



Analysis of the Effect of Customer Experience, with Customer Satisfaction as a Mediation Variable

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ABSTRACT

The Purpose of this study is to analyze the effect of Customer Experience, Service with Customer Satisfaction as mediation Variable for IndiHome's Customers of PT Telkom Witel Sulut. The population of this research totally 2509 Customer with 2 months unpaid billing of IndiHome on term July and August 2021, and sampling was carried out based on Slovin's Formula total 359 respondents filled the questionnaire. The Research data were analyzed using PLS SEM (Partial Least Square - Structural Equation Modeling) with SmartPLS 3.0 software.

The Result show that Customer Experience, on Customer Satisfaction but did not directly influence Customer Retention. Customer Experience, Service Quality and Price Perception affect Customer Retention through Customer Satisfaction with full mediation.

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PT Telkom Witel North Sulawesi through IndiHome as the product already given the best Customer Experience, Service Quality and offering the best price to fulfill customer's need on their perception, however PT Telkom should make a same interpretation with the customer about Satisfaction on IndiHome service so that PT Telkom can improve the Retention in the future. And PT Telkom have to find the pain point IndiHome's Customer in the path of Customer Journey to find the best way to give the best solution of it.

I. Preliminary

The Covid 19 Pandemic period that has been going on since the end of 2019 has created new needs that are really needed beyond the basic needs that have existed such as masks, hand sanitizers, medical equipment, medicines, and the internet. The New Normal era gives the nuances of its own new needs for society. According to Solihin & Verahastuti (2020) The telecommunications sector is one of several sectors that still have the potential to grow in the new normal era. The telecommunications sector still has resilience in the midst of the Covid-19 pandemic. The public's need for a digital lifestyle with internet data access during the Covid-19 pandemic has also increased the performance of telecommunication issuers. Meanwhile, other businesses that are growing due to market dynamics and interaction adjustments use online application platforms such as the telecommunications business,

Customer Experience memorable will increase customer confidence to use the company's products longer and increase customer retention. And according to Pappas et al. (2014) Experience and Satisfaction are essential ingredients as determinants of customer retention. PT Telkom Indonesia continues to improve Customer Experience in a better direction through escorting the best service at the point of the IndiHome customer's customer journey. Customer Experience measurement is carried out through the calculation of NPS (Net Promoter Score). The results of the Telkom Witel North Sulawesi NPS measurement based on internal data from PT Telkom show better results than 2021, namely an increase of 2.82% (25.67% in August 2021 and 22).

Service Quality The best service provided to customers is the most important factor in building long-term relationships with customers and in increasing customer retention (Venetis & Ghauri, 2004) while Nsiah & A Mensah (2018) state that high quality services increase customer retention, which in turn leads to higher levels of customer service, high customer commitment and loyalty. When the customer feels the best service has been received, it will leave a distinct impression for the customer to continue to entrust the fulfillment of their needs to the product. IndiHome products are the flagship product of PT Telkom Indonesia.

According to Dastane & Fazlin (2017) Price perception plays an important role for customers because price is more than just a number for customers to make informed economic decisions they need to know details such as units, schedule, location, and quantity, and the price to be paid for a service determines the level of quality that will be demanded, According to Varki & Colgate (2001) price perception has an important influence on customer value perception. According to Jiang & Rosenbloom (2005) perception of price when measured comparatively has a direct and positive effect on overall customer satisfaction and intention to return. PT Telkom adjusts the perception of the price expected by customers by providing price variants that are varied compared to its competitors.

according to Dahlgard-Park (2015) Satisfied customers tend to generate positive word of mouth promotions for a company's products or services, which can ultimately lead to customer acquisition, retention and loyalty. Customer Satisfaction will determine whether customers will last a long time or not to use our products. IndiHome's customer satisfaction measurement is obtained from the CSI (Customer Satisfaction Index) measurement, CLI (Customer Loyalty Index) which in a period of 3

years has shown an increase while the CDI (Customer Dissatisfaction Index) has decreased compared to the previous 2 years as shown in the table below:

Table 1: Survey Table CSI, CLI, CDI

CSLS Survey	2020	2019	2018
<i>Customer Satisfaction Index (CSI)</i>	88.72%	88.56%	87.71%
<i>Customer Loyalty Index (CLI)</i>	86.59%	83.44%	82.84%
<i>Customer Dissatisfaction Index (CDI)</i>	0.44%	1.04%	2.17%

Source: Telkom Annual Report 2020

according to Margit Huber (2008:163) Winning new customers is much more difficult and expensive than retaining existing customers. It is widely known throughout the industry. that's why companies try to understand exactly how customer relationships work, what customers really like about their offerings, what drives customers to turn to competition, or why some customers give a large proportion of their business to one supplier and only a small part to another. The company must be able to find effective ways to maintain customer presence. Based on internal data from PT Telkom Witel, North Maluku, it shows that up to August 2021, customers who remain loyal to using IndiHome products whose subscriptions are longer than 24 months are 46,574 subscribers (46%).

