ISSN (Online): 2455-9024

# The Influence of Truth Enterprise Connectivity Service Customers towards its Loyalty Commitment of Telco Company Division

#### Mochamad Teezar<sup>1</sup>, Maya Arianti<sup>2</sup>

<sup>1, 2</sup>Economic & Business Faculty, Telkom University 40267 Bandung, Indonesia Email address: {mteezar@student., ariyanti}[AT]telkomuniversity.ac.id

Abstract— Enterprise connectivity services is one of main revenue contributor for this one of Telco Company Division which is contributing 41,30% from its total revenue. In 2017, This division were targeted to achieve revenue for Rp 7,98 bilion with growth 13,50% from last year achievement. This challenging target should be exceeded by them. As the main revenue contributor, sales and retention this services must be improved.

This study is purposed to identify social antecedents (social interaction, open communication, and customer orientation) as well as offer-realted antecedents (perceived value and overall service quality) that influence trust and then trust will give influence for its customer loyalty commitment by using the Structural Equation model.

Data were collected to enterprise connectivity customers through online questionnaires distribution, and obtained 286 data and then analyzed by Path Anlysis using SPSS Aplication.

The result revealed that social antecedents were influenced trust, the factors ordered from the highest to the lowest influence were social interaction (34,07%), open communication (21,17%) dan customer orientation (19,69%). As well as offer-related antecedents also has influence to trust, the factors ordered from the highest to the lowest influence were overall service quality (46,37%) and then perceived value (24,31%), and also trust has influence to commitment loyalty scored at 35,42%. In the other hand, social interaction has direct influence to commitment loyalty scored at 40.62%.

Reffering the result of this research, that all antecedents has major influenced to trust and also loyalty commitment, some suggestion been submitted to them in order strenghtening of those antecendents.

**Keywords**— Social antecedents, offer-related antecedents, trust, loyalty commitment, enterprise connectivity.

#### I. INTRODUCTION

As the biggest telecommunication network operator in Indonesia, this company has served millions of customers. Their service were include fixed telephone services, cellular communication, network and interconnection services, internet and data communications. Although operating revenues are still dominated by individual segments supported by cellular business, one of the segments that contributes positively to the income of this company is a corporate segment, with segment revenues increasing by 19.60% over 2016.

In the Corporate Segment, this company serves the needs of telecommunication services and information technology, including interconnection, leased lines, satellite, VSAT, contact center, broadband access, data center, big data and

internet access to corporate customers, SMEs, Government Institutions, International and Other Licensed Operartor (OLO). This telco company see this business as a promising opportunity, therefore business management over enterprise segment must be appropriate to obtain sustainable growth revenue, in managing their enterprise customer, this company assign a specific sales division.

Enterprise Connectivity service portfolio contributing for at least 41.30% division revenue generated by 1034 corporate customers. . In 2017, this division were targeted for Rp 7,98 bilion revenue or equal growth 13,50% from last year achievement. This challenging target should be exceeded by them. As the main revenue contributor, sales and retention this services must be improved.

This telco company serves the needs of its corporate customers in accordance with its business portfolio of Telecommunication, Information, Media, Edutainment and Services (TIMES). With a complete business portfolio, they are expected to provide a comprehensive solution for the ICT needs of its customers, especially the enterprise segment and able to provide high and sustainable income. A steady stream of sales revenue for a service provider can be achieved through having superior market performance outcomes such as high market share and a high price premium. these two indicators of market performance outcomes are directly related to service loyalty (Aaker, 1991, 1996; Chaudhuri and Holbrook, 2001). To achieve success in such a technology driven, complex and competitive market of today, researchers have prescribed a number of key areas that need to be considered if the customer is to be kept loval. One of these key areas is leveraging firm-customer relationship to gain privileged information about customers and thereby better understand their needs and serve them satisfactorily (Ndubisi et al, 2007). In managing their customer, this company applying Relationship Marketing concept, where with this concept they seeks to build long-term mutually beneficial relationship with its customers. Relationship marketing has emerged over the years as an exciting area of marketing that focuses on building long-term relationships with customers and other parties (Caceres and Paparoidamis, 2007). Marketing studies have theorized a number of key underpinnings of relationship marketing namely, trust (Morgan and Hunt, 1994; Ndubisi et al., 2004), equity (Gundlach and Murphy, 1993; Ndubisi, 2004), benevolence (Buttle, 1996), empathy (Ndubisi, 2004), commitment



ISSN (Online): 2455-9024

(Morgan and Hunt, 1994; Ndubisi, 2004), conflict handling (Ndubisi et al., 2004), communication or sharing of secrets (Crosby et al., 1990; Morgan and Hunt, 1994; Ndubisi et al., 2004) and competence (Ndubisi et al., 2004). In this study, we empirically examine the relationship among these constructs namely, commitment, competence, communication conflict handling, trust, overall relationship quality, and customer loyalty (Ndubisi et al, 2007).

#### Theoritical Background and Development Hypothesis

#### Marketing and Relationship Marketing

Marketing is about identifying and meeting human and social needs. One of the shortest good definitions of marketing is "meeting needs profitably" (Kottler and Keller, 2016:27). Peter Drucker on Kottler and Keller (2016:17) There will always, one can assume, be need for some selling. But the aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself. Ideally, marketing should result in a customer who is ready to buy. All that should be needed then is to make the product or service available.

