reward, is able to increase customer relationship with the attractive value of giving gifts to loyal customers, with attractive frequency, and giving gifts at certain moments, and each customer is given the same opportunity to get prizes.

In terms of marketing mix performance, the process has the highest level of influence in increasing customer trust, followed by product, place, price, people, promotion, and physical evidence. This indicates that customer trust mainly lies in the process of service provided by the company to customers. Processes that are smooth and in line with customer expectations represent a good marketing mix performance that increases customer trust. Product and place is the next aspect of the marketing mix that drives customer trust. Products that have diverse services along with good network quality, as well as internet speed and good image quality and a wide range of services also have implications for the formation of customer trust, because it can provide...
satisfaction with the services provided to customers so that customers increasingly trust company. Whereas place also supports the creation of customer trust, especially with the location of service centers that are easily accessible to customers and the ease of transportation facilities for customers to reach the location of service centers. This makes it easy for customers to submit complaints or complaints if a problem occurs.

Meanwhile, physical evidence in the form of room attractiveness and cleanliness of the service center office environment, the completeness of infrastructure facilities, and the convenience of a service center office room turned out to have the lowest level of influence in terms of marketing mix performance in increasing customer trust. This indicates that the physical evidence of a service center office is not the main aspect that encourages increased customer trust, but the process aspect is the main one.

The results of this study thus support the findings of previous studies which mention the influence of the marketing mix on customer trust, as found in the Long-Yi Lin (2011) study, Nita Kurnia Hikmawati, Sucharly, and Surachman Sumawihardja (2015) and Rehman (2012), and Ofosugb & Iudom (2013) The results of this study are also in line with the findings of Morgan and Hunt (2014). Ivana Adamson et al. (2013), Nita Kurnia Hikmawati, Sucharly, and Surachman Sumawihardja (2015), and Bertil Hulten (2007) that customer friendliness affects customer trust.

CONCLUSION AND SUGGESTION

The results of the study showed the hypothesis that marketing mix performance and customer relationship affect customer trust both simultaneously and partially. Customer relationship has a greater influence than marketing mix performance in increasing customer trust in IndiHome customers in West Java. Convenience is a customer relationship aspect that has the highest impact in increasing customer trust, followed by customer gathering and reward. In terms of marketing mix performance, the process has the highest level of influence in increasing customer trust, followed by product, place, price, people, promotion, and physical evidence.

This finding has implications for IndiHome management in West Java that efforts to increase customer trust must be supported by increased customer willingness supported by the development of marketing mix performance. Customer relationship improvements need to be prioritized on convenience development, followed by customer gathering and reward. Meanwhile, to develop marketing mix performance, it needs to be prioritized on developing the process, followed by product, place, price, people, promotion, and physical evidence.

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