Although the best efforts have been made through efforts to improve customer experience, improve service quality in every line, price adjustments that are adjusted to the perception of the price desired by customers through various prices offered according to needs, and increasing customer satisfaction and retention through customer retention programs. But what has become a separate phenomenon for PT Telkom Witel North Sulawesi what has happened is that there are a number of customers who "go without a message" leaving 2 months arrears of bills without making an official unsubscribe request to PT Telkom. The number of customers who behave like this is shown in the following data:

Table 2: Table of Number of Customers in Arrears for the Period Jan to August 2021

Subscription Age	Number of Customers in Arrears	%
1-3 Months	37	0.44%
4-6 Months	1,208	14.24%
7-12 Months	3,176	37.43%
1-2 Years	2,661	31.36%
Over 2 Years	1,404	16.54%
Total	8,486	100%

Source: Telkom Internal Data (2021)

Customer Experience (Customer Experience)

According to Pepper & Rogers (2017:22) Customer Experience is the Total Number of Individual Consumer Interactions with products or with the Company over time. According to Lafrenière (2020:1) Customer Experience is the emotion felt by customers when they relate to the company in various ways and things that customers remember through these business interactions. Meanwhile, according to Botha (2020:11) Customer Experience is the interaction between consumers and organizations through business relationships, interactions in this case can include Awareness, Discovery, Cultivation, Advocacy, Purchase, and Service. According to Schmitt & Rogers (2008: 16) there are five types of customer experiences that form the basis of the Experiential Marketing Framework, namely: Sense, Feel, Think, Act, and Relate. Whereas Robinette (2001:64) divides Customer experience measurement indicators into several categories, namely: Experience in Product, Experience in Environment, Experience in Loyalty Communication, Experience in Customer Service and Social Exchanged,

Experience in Events. According to (Behare et al., 2018) Business organizations focus on end-to-end customer experience processes with a view to retaining existing customers, maintaining customer loyalty, WOM and new customer acquisition which ultimately leads to Customer Digital Experience.

Customer Satisfaction (Customer satisfaction)

Kotler & Keller (2016: 80) stated that satisfaction reflects a person's assessment of the perceived performance of a product in relation to expectations. If performance does not meet expectations, the customer is disappointed. If it meets expectations, the customer is satisfied. customer satisfaction known as a key determinant of customer retention. If it exceeds them, the customer is happy. Meanwhile, according to Kotler and Armstrong (2018:15) Customer satisfaction is the extent to which a product's perceived performance matches the expectations of the buyer. Outstanding marketing companies go to great lengths to keep important customers satisfied. Most studies show that higher levels of customer satisfaction lead to customer loyalty, which in turn results in better company performance. Companies aim to please customers by promising what they can deliver and then delivering more than promised. Happy customers not only make repeat purchases but also become willing to be marketing partners and "customer evangelists" who spread the word about their good experiences to others. According to Steiner et al. (2014) A number of studies confirm that customer satisfaction is a key requirement for customer engagement with a company, which in turn makes it important to focus on customer satisfaction in order to develop and maintain it through customer retention. According to Maminaiaina Aimee (2019), customer satisfaction is the result that customers receive when the service they experience exceeds the service they expect. According to Tjiptono (2019: 364) states that there are six core concepts regarding the object of measuring consumer satisfaction, namely overall customer satisfaction (Overall customer satisfaction), dimensions of customer satisfaction, confirmation of expectations (confirmation of expectations), repurchase intention (Repurchase Intent),

Customer Retention (Customer Retention)

According to Maklan & Buttle (2019: 95) "Customer retention is the number of customers doing business with a firm at the end of a financial year expressed as a percentage of those who were active customers at the beginning of the year".