To address all these different shifts, good marketers are practicing holistic marketing. Holistic marketing is the development, design, and implementation of marketing programs, processes, and activities that recognize the breadth and interdependencies of today's marketing environment. Four key dimensions of holistic marketing are:

- 1. Internal marketing—ensuring everyone in the organization embraces appropriate marketing principles, especially senior management.
- 2. Integrated marketing—ensuring that multiple means of creating, delivering, and ommunicating value are employed and combined in the best way.
- 3. Relationship marketing—having rich,multifaceted relationships with customers, channel members, and other marketing partners.
- 4. Performance marketing—understanding returns to the business from marketing activities and programs, as well as addressing broader concerns and their legal, ethical, social, and environmental effects.

Relationship marketing aims to build mutually satisfying long-term relationships with key constituents in order to earn and retain their business (Kottler dan Keller, 2016:43). The ultimate outcome of relationship marketing is a unique company asset called a marketing network, consisting of the company and its supporting stakeholders—customers, employees, suppliers, distributors, retailers, and others—with whom it has built mutually profitable business relationships. The operating principle is simple: build an effective network of relationships with key stakeholders, and profits will follow (Kottler dan Keller, 2016:44).

#### **Customer Loyalty**

Loyalty is defined as non random purchase expressed over time by some decision making unit (Griffin, 2007:16). Increased loyalty can bring cost savings to a company in at least six areas (Griffin, 2007:11):

- 1. Reduced marketing costs (customer acquisition costs require more dollars)
- 2. Lower transaction costs such as contract negotiation and order processing
- 3. Reduced customer turnover expenses ( fewer lost customers to replace/no churning)
- Increased cross selling success leading to larger share of customer
- 5. More positive word of mouth

Previous studies support the premise that because relational customers are highly satisfied they are a firm's most profitable customers, spending more money, more frequently and often buying more products or services (Fornell, 1992; Griffin, 1995; Parasuraman et al., 1991; Reichheld and Sasser, 1990) (Doney et al. 2007). Dwyer et al. (1987) at Doney et al. (2007) point out that the loyalty attachment passes through a series of incremental stages in which partners must provide signals of goodwill, act in good faith, and prove their allegiance – behaviors indicative of trusting relationships. Studies by de Ruyter et al. (2001) and Morgan and Hunt (1994) confirm a positive relationship between trust and loyalty commitment. Doney et al. (2007) also stated where social bonds are highly valued such as in trusting relationships, they enhance the probability that the relationship between the actors will endure (Hennig-Thurau et al., 2002). Researchers have suggested that social benefits (such as those resulting from social interaction) are positively related to the buyer's loyalty commitment to a relationship (Berry, 1995; Goodwin and Gremler, 1996; Oliver, 1999).

## H7. A buyer's trust of a service provider is related to loyalty commitment.

Several conceptual studies support the premise that relational customers can be expected to allocate a higher share of their business to suppliers. Parasuraman et al. (1991) suggested that often such buyers spend more with suppliers and buy additional products or services.

## H6. A buyer's social interaction with a supplier's salesperson is related to loyalty commitment.

#### **Customer Trust**

Trust in a partner's credibility is based on the belief that one's partner stands by its word, fulfills promised role obligations, and is sincere. Trust in a partner's benevolence is a belief that one's partner is interested in the firm's welfare and will not take unexpected actions that would have a negative impact on the firm. It follows that trust requires a judgment as to the reliability and integrity of the exchange partner (Morgan and Hunt, 1994).

Doney and Cannon's (1997, p. 36) at Doney et al. (2007) defines trust in buyer/supplier relations as "the perceived credibility and benevolence of a target of trust". This definition is relevant in a B2B services context. Buyers try to reduce the perceived risk surrounding the service purchase by selecting service firms they can trust – those deemed capable of performing reliably and who have demonstrated an interest in the buyer's well being.



ISSN (Online): 2455-9024

Mittal (1999) at Doney et al (2007) stated that prior studies have focused on social or economic antecedents of trust, but rarely both. Although both social and offer-related antecedents of trust share some common domain, the latter have more to do with the execution of the service delivery transaction. Social behaviors, on the other hand, are more strategic in nature and "entail proactive actions designed to protect and enhance the content of 'what' is to be delivered"

## **Social Antecendents of Trust Social Interaction**

Social settings provide an informal environment conducive to building closer interpersonal relationships, and fostering better understanding of mutual needs. However regardless of whether salespeople have contact with buyers for business purposes or for social ones, frequent interaction engenders trust by providing buyers with information that enables them to predict a supplier's future behavior with confidence (Doney and Cannon, 1997).

# H1. A buyer's trust of a service provider is related to frequent social interaction with a service provider's salesperson.

#### **Open Communication**

Trust in a working relationship and its implications for a firm's actions have been defined as "the firm's belief that another company will perform actions that will result in positive outcomes for the firm, as well as not take unexpected actions that would result in negative outcomes for the firm. The strength of this belief may lead the firm to make a trusting response or action, whereby the firm commits itself to a possible loss, depending upon the subsequent actions of the other company" (Anderson and Narus 1986, p. 326).