Why should Customers be retained? According to Murphy M. John (2001:1) because it takes time and money to attract every new customer. For the first year or two after the acquisition, the money a new customer spends with the organization is offset against the cost of the acquisition. After that there is a gradual way of increasing the profit that will be made from the customer. In time, if the customer stays with the organization and develops an emotional bond with the customer it will encourage others to become customers. And which customers should be retained, that can be done by understanding what motivates customers to buy, and identifying customer groups that will be profitable to serve and retain. However, there are other steps to take. If customer retention is an organizational goal, Whatever customer segment the organization decides to choose, these changes will follow the same basic pattern, governed in detail based solely on customer preferences. With the aim of service quality excellence. And prepare the organization to be ready to implement a service culture. It defines the attitude needed to attract and retain long-term customers. Some of the Strategies Offered by Maklan & Buttle (2019:99) for the Implementation of Customer Retention, namely It defines the attitude needed to attract and retain long-term customers. Some of the Strategies Offered by Maklan & Buttle (2019:99) for the Implementation of Customer Retention, namely It defines the attitude needed to attract and retain long-term customers. Some of the Strategies Offered by Maklan & Buttle (2019:99) for the Implementation of Customer Retention, namely *Positive Customer Retention Strategies* and Negative retention strategies. Schiffman (2019:12) describes customer retention as turning individual consumer

transactions into long-term relationships, while according to Li et al. (2018) Customer retention refers to the extent to which customers show commitment and loyalty in choosing a retailer through repurchase intentions, and Aspinall et al. (2001) describes that Customer Retention can be defined in 4 forms, namely: Keeping Consumers, Repeat Purchases, Response Activities, and Satisfaction. And according to Abu Bakar (2010) there are 3 indicators that can be used to measure customer retention, namely: Intensive Reload, Intensive of Using, Priority Of Using.

Previous Research

Research conducted by Januarko et al. (2018) which examines the effect of Product Quality, Price Perception and Customer Satisfaction on Customer Loyalty and uses PLS SEM as a PLS SEM analysis technique, while Almohaimmed (2019) examines the determinants of customer retention involving the influence of customer satisfaction, customer loyalty, customer profitability on customer retention in restaurant customers in Saudi Arabia using AMOS SEM as an Analysis Tool. Maladi et al. (2019) tested the effect of Service Quality, Company Image and Switching Barrier on Customer Retention with Customer Satisfaction as a mediating variable on customers at LB-LIA Banjarmasin with PLS SEM as an analytical tool.

Samanta (2012) examines the factors (Service Quality, Customer Satisfaction, trust, inertia) that affect Customer Retention in the Mobile Telco Sector in Greece with Multiple Regression as an Analysis Tool. Carter & Yeo (2016) examined Student Satisfaction which has implications for predictive retention of students in Malaysia with the Multiple Regression analysis tool. Berlianto (2020) examines the Factors Affecting Urban Customer Experience and Satisfaction in Purchasing Through M-commerce with SEM as an analytical tool. Simanjuntak & Purba (2020) examined the mediating role of customer satisfaction in customer experience and customer loyalty among 150 students who were tutored at Ganesha Operation using SEM as an analytical tool. Joemsittiprasert et al. (2019) researching Trust, Commitment,

Research Hypothesis

H1: It is suspected that customer experience has a significant positive effect on customer satisfaction for IndiHome customers at PT. Telkom Witel North Sulawesi

H2: It is suspected that Service Quality has a significant positive effect on customer satisfaction for IndiHome customers at PT. Telkom Witel North Sulawesi

H3: It is suspected that Price Perception has a Significantly Positive effect on Customer Satisfaction on IndiHome Customers at PT. Telkom Witel Sulut

H4: It is suspected that customer satisfaction has a significant positive effect on customer retention on IndiHome customers at PT. Telkom Witel North Sulawesi

H5: It is suspected that customer experience has a significant positive effect on customer retention for IndiHome customers at PT. Telkom Witel North Sulawesi

H6: It is suspected that Service Quality has a significant positive effect on customer retention on IndiHome customers at PT. Telkom Witel North Sulawesi

H7: It is suspected that Price Perception has a Significantly Positive effect on Customer Retention on IndiHome Customers at PT. Telkom Witel, North Sulawesi

H8: It is suspected that Customer Experience has a significant positive effect on Customer Retention through the mediation variable of Customer Satisfaction on IndiHome Customers at PT. Telkom Witel Sulut

H9: It is suspected that Service Quality has a significant positive effect on Customer Retention through the mediation variable Customer Satisfaction on IndiHome customers at PT.Telkom Witel, North Sulawesi

H10: It is suspected that Price Perception has a significant positive effect on Customer Retention through the mediation variable of Customer Satisfaction on IndiHome customers at PT. Telkom Witel, North Sulawesi

II. Research methods

Types of research

This study uses a quantitative approach using statistical procedures. This study was conducted to determine the effect of customer experience, service quality, price perception on customer retention with customer satisfaction as a mediating variable at PT. Telkom Witel North Sulawesi which is located on Jl. Samratulangi No. 5 Manado City.

Method of collecting data

Primary data is obtained directly from customers through responses to statements related to research variables. Primary data used are the results of questionnaires from customers at PT. Telkom Witel North Sulawesi. Secondary data are from research reports, previous research journals, and from books related to research.

Population and Research Sample

The population for this study is all IndiHome customers at Telkom Witel North Sulawesi who have been in arrears for 2 months in the last 2 months (July and August 2021) with a total of 2509 subscribers and The sample studied in this study based on the slovin formula were 359 IndiHome customers with an error tolerance of 5%. Sampling in this study is a simple random sampling technique. Data was collected using a questionnaire which was then analyzed by PLS SEM analysis. Data processing using SPSS and Smart PLS 3.0.

Data analysis technique

This study uses a causality or influence relationship model. Thus, to test the proposed hypothesis, the Partial Least Square - Structural Equation Modeling (PLS-SEM) analysis technique is used which is operated through the Smart PLS 3.0 Program. Structural Equation Modeling (SEM) analysis based on variance which can simultaneously test the measurement model as well as test the structural model. The measurement model is used to test the validity and reliability, while the structural model is used to test causality.

III. Results and Discussion

Research result

Table 3 Validity Test Results

Variable	Items	R Count	R Table 5%	Sig Value	Description
<i>Customer Experience (X1)</i>	X1.1.1	0.761	0.312	0.000	Valid
	X1.2.1	0.653	0.312	0.000	Valid
	X1.3.1	0.730	0.312	0.000	Valid
	X1.4.1	0.662	0.312	0.000	Valid
	X1.5.1	0.830	0.312	0.000	Valid
	X2.1.1	0.777	0.312	0.000	Valid
	X2.1.2	0.828	0.312	0.000	Valid
	X2.2.1	0.839	0.312	0.000	Valid

<i>Service Quality (X2)</i>	X2.2.2	0.814	0.312	0.000	Valid
	X2.3.1	0.735	0.312	0.000	Valid
	X2.3.2	0.774	0.312	0.000	Valid
	X2.4.1	0.471	0.312	0.002	Valid
	X2.4.2	0.686	0.312	0.000	Valid
	X2.5.1	0.631	0.312	0.000	Valid
	X2.5.2	0.730	0.312	0.000	Valid
<i>Price Perception (X3)</i>	X3.1.1	0.786	0.312	0.000	Valid
	X3.2.1	0.748	0.312	0.000	Valid
	X3.3.1	0.737	0.312	0.000	Valid
	X3.4.1	0.854	0.312	0.000	Valid
	X3.5.1	0.781	0.312	0.000	Valid
	X3.6.1	0.758	0.312	0.000	Valid
<i>Customer Satisfaction (Y1)</i>	Y1.1.1	0.821	0.312	0.000	Valid
	Y1.2.1	0.844	0.312	0.000	Valid
	Y1.3.1	0.686	0.312	0.000	Valid
	Y1.3.2	0.829	0.312	0.000	Valid

Variable	Items	R Count	R Table 5%	Sig Value	Description
<i>Customer Satisfaction (Y1)</i>	Y1.4.1	0.760	0.312	0.000	Valid
	Y1.5.1	0.762	0.312	0.000	Valid
	Y1.6.1	0.461	0.312	0.003	Valid
<i>Customer Retention (Y2)</i>	Y2.1.1	0.715	0.312	0.000	Valid
	Y2.2.1	0.836	0.312	0.000	Valid
	Y2.3.1	0.775	0.312	0.000	Valid

Source: Processed Data (2021)

From table 2 above, it can be seen that all statement items in the research questionnaire are declared valid.

Table 4. Reliability Test Results

Variable	Cronbach Alpha	Description
<i>Customer Experience (X1)</i>	0.787	<i>Reliable</i>
<i>Service Quality (X2)</i>	0.773	<i>Reliable</i>
<i>Price Perception (X3)</i>	0.792	<i>Reliable</i>
<i>Customer Satisfaction (Y1)</i>	0.782	<i>Reliable</i>
<i>Customer Retention (Y2)</i>	0.810	<i>Reliable</i>

Source: Processed Data (2021)

From the results of data processing in this study, all of the variables tested had a Cronbach Alpha value of more than 0.6, so all variables were reliable. Thus it can be used in this research.