According to Sabel (1993) at Doney et al (2007), "Because language is so imperfect, an open dialogue is often a necessary means of developing and preserving a shared understanding of the relationship and thus preserves trust".

## H2. A buyer's trust of a service provider is related to the degree of open communications with the service provider.

#### **Customer Orientation**

Customer orientation is one component of market orientation behavior as quoted from Narver and Slater (1990) that market orientation consists of three behavioral components, which are customer orientation, competitor orientation and interfunctional coordination, which lead to two decision criteria of long term focus and profitability. Looking more deeply customer orientation itself actually covers all the activities intended to obtain information about the customer in the target market.

Since trust involves a buyer's willingness to rely on a service provider determined to be credible and benevolent, it follows that customer-oriented service providers – those who understand the buyer's needs and demonstrate concern for the buyer's welfare – will be trusted (Doney et al, 2007). Customer orientation and selling orientation

are both shown to have a significant impact of the development of trust and the degree of satisfaction with the relationship, and these results are consistent with existing research in the areas. Equally, both trust and expertise are seen as important influences on overall satisfaction with the relationship (Bejou et al, 1998).

## H3. A buyer's trust of a service provider is related to the service provider's customer orientation.

## Offer-related Antecedents of Trust Perceived Value

Customer perceived value is a trade-off between perceived benefits and perceived sacrifice (or positive and negative consequences) (Payne and Holt, 2001). The perceived benefit is a combination of a number of elements, namely: physical attributes, service attributes and technical support obtained in using the product. While the perceived sacrifice consists of all purchase costs incurred at the time of purchase; eg purchase price, acquisition cost, transportation, installation, handling, repair and maintenance costs, and the risk of failure or poor performance. perceived value what is the perceived monetary value of the bundle of the economic, functional, and psychological benefits customers expect from a given market offering (Kottler, 2003).

Sirdeshmukh et al. (2002) found empirical support for the relationship between trust and value in their study of consumer relationships. Similarly, Harris and Goode (2004) found that perceived value had a positive influence on trust in the case of online retailers.

## H4. A buyer's trust of a service provider is related to value of the service offering.

#### **Overall Service Quality**

Buyers assess the degree to which "deliverables" meet and even exceed their expectations for performance. "If customers perceive service quality favorably, they will have more confidence in the provider, which in turn will increase their trust in the service provider" (Chiou et al., 2002). The general definition of service quality or often abbreviated as SERVQUAL is expressed by Zeithaml (1990) in Doney et al (2007) is a customer's judgment of the overall excellence or superiority of a service.

While in the research conducted by Chiou et al (2002) found also that the service quality perceived by the company only positively influence on the level of trust (trust) in the group with a high level of knowledge, which is contrary to the initial hypothesis that the group with low knowledge level only will use the convenience of services as a means to form trusts.

# H5. A buyer's trust of a service provider is related to overall service quality (a composite of technical quality and functional quality).



ISSN (Online): 2455-9024

#### Research Model

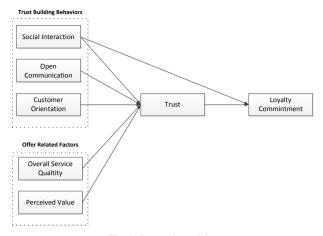


Fig. 1. Research model.

Based on the theoretical framework that has been described above, then the hypothesis in this study are:

- H1. A buyer's trust of a service provider is related to frequent social interaction with a service provider's salesperson.
- H2. A buyer's trust of a service provider is related to the degree of open communications with the service provider.
- H3. A buyer's trust of a service provider is related to the service provider's customer orientation.
- H4. A buyer's trust of a service provider is related to value of the service offering.

H5. A buyer's trust of a service provider is related to overall service quality (a composite of technical quality and functional quality).

H6. A buyer's social interaction with a supplier's salesperson is related to loyalty commitment.

H7. A buyer's trust of a service provider is related to loyalty commitment.

#### Methodology

This research conduct both of descriptive and verifikatif analysis, data were obtained using online questionnaire to Enterprise Connectivity service customers. For verifikatif analysis this measurement will use path analysis. Before we conduct the analysis, the measurement tools has to be tested, in this research we do both of validity and realibilyt test to the questionnaire as the measurement tools.

#### **Pilot Test**

The measurement of model evaluation done by testing the validity and reliability which represent each construct. We conduct this testing using SPSS software in order to obtain item's coefficient correlation (Corrected Item-Total Correlation – CITC). Reffering to Friedenberg and Kaplan in Indrawati (2015) suggesting minimum correlation coefficient is 0,3, while Guildford (1956) in Indrawati (2015) suggesting 0,4. By doing pilot test to 32 respondents validity test result were showed on table I and table II.

TABLE I. Validity test

Variable	Indicators	CITC	Remark	Variable	Indicators	CITC	Remark
	SI1	0,451	Valid		OS1	0,573	Valid
Carial Internation	SI2	0,406	Valid		OS2	0,652	Valid
Social Interaction $(X_1)$	SI3	0,635	Valid	O	OS3	0,636	Valid
$(\Lambda_l)$	SI4	0,641	Valid	Overall Service Quality (X <sub>5</sub> )	OS4	0,605	Valid
	SI5	0,724	Valid	Quality $(\Lambda_5)$	OS5	0,758	Valid
Open	OC1	0,584	Valid		OS6	0,699	Valid
Communication	OC2	0,45	Valid		OS7	0,399	Valid
$(X_2)$	OC3	0,469	Valid		T1	0,672	Valid
	CO1	0,624	Valid	Trust (Y)	T2	0,732	Valid
Customer	CO2	0,622	Valid		Т3	0,673	Valid
Orientation (X <sub>3</sub> )	CO3	0,517	Valid		T4	0,677	Valid
	CO4	0,454	Valid		T5	0,731	Valid
	PV1	0,406	Valid		LC1	0,606	Valid
Perceived Value	PV2	0,677	Valid		LC2	0,515	Valid
$(X_4)$	PV3	0,718	Valid	T14	LC3	0,853	Valid
	PV4	0,597	Valid	Loyalty Commitment (Z)	LC4	0,69	Valid
		•		Communicati (L)	LC5	0,557	Valid
					LC6	0,814	Valid
					LC7	0,801	Valid

Cronbach Alpha is one of technique in measuring reliability. The Cronbach Alpha coefficient of at least 0.70 indicates that the questionnaire has a fairly good level of reliability, as the result of pilot test were showed in table II.

Pilot test result showing Cronbach Alpha in each variable were more than 0,70, except the Open Communication variable, eventhough we can take a conclusion in this measurement tools were reliable.

TABLE II. Reliability test.

Variable	Cronbach's Alpha	R table	Remark
Social Interaction $(X_1)$	0,784	0,349	Reliable
Open Communication (X <sub>2</sub> )	0,665	0,349	Reliable
Customer Orientation (X <sub>3</sub> )	0,752	0,349	Reliable
Perceived Value (X <sub>4</sub> )	0,787	0,349	Reliable
Overall Service Quality (X <sub>5</sub> )	0,848	0,349	Reliable
Trust (Y)	0,868	0,349	Reliable
Loyalty Commitment (Z)	0,893	0,349	Reliable



ISSN (Online): 2455-9024

#### Population, Sample and Sampling Technique

Enterprise connectivity service were used by 1034 customers, from this customer we took sample of 286 respondent, reffers to Slovin formulation with  $\alpha=0.05$ . Sampling technique in this research done by Purposive Sampling method that will only choosing certain member of intentional sample. The member of sample were person in charge of enterprise connectivity customers. As the primary data is the result of questionnaire, and secondary data were obtained from former research, literature study and relevant information.

#### Analysis Descriptve Analysis

variable.

Descriptive analysis were concuct to know the whole description of social interaction variables, open communication, customer orientation, perceived value, overall service quality, trust and loyalty commitment from respondent perception. This analysis done by arranging distribution frequency table to know the level of value of research

TABLE III. Variable frequency distribution

Variable	Total Score	Category
Social Interaction (X <sub>1</sub> )	80.38%	High
Open Communication (X2)	79.84%	High
Customer Orientation (X <sub>3</sub> )	79.27%	High
Perceived Value (X <sub>4</sub> )	79.41%	High
Overall ServQual (X <sub>5</sub> )	79.87%	High
Trust (Y)	80.06%	High
Loyalty Commitment (Z)	80.44%	High

#### **Path Analysis**

Path analysis in this research is used to examine the influence score between social antecedents variables (social interaction, open communication, customer orientation) and antecedents offer-related (perceived value and overall service quality) towards trust and loyalty.

To transform ordinal data gathered from the questionnaire, we use Method of Successive Interval (MSI), and then when data already transformed to interval data then we conduct correlation analysis.

TABLE IV. Variables correlation.

Correlation	$X_1$	$X_2$	$X_3$	$X_4$	$X_5$	Y	Z
$X_1$	1.000	0.785	0.797	0.792	0.840	0.825	0.838
$X_2$	0.785	1.000	0.758	0.756	0.823	0.784	0.835
X <sub>3</sub>	0.797	0.758	1.000	0.789	0.792	0.785	0.804
$X_4$	0.792	0.756	0.789	1.000	0.800	0.769	0.800
$X_5$	0.840	0.823	0.792	0.800	1.000	0.819	0.892
Y	0.825	0.784	0.785	0.769	0.819	1.000	0.828
Z	0.838	0.835	0.804	0.800	0.892	0.828	1.000

To conduct path analysis, the model were formulated into three structural forms in purpose to facilitated the calculation process, as follows:

#### **Sub Structural 1 (Social Antecedents to Trust)**

Prior to path analysis, the data were first tested classical assumptions that include normality, autocorrelation,

multicollinearity and heteroscedasticity tests for sub structural 1. As the result of the normality test shown that Sig. 0761 >  $\alpha$  (0,05) which mean normal distributed. Autocorrelation test by Durbin Watson showed DW number were 2,119 in between dU (1,820) and 4dU (2,180) which mean this model has no autocorrelation. For multicollinearity test VIF Social Interaction (3,473), Open Communication (2,982) and Customer Orientation (3,130) there were none above 10, in conclusion has no multicollinearity. And scatterplot for heteroscedasticity test showed the dots that spread randomly, do not form a certain clear pattern, and spread either above or below the number 0 (zero) on the Y axis.