PLS SEM Analysis
Outer Model Evaluation

Table 5 First Iteration Loading Factor Value

Variable	Indicator	Load Factor Value
<i>Customer Experience (X1)</i>	X1.1.1	0.851
	X1.2.1	0.807
	X1.3.1	0.804
	X1.4.1	0.776
	X1.5.1	0.786
<i>Service Quality (X2)</i>	X2.1.1	0.810
	X2.1.2	0.809
<i>Service Quality (X2)</i>	X2.2.1	0.833
	X2.2.2	0.792
	X2.3.1	0.812
	X2.3.2	0.807
	X2.4.1	0.514
	X2.4.2	0.755
	X2.5.1	0.756
	X2.5.2	0.714
<i>Price Perception (X3)</i>	X3.1.1	0.790
	X3.2.1	0.831
	X3.3.1	0.844
	X3.4.1	0.890
	X3.5.1	0.796
	X3.6.1	0.801
<i>Customer Satisfaction (Y1)</i>	Y1.1.1	0.889
	Y1.2.1	0.901
	Y1.3.1	0.867
	Y1.3.2	0.900
	Y1.4.1	0.868
	Y1.5.1	0.861
	Y1.6.1	0.550
<i>Customer Retention (Y2)</i>	Y2.1.1	0.832
	Y2.2.1	0.735
	Y2.3.1	0.916

Source: Processed Data (2021)

The results of data processing with SmartPLS shown in Table 5 show that the majority of indicators in each variable in this study have a loading factor value greater than 0.70 and are said to be valid. In addition, there are 2 indicators that have a loading factor value of less than 0.70, first in Service Quality there is 1 indicator, namely X2.4.1. and in the Customer Satisfaction variable, there is 1 indicator, namely Y1.6.1, This shows that the variable indicator which has a loading factor value greater than 0.70 has a high level of validity, thus fulfilling convergent validity. Meanwhile, the variable indicator that has a loading factor value of less than 0.70 has a low level of validity so that the variable indicator needs to be eliminated or removed from the model.

Table 6 First Iteration Loading Factor Value

Variable	Indicator	Load Factor Value
<i>Customer Experience (X1)</i>	X1.1.1	0.851
	X1.2.1	0.806
	X1.3.1	0.805
	X1.4.1	0.775
	X1.5.1	0.788
<i>Service Quality (X2)</i>	X2.1.1	0.819
	X2.1.2	0.820
	X2.2.1	0.837
	X2.2.2	0.792
	X2.3.1	0.816
	X2.3.2	0.807
	X2.4.2	0.745
	X2.5.1	0.757
<i>Price Perception (X3)</i>	X2.5.2	0.724
	X3.1.1	0.790
	X3.2.1	0.831
	X3.3.1	0.845
	X3.4.1	0.890
	X3.5.1	0.796
	X3.6.1	0.801

Variable	Indicator	Load Factor Value
<i>Customer Satisfaction (Y1)</i>	Y1.1.1	0.882
	Y1.2.1	0.907
	Y1.3.1	0.876
	Y1.3.2	0.905
	Y1.4.1	0.874
	Y1.5.1	0.867
<i>Customer Retention (Y2)</i>	Y2.1.1	0.830
	Y2.2.1	0.737
	Y2.3.1	0.917

Source: Processed Data (2021)

The table above shows an increase in the loading factor value of the indicator in the second iteration after the indicator whose value is below 0.7 is eliminated and recalculation is carried out, so that the loading factor value of all indicators is greater than 0.7.

Table 7 Average Variance Extracted (AVE)

Variable	AVE
<i>Customer Experience (X1)</i>	0.649
<i>Service Quality (X2)</i>	0.627
<i>Price Perception (X3)</i>	0.683
<i>Customer Satisfaction (Y1)</i>	0.784
<i>Customer Retention (Y2)</i>	0.691

Source: Processed Data (2021)

Table 7 shows that the AVE value for all variables is > 0.5 . Thus, it is stated that each variable has good convergent validity.