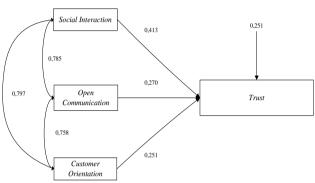


Fig. 2. Sub structural 1.

TABLE V. Influence of variabel X1, X2, X3 to Y.

	Direct	e (%)	Total		
Path	Influence	Through	Through	Through	Influence to
	(%)	$X_1$	$X_2$	$X_3$	$Y_1$
$X_1$	17.05	-	8.75	8.26	34.07
$X_2$	7.28	8.75	-	5.14	21.17
$X_3$	6.29	8.26	5.14	-	19.69
Direct	74.92				
	25.08				

Shown in table V that the total influence of social interaction (X1), open communication (X2), and customer orientation (X3) to trust (Y) either directly or indirectly is 74,92% or 74,9%. Social interaction variable is the variable that gives the biggest influence to trust, that is equal to 34,07% with direct influence 17,05% and 17,01% other is indirect influence through variable of open communication and customer orientation. Based on table 4:15 can also be seen that the influence of other variables on trust (Y) outside social interaction (X1), open communication (X2), and customer orientation (X3) is 25.08%. This means there are still other variables that affect the trust outside the variables studied in the model, that is equal to 25.08%.

TABLE VI. Sub structural 1 F-test.

Model	Total Square	df	Mean Square	F	Sig
Regresi	2.740.164	3	913.388		
Residu	916.783	282	3.251	280.956	0.000
Total	3.656.948	285			



ISSN (Online): 2455-9024

Fvalue (280,956)> Ftable (2,637) and its significance value is 0.000 less than 5% significance level (0,05), in conclusion H0 is rejected and H1 accepted. In simultaneously, social interaction (X1), open communication (X2), and customer orientation (X3) have significant In on trust (Y).

TABLE VII. Sub structural 1 t-test

TIBES (III Sub Structural I t testi						
Variables	Beta	t	Sig			
Social Interaction → Trust	0.413	7.430	0.000			
Open Communication → Trust	0.270	5.238	0.000			
Customer Orientation  → Trust	0.251	4.765	0.000			

#### a. The Partial Influence of Social Interaction on Trusts

Based on table VII, obtained  $t_{value} = 7,430$  while  $t_{table}$  with degrees of freedom at  $\alpha$  (0.05) is 1.968. Thus  $t_{value}$  (7,430)>  $t_{table}$  (1,968) and its significance value is 0.000 smaller than 5% significance level (0,05), so clear H0 is rejected and H1 accepted. Thus, it can be concluded that partially Social Interaction significant inluence on Trust.

#### b. The Partial Influence of Open Communication on Trusts

Based on table II, obtained  $t_{value} = 5.238$  while  $t_{table}$  with degrees of freedom on  $\alpha$  (0.05) is 1.968. Thus  $t_{value}$  (5,238)>  $t_{table}$  (1,968) and its significance value is 0.000 smaller than 5% significance level (0,05), so it is clear H0 is rejected and H1 accepted. Thus, it can be concluded that partially Open Communication significant inluence on Trust.

#### c. The Partial Inluence of Customer Orientation on Trusts

Based on table II, obtained  $t_{value} = 4.765$  while  $t_{table}$  with degrees of freedom at  $\alpha$  (0.05) is 1.968. Thus  $t_{value}$  (4,765)>  $t_{table}$  (1,968) and its significance value 0.000 smaller than 5% significance level (0,05), so clear H0 rejected and H1 accepted. Thus, it can be concluded that partially Customer Orientation significant inluence on Trust.

#### **Sub Structural 2 (Offer-Related Antecedents to Trust)**

Prior to path analysis, the data were first tested classical assumptions that include normality, autocorrelation, multicollinearity and heteroscedasticity tests for sub structural 1. As the result of the normality test shown that Sig.  $0794 > \alpha$  (0,05) which mean normal distributed. Autocorrelation test by Durbin Watson showed DW number were 1,849 in between dU (1,820) and 4dU (2,180) which mean this model has no autocorrelation. For multicollinearity test VIF both of variable Perceived Value (2,778) and Overall Service Quality (2,778) were none above 10, in conclusion has no multicollinearity. And scatterplot for heteroscedasticity test showed the dots that spread randomly, do not form a certain clear pattern, and spread either above or below the number 0 (zero) on the Y axis.

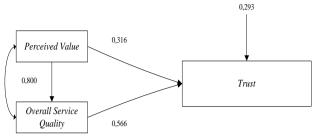


Fig. 3. Sub Structural 2.