Table 8 Cross Loading Value

	<i>Customer Experience (X1)</i>	<i>Service Quality (X2)</i>	<i>Price Perception (X3)</i>	<i>Customer Satisfaction (Y1)</i>	<i>Customer Retention (Y2)</i>
X1.1.1	0.851	0.597	0.634	0.672	0.621
X1.2.1	0.806	0.555	0.589	0.588	0.563
X1.3.1	0.805	0.636	0.662	0.571	0.510
X1.4.1	0.775	0.578	0.580	0.595	0.559
X1.5.1	0.788	0.672	0.695	0.640	0.580
X2.1.1	0.626	0.819	0.637	0.649	0.639
X2.1.2	0.582	0.820	0.602	0.570	0.554
X2.2.1	0.584	0.837	0.651	0.617	0.564
X2.2.2	0.605	0.792	0.693	0.658	0.572
X2.3.1	0.558	0.816	0.681	0.664	0.600
X2.3.2	0.664	0.807	0.672	0.666	0.603
X2.4.2	0.616	0.745	0.616	0.629	0.555
X2.5.1	0.613	0.757	0.615	0.610	0.558
X2.5.2	0.513	0.724	0.642	0.586	0.524
X3.1.1	0.667	0.691	0.790	0.642	0.601
X3.2.1	0.640	0.681	0.831	0.704	0.614

	<i>Customer Experience (X1)</i>	<i>Service Quality (X2)</i>	<i>Price Perception (X3)</i>	<i>Customer Satisfaction (Y1)</i>	<i>Customer Retention (Y2)</i>
X3.3.1	0.639	0.643	0.845	0.726	0.609
X3.4.1	0.663	0.727	0.890	0.772	0.652
X3.5.1	0.598	0.638	0.796	0.612	0.600
X3.6.1	0.683	0.664	0.801	0.734	0.652
Y1.1.1	0.737	0.665	0.731	0.882	0.745
Y1.2.1	0.689	0.706	0.741	0.907	0.739
Y1.3.1	0.658	0.715	0.761	0.876	0.696
Y1.3.2	0.666	0.693	0.755	0.905	0.729
Y1.4.1	0.648	0.690	0.755	0.874	0.793
Y1.5.1	0.659	0.749	0.759	0.867	0.793
Y2.1.1	0.571	0.568	0.559	0.692	0.830
Y2.2.1	0.525	0.542	0.550	0.563	0.737
Y2.3.1	0.656	0.693	0.748	0.830	0.917

Source: Processed Data (2021)

Table 8 shows that each indicator in the research variables has the largest cross loading value for the variables it forms compared to the cross loading values for other variables. Thus, it can be stated that the indicators in this study have good discriminant validity in compiling their respective variables.

Table 9 Composite Reliability Value

Variable	Composite Reliability
Customer Experience (X1)	0.902
Service Quality (X2)	0.938
Price Perception (X3)	0.928
Customer Satisfaction (Y1)	0.956
Customer Retention (Y2)	0.869

Source: Processed Data (2021)

Table 9 shows that the data in this study have met the reliability requirements of more than 0.7. Reliability testing can also be seen from the value of Cronbach's Alpha which is presented in table 10 below:

Table 10 Value of Cronbach's Alpha

Variable	Cronbach's Alpha
Customer Experience (X1)	0.864
Service Quality (X2)	0.925
Price Perception (X3)	0.907
Customer Satisfaction (Y1)	0.945
Customer Retention (Y2)	0.774

Source: Processed Data (2021)

The Cronbach's Alpha value in the table above shows a value of > 0.7 which proves that the indicators that are owned are effective or reliable for measuring variables.

Inner Model Evaluation

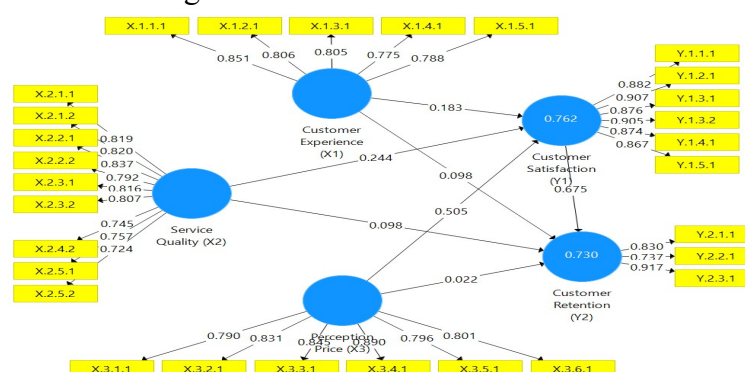
Table 11 Value of R Square

Variable	R Square
Customer Satisfaction (Y1)	0.762
Customer Retention (Y2)	0.730

Source: Processed Data (2021)

Based on the r-square value in Table 11 shows that Based on the table above it can be explained that the variables Customer Experience (X1), Service Quality (X2), and Price Perception (X3) can explain the variable Customer Satisfaction (Y1) by 76.2% and the rest of 23.8% is explained by other variables not examined in this study. Meanwhile, Customer Experience (X1), Service Quality (X2), Price Perception (X3), and Customer Satisfaction (Y1) can explain the variable Customer Retention (Y2) by 73% and the remaining 27% is explained by other variables not examined. in this research.

Figure 1 Research Model Results



Source: Smart PLS Output (2021)

Table 12 Path Coefficient Results

Hypothesis	T-Statistics	P- Value
<i>Customer Experience (X1) -> Customer Satisfaction (Y1)</i>	3.257	0.001
<i>Service Quality (X2) -> Customer Satisfaction (Y1)</i>	4.033	0.000
<i>Price Perception (X3) -> Customer Satisfaction (Y1)</i>	8,904	0.000
<i>Customer Satisfaction (Y1) -> Customer Retention (Y₂)</i>	10,657	0.000
<i>Customer Experience (X1) -> Customer Retention (Y2)</i>	1.574	0.116
<i>Service Quality (X2) -> Customer Retention (Y2)</i>	1,685	0.093
<i>Price Perception (X3) -> Customer Retention (Y2)</i>	0.331	0.740

Source: Processed Data (2021)

Hypothesis Testing Results:

Table 13 Hypothesis Test Results

Hypothesis		T-Statistics	P-Value	Conclusion
H1	<i>Customer Experience</i> have a significant positive effect on customer satisfaction	3.257	0.001	Received
H2	<i>Service Quality</i> have a significant positive effect on customer satisfaction	4.033	0.000	Received
H3	<i>Price Perception</i> have a significant positive effect on customer satisfaction	8,904	0.000	Received
H4	<i>Customer Satisfaction</i> have a significant positive effect on customer retention	10,657	0.000	Received
H5	<i>Customer Experience</i> have a significant positive effect on customer retention	1.574	0.116	Rejected
H6	<i>Service Quality</i> have a significant positive effect on customer retention	1,685	0.093	Rejected
H7	<i>Price Perception</i> have a significant positive effect on customer retention	0.331	0.740	Rejected
H8	<i>Customer Experience</i> has a significant positive effect on Customer Retention through the mediation variable Customer Satisfaction	3.156	0.002	Received
H9	<i>Service Quality</i> has a significant positive effect on Customer Retention through the mediation variable Customer Satisfaction	3,794	0.000	Received
H10	<i>Price Perception</i> has a significant positive effect on Customer Retention through the mediation variable Customer Satisfaction	6.683	0.000	Received

Source: Processed Data (2021)

Discussion**1. Influence of Customer Experience (X1) on Customer Satisfaction (Y1)**

Based on the theory put forward by Botha (2020:11) Customer Experience is Interaction between Consumers and organizations through business relationships, Interactions in this case can include Awareness, Discovery, Cultivation, Advocacy, Purchase, and Service. there is an interaction between Telkom and the customer which will trigger the customer to feel satisfaction through the expected interaction so as to create a pleasant experience in using IndiHome products.

Research with the same results was also found in research conducted by Hasfar et al. (2020) which showed a positive and significant influence on Customer Experience on Customer Satisfaction in research at PT Meratus in Samarinda and was also supported by research conducted by Simanjuntak & Purba (2020) to 150 Students who are tutored in Ganesha Operation.

2. Effect of Service Quality (X2) on Customer Satisfaction (Y1)

This research is in line with research conducted by Shrestha & Bahadur Ale (2020) which shows that service quality has a significant positive effect on customer satisfaction with Nepal Telecom company customers. And also in line with research conducted by Nigussie (2019) which found that there was a positive and significant relationship between the five dimensions of Service Quality and Customer Satisfaction. And also there is a positive and strong effect noted among the three Service Quality variables (empathy, responsiveness and reliability) in addition to assurance and tangibles. Finally, there is a positive relationship between Service Quality and Customer Satisfaction on Yirgalem Telecom customers in Ethiopia.