TABLE VIII. Influence of variabel X4, X5 to Y

TABLE VIII. IIII uchee of variabel A4, A3 to 1.						
Path	Direct Influence	Indirect Inf	Pengaruh Total ke			
(%)		Through X4	Through X5	Y		
$X_4$	9.99	-	14.32	24.31		
$X_5$	32.05	14.32	1	46.37		
Direct	70.68					
	29.32					
	-					

Based on table VIII, it can be seen that the total inluence of perceived value (X4) and overall service quality (X5) on trust (Y) either directly or indirectly is 70,68% or 70,7%. Variable of overall service quality is variable which give the biggest influence to trust, that is equal to 46,37% with direct influence equal to 32,05% and 14,32% other is indirect influence through variable perceived value. Based on table III also can be seen that the influence of other variables on trust (Y) outside perceived value (X4) and overall service quality (X5) is equal to 29.32%. This means there are still other variables that influence the trust outside the variables studied in the model, that is equal to 29.32%.

TABLE IX. Sub structural 2 F-test.

Model	Total Square	df	Mean Square	F	Sig
Regresi	2,584.942	2	1,292.471	341.201	0.000
Residu	1,072.005	283	3,788		
Total	3,656.948	285			

Fvalue (341,201)> Ftable (3,028) and its significance value is 0.000 which is less than 5% significance level (0,05), in conclusion H0 is rejected and H1 accepted. In simultaneously, perceived value (X4) and overall service quality (X5) have significant influence on trust (Y).

TABLE X. Sub structural 2 t-test.

Variables	Beta	t	Sig			
Perceived Value → Trust	0.316	5.890	0.000			
Overall ServQual → Trust	0.566	10.558	0.000			

#### a. The Partial Inluence of Perceived Value on Trusts

Based on table X, obtained  $t_{value} = 5.890$  while  $t_{table}$  with degrees of freedom at  $\alpha$  (0.05) is 1.968. Thus  $t_{value}$  (5,890)>



ISSN (Online): 2455-9024

 $t_{table}$  (1,968) and its significance value 0.000 smaller than 5% significance level (0,05), in result H0 refused and H1 accepted. Thus, it can be concluded that partially Perceived Value significant inluence on Trust.

b. The Partial Influence of Overall Service Quality on Trust

Based on table IV, obtained  $t_{value} = 10,558$  while  $t_{table}$  with degrees of freedom at  $\alpha$  (0.05) is 1.968. Thus  $t_{value}$  (10,558)>  $t_{table}$  (1,968) and its significance value 0.000 smaller than 5% significance level (0,05), in result H0 refused and H1 accepted. Thus, it can be concluded that the partial Overall Service Quality significantly affects the Trust.

## **Sub Structural 3 (Social Interaction and Trust to Loyalty Commitment)**

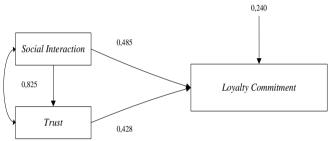


Fig. 4. Sub Structural 3.

TABLE XI. Influence of variabel X1, Y to Z.

Path	Direct Influence (%)	Indirect (9) Through $X_1$	Influence 6) Through Y	Pengaruh Total ke Y	
$X_1$	23.51	-	17.11	40.62	
Y	18.31	17.11	-	35.42	
Direct &	Direct & Indirect Influence X1 and Y To Z				
Other Variable Influence to Z				23.96	

Based on table XI can be seen that the total influence of social interaction (X1) and trust (Y) to loyalty commitment (Z) either directly or indirectly is 76.04% or 76.0%. Social interaction variable is the variable that gives the greatest influence to loyalty commitment, that is 40,62% with direct influence equal to 23,51% and 17,11% other is indirect influence through trust variable. Based on table V also can be seen that the influence of other variables on loyalty commitment (Z) outside social interaction (X1) and trust (Y) is 23.96%. This means there are still other variables that affect loyalty commitment outside the variables studied in the model, which is equal to 23.96%.

TABLE XII. Sub structural 3 F test.

Model	Total Square	df	Mean Square	F	Sig
Regresi	5.121.126	2	2.560.563	447.847	0.000
Residu	1.618.052	283	5.717		
Total	6.739.178	285			

Fvalue (447,847)> Ftable (3,028) and its significance value is 0.000 which is smaller than 5% significance level (0,05), in conclusion H0 is rejected and H1 accepted. In simultaneously, social interaction (X1) and trust (Y) have a significant effect on loyalty commitment (Z)

TABLE XIII. Sub structural 3 t-test.

Variables	Beta	t	Sig
Social Interaction  → Loyalty  Commitment	0.485	9.406	0.000
Trust → Loyalty Commitment	0.428	8.303	0.000

a. The Partial Influence of Social Commitment to Loyalty Commitment

Based on table XIII, obtained  $t_{value} = 9,406$  while  $t_{table}$  with degrees of freedom at  $\alpha$  (0.05) is 1.968. Thus  $t_{value}$  (9,406)>  $t_{table}$  (1,968) and its significance value 0.000 smaller than 5% significance level (0,05), in result H0 refused and H1 accepted. Thus, it can be concluded that partially Social Commitment significant inluence on Loyalty Commitment.

b. The Partial Inluence of Trust on Loyalty Commitment

Based on table XIII, obtained  $t_{value} = 8.303$  while  $t_{table}$  with degrees of freedom at  $\alpha$  (0.05) is 1.968. Thus  $t_{value}$  (8,303)>  $t_{table}$  (1,968) and its significance value is 0.000 smaller than 5% significance level (0,05), in result clear H0 is rejected and H1 accepted. Thus, it can be concluded that partially Trust has a significant inluence on Loyalty Commitment.

#### II. CONCLUSION AND SUGGESTION

In accordance with the purpose of this study to see the influence of social antecedents (social interaction, open communication, and customer orientation) and offer-related (perceived value and overall service quality) to customer trust services Enterprise Connectivity this company in intention to build commitment loyalty and measure the direct influence of social interaction variable to commitment loyalty, as the conclusion will be as follows:

- 1. Research on antecedents that affect customer confidence in Enterprise Connectivity services from social factors (social interaction, open communication and customer orientation) and offer-related factors (perceived value and over related factor) affects customer loyalty commitment. Assessment of respondents to these factors are generally in the good category, meaning that respondents assume these factors are considered capable of affecting trusts that then affect customer loyalty commitment. The results of the respondents' assessment of the factors that built the loyalty commitment from the highest to the lowest were social interaction (80.38%), trust (80.06%), overall service quality (79.87%), open communication (79.84 %), perceived value (79,41%) and customer orientation (79,27%).
- 2. Antecedent trusts are considered capable of affecting the loyalty commitment of enterprise connectivity service customers in accordance with the Structural Equoation



ISSN (Online): 2455-9024

model developed by Doney et al (2007). Through the path analysis as described in the previous Chapter IV, the following conclusions are summarized:

- a. Social antecedents (social interaction, open communication and customer orientation) affect customer trust. The influence of the antecedents is the value of the total influence from the largest to the smallest social interaction (34.07%), open communication (21.17%) and customer orientation (19.69%).
- b. Offer-Related antecedents (perceived value and overall service quality) affect customer trust. The inluence of the antecedents is the total influence value from the largest to the smallest overall service quality (46.37%) and perceived value (24.31%).
- Social interaction also has a direct influence on loyalty commitment with a value of 40.62%.
- d. Trust affects commitment loyalty with a value of 35.42%.
- 3. Against hypothesis testing proposed by the researcher it can be concluded as follows:
  - a. Social antecedents are social interaction, open communication and customer orientation have a significant inluence on customer trust (hypothesis 1 (H\_11), hypothesis 2 (H\_12) and hypothesis 3 (H\_13), accepted).
  - b. Offer-related antecedents that are perceived value and overall service quality have significant inluence on customer trust (hypothesis 4 (H\_14) and hypothesis 5 (H\_15), accepted).
  - c. Social interaction also directly affects the loyalty commitment (hypothesis 6 (H\_16), accepted).
  - d. Trust customers have a significant inluence on loyalty commitment (hypothesis 7 (H\_17), accepted).

#### **Managerial Impact**

From social antecedents, most trust is influenced by good social interaction between this company sales person with PIC customers. Social interaction also has a direct influence on loyalty commitment. Therefore sales person capability in building social relationships with PIC customers become the main thing. This ability can be built starting from the recruitment pattern of sales person by looking for the profile of candidates who have good interpersonal skills. This capability can also be enhanced by conducting interpersonal skills training to sales person. Good interpersonal skills are expected to improve social interaction between sales person and PIC customers, because with this capability sales person has ability to listen customer needs, process the information accurately until sales person can do the right action to make it happen.

From offer-related antecedents, trust is strongly influenced by the overall service quality factor that can not be denied the quality of service is one of the factors that build trusts that also affect customer loyalty commitment. Maintaining service quality is also the main thing for, where customers expect this company is to respect it in the general meaning that this company care about how the quality of service will impact on the customer business operational performance. For this factor can be done by giving technical training for sales person both of fundamental or deep product knowledge. Simplification of procedures to meet customer needs must also be enhanced, by not forgetting the compliance aspect, this simplification can be done by creating an application or web that can be accessed directly by customers for order process, interruption reporting, monitoring, service acceptance and also reporting service process will be useful for sales process or complain handling.

#### **Future Research Direction**

This study only measures the loyalty commitment factor that is influenced by customer trust from intagible antecedents (social factor) and tangible (offer-related factor) in general, for further research, it can be done more detailed research related to both factors. Many research is already taking topic the influence of the sales person to trust and loyalty commitment, it will be corelated with this research to emphasys the benefit of relationship management.

The object of this research is customer enterprise connectivity (IP, Metro Ethernet and Internet VPN) services which from the data are the biggest contributor of revenue from this comany. On the other hand, this company has also started to focus on developing non-legacy (connectivity and telephony) business that is included in IMES (Information, Media, Edutaintment and Services) portfolio which will be interesting to know what factors are able to build trust and commitment of IMES customer loyalty so that telco company division can determine the right strategy for its business.