3. Effect of Price Perception (X3) on Customer Satisfaction (Y1)

The results of this study are supported by research conducted by Hassan et al., (2013) whose research results show that service fairness, service quality and price fairness perception are valid and reliable to measure customer satisfaction and customer loyalty of Mobile Telco customers in Pakistan. And this is also supported by research by Ogunbade (2015) finding that Price Perception has a significant positive effect on Customer Satisfaction. And service quality, price perception, brand image and value offering are the main predictors of customer satisfaction. On Mobile Telecom subscribers in Nigeria. And research conducted by Jiang & Rosenbloom (2005) shows that Price Perception has an effect on Customer overall satisfaction in 416 e-retail stores listed on bizrate.com

4. Influence of Customer Satisfaction (Y1) on Customer Retention (Y2)

The results of a similar study were conducted by Mahmoud et al.(2018) who found that customer satisfaction had a direct influence on customer retention in a study conducted on 320 telco provider customers in Ghana. And also in line with research conducted by Alshurideh et al. (2012) showed that there was a significant effect of Customer Satisfaction on Customer retention in 364 cellular subscribers in Jordan. And it is also supported by research conducted by Odunlami (2015) on 200 Bank Customers in Oyo Nigeria.

5. Influence of Customer Experience (X1) on Customer Retention (Y2)

The results of this study are in line with research conducted by Handaruwati & Wibowo (2020) who found that Customer Experience had no significant effect on Customer Retention, Communication had a significant effect on Customer Retention, and Conflict Handling had a significant effect on Customer Retention in a study conducted on 58 music studio customers in Surakarta.

6. Effect of Service Quality (X2) on Customer Retention (Y2)

The results of this study are supported by research conducted by Susmita (2017) which found that the service quality and institutional image variables did not have a partially significant effect on research customer retention in students at STIE Widya Gama Lumajang and was also supported by research conducted by Samanta (2012) who found that there was no significant relationship between the dependent variable "Customer Retention" and the independent variables about "Trust," "Distraction of Barriers," and "Perceived Quality." And it is also supported by research conducted by Sari et.al (2018) which shows that service quality and commitment have no significant effect on customer retention while other variables have a significant effect on research conducted on 100 Javanese restaurant customers in Kuta Bali.

7. Effect of Price Perception (X3) on Customer Retention (Y2)

The results of this study do not support the previous research conducted by Varki & Colgate (2001) and Trasorras et al. (2009) which showed that there was a significant effect of Price Perception on Customer Retention. But this research is supported by research conducted by Nizam (2015) which shows that Quality, Project Management and Price are not found to have a significant impact on customer retention in Construction Industry companies in Maldives.

8. The influence of Customer Experience (X1) on Customer Retention (Y2) through the mediation variable Customer Satisfaction (Y1)

The results of this study are also in line with research conducted by Carter & Yeo (2016). Quantitative results reveal that students are most satisfied with their academic experience and it is also the most dominant predictor of student retention in a study conducted on 418 diploma students of various majors in Malaysia.

9. Effect of Service Quality (X2) on Customer Retention (Y2) through the mediation variable Customer Satisfaction (Y1)

This study is in line with research conducted by Al-Tit (2015) showing that Customer Satisfaction mediates the relationship between service quality and customer retention in 400 student customers at 10 Amman University restaurants in Jordan. And the results of this study are also supported by research conducted by Maladi et al. (2019) which shows that there is an indirect effect of service quality on customer retention with customer satisfaction as a mediating variable in a study of 141 students at LB-LIA Banjarmasin.

10. Effect of Price Perception (X3) on Customer Retention (Y2) through the mediation variable Customer Satisfaction (Y1)

This is in line with research conducted by Dastane & Fazlin, (2017) which showed that Price had an effect on Customer Satisfaction and Customer Retention of research conducted on 174 fast food customers in Malaysia.

IV. Conclusion

The test results show that *Customer Experience*, *Service Quality* and Price Perception has an effect on Customer Satisfaction but does not directly affect Customer Retention. Customer Experience, Service Quality and Price Perception have an effect on Customer Retention through Customer Satisfaction as a mediating variable which indicates that perfect mediation occurs.

Some suggestions that can be submitted for improving the services of PT Telkom Witel North Sulawesi in the future are as follows:

1. PT Telkom Witel North Sulawesi as a Fixed Broadband service provider which has a majority market share in the North Sulawesi area. It is necessary to implement customer contact center services other than 147 such as media chat on Telkom's official website or IndiHome to further accelerate solutions for services for customers and the need for socialization back to customers related to retention packages to further increase customer retention rates at PT Telkom Witel North Sulawesi.
2. In this study, there are 3 variables that have an effect but are not significant on Customer Retention, namely Customer Experience, Service Quality and Price Perception because it is necessary to have a Customer Satisfaction Variable in it so as to ensure that the interpretation of customers and Telkom as the owner of IndiHome products is the same, it is necessary to check again at the point which point of the customer journey becomes the pain point for customers so that it can be a room for improvement for Telkom in the future.

3. For further researchers, they can examine other variables that will support the increase in customer retention.

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