#### REFFERENCES

- [1] E. Anderson and B. Weitz, "Determinant of continuity in conventional industrial channel Dyads," *Marketing Science*, vol. 8 no. 4, 1989.
- [2] J. C. Anderson and J. A. Narus, "A model of distributor firm and manufacturer firm working partnerships," *Journal of Marketing*, vol. 54, no. 1, pp. 42-58, 1990.
- [3] A. H. Gunawan, "Sosiologi pendidikan: Suatu analisis sosiologi tentang pelbagai problem pendidikan," Jakarta: Rineka Cipta, 2010.
- [4] D. Bejou, C. T. Ennew, and A. Palmer, "Trust, ethics and relationship satisfaction," *International Journal of Bank Marketing*, vol. 16, issue 4, pp. 170-175, 1998.
- [5] R. C. Caceres and N. G. Paparoidamis, "Service quality, relationship satisfaction, trust, commitment and business-to-business loyalty," *European Journal of Marketing*, vol. 41, issue 7/8, pp. 836–867, 2007.
- [6] A. Chaudhuri and M. B. Holbrook, "The chain of effects from brand trust and brand affect to brand performance: The role of brand loyalty," *Journal of Marketing*, vol. 65, issue 2, pp. 81-93, 2001.
- [7] J.-S. Chiou, C. Droge, and S. Hanvanich, "Does customer knowledge affect how loyalty is formed?," *Journal of Service Research*, vol. 5, no. 2, pp. 113-124, 2002.
- [8] P. M. Doney, J. M. Barry, and R. Abratt, "Trust determinants and outcomes in global B2B services," *European Journal of Marketing*, vol. 41, issue 9/10, pp. 1096–1116, 2007.
- [9] S. P. Gounaris and K. Venetis, "Trust in industrial service relationships: behavioral consequences, antecedents and the moderating effect of the duration of the relationship," *Journal of Services Marketing*, vol. 16, issue 7, pp. 636-655, 2002.
- [10] J. Gummerus, V. Gummerus, M. Pura, and A. van Riel, "Customer loyalty to content-based Web sites: the case of an online health-care service," *Journal of Services Marketing*, vol. 18, issue 3, pp. 175-186, 2004
- [11] J. Griffin, Customer Loyalty: How To Earn It, How To Keep It, Jossey-Bass, 2002.
- [12] D. Johnson and K. Grayson, "Cognitive and affective trust in service relationships," *Journal of Business Research*, vol. 58, issue 4, pp. 500– 507, 2005



ISSN (Online): 2455-9024

- [13] P. Kotler and K. L. Keller, *Marketing Management*, Edisi ke 15, *Global edition*, Pearson Education Inc., 2016.
- [14] P. Kotler and G. Armstrong, *Principle of Marketing*, Pearson Education Inc., 2012.
- [15] L. Leuthesser, "Supplier relational behavior: an empirical assessment," Industrial Marketing Management, vol. 26, no. 3, pp. 245-54, 1997.
- [16] C. Moorman, R. Deshpandé, and G. Zaltman, "Factors affecting trust in market research relationships," *Journal of Marketing*, vol. 57, no. 1, pp. 81-101, 1993.
- [17] R. M. Morgan and S. D. Hunt, "The commitment-trust theory of relationship marketing," *Journal of Marketing*, vol. 58, no. 3, pp. 20-38, 1994
- [18] J. C. Narver and S. F. Slater, "The effect of a market orientation on business profitability," *Journal of Marketing*, vol. 54, issue 4, pp. 20-34, 1000
- [19] N. O. Ndubisi, C. K. Wah, and G. C. Ndubisi, "Supplier-customer relationship management and customer loyalty," *Journal of Enterprise Information Management*, vol. 20, issue 2, pp. 222–236, 2007.
- [20] A. Parasuraman and D. Grewal, "The impact on technology on the quality-value-loyalty chain," *Journal of the Academy of Marketing Science*, vol. 28 no. 1, pp. 168-174, 2000.
- [21] O. C. Racela, "Customer orientation, innovation competencies, and firm performance: A proposed conceptual model," *Procedia Social and Behavioral Sciences*, vol. 148, pp. 16–23, 2014.

- [22] K. de Ruyter, L. Moorman, and J. Lemmink, "Antecedents of commitment and trust in customer–supplier relationships in high technology markets," *Industrial Marketing Management*, vol. 30, issue 3, pp. 271–286, 2001.
- [23] C. M. Rodríguez and D. T. Wilson, "Relationship bonding and trust as a foundation for commitment in U.S.-Mexican strategic," *Journal of International Marketing*, vol. 10, no. 4, pp. 53-76, 2002.
- [24] R. Saxe, and B. A. Weitz, "The SOCO scale: A measure of the customer orientation of salespeople," *Journal of Marketing Research*, vol. 19, no. 3, pp. 343-351, 1982.
- [25] S. Shin, "Decomposed approach of market orientation and marketing mix capability: Research on their relationships with firm performance in the Korean context," *International Business Research*, vol. 5, issue 1, pp. 22, 2012.
- [26] D. Sirdeshmukh, J. Singh, and B. Sabol, "Consumer trust, value, and loyalty in relational exchanges," *Journal of Marketing*, vol. 66, no. 1, pp. 15-37, 2002.
- [27] S. Santosa, "Teori-Teori Psikologi Sosial," PT Refika Aditama, 2010.
- [28] B. Smith, "Buyer-seller relationships: Bonds, relationship management, and sex-type," Revue Canadienne des Sciences de l'Administration, vol. 15, issue 1, pp. 76, 1998.