

# Airline Customer Retention in Indonesia 2015

(A Study of Domestic Customers of Low Cost Carrier in Indonesia)

**Author's Details:** <sup>(1)</sup>**Juliater Simarmata**-Doctoral Student of Management Department, Faculty of Economics & Business, Padjadjaran University, Bandung, Indonesia. <sup>(2)</sup>**Yuyus Suryana**-Doctoral Lecturer of Management Department, Faculty of Economics & Business, Padjadjaran University, Bandung, Indonesia. <sup>(3)</sup>**Umi Kaltum**-Doctoral Lecturer of Management Department, Faculty of Economics & Business, Padjadjaran University, Bandung, Indonesia <sup>(4)</sup>**Yevis Marty Oesman**-Doctoral Lecturer of Management Department, Faculty of Economics & Business, Padjadjaran University, Bandung, Indonesia

## **Abstract**

*The increasing social class population and the need for rapid transportation have led to increased competition in the airline industry in Indonesia. Competitors in the airlines industry are changing their strategies with the new ones, such as intensive marketing, advertising and promotion, as well as low cost carriers' strategy to get more passengers. The airline companies that can attract and retain customers in this highly competitive and increasingly saturated market stand poised to make considerable gains, and thus customer retention is an important field of study in this mature market.*

*The objective of this research is to examine the direct relationship of Customer Trust, Customer Satisfaction, Brand, Performance of Service Delivery, and Switching Barrier on Customer Retention in Indonesia airline companies. A survey was conducted on domestic airline passengers and analysed by OLS Method. This research confirms the significant relationship of Customer Trust, Customer Satisfaction, Brand, Performance of Service Delivery, Switching Barrier with Customer Retention in Indonesian Airlines.*

**Keywords:** *Customer Retention, Customer Trust, Customer Satisfaction, Brand, Performance of Service Delivery, Switching Barrier, Airlines.*

## **INTRODUCTION**

Transportation is one of the important factors that support the economic, social, cultural, and political development that affect the progress of a nation. Transportation services have evolved from efforts to serve public interest to commercial service. One mode of transportation that is growing rapidly in Indonesia is air transportation. The development of air transportation is one indicator of the progress of a nation. Moreover, Indonesia is an archipelago with a highly growing middle class, which automatically increases demand in the air services and enhances domestic, ASEAN, East Asia, and Asia Pacific connectivity. So as to improve the aspects of air transportation services will play a role in improving the connectivity in the region.

Domestic airline companies try to attract potential people in Indonesia by using the competitive strategy of low prices, or often referred to as a low-cost carrier. The phenomenon of low cost carrier (LCC) in Indonesia began with the introduction of LCC by Air Asia and Lion Air, which are well-known airline companies in Indonesia. LCC offers low fares to its passengers, with the consequence of abolishing or reducing some services or facilities to be gained from regular airlines. The LCC strategy is also supported by the growing middle-class society in Indonesia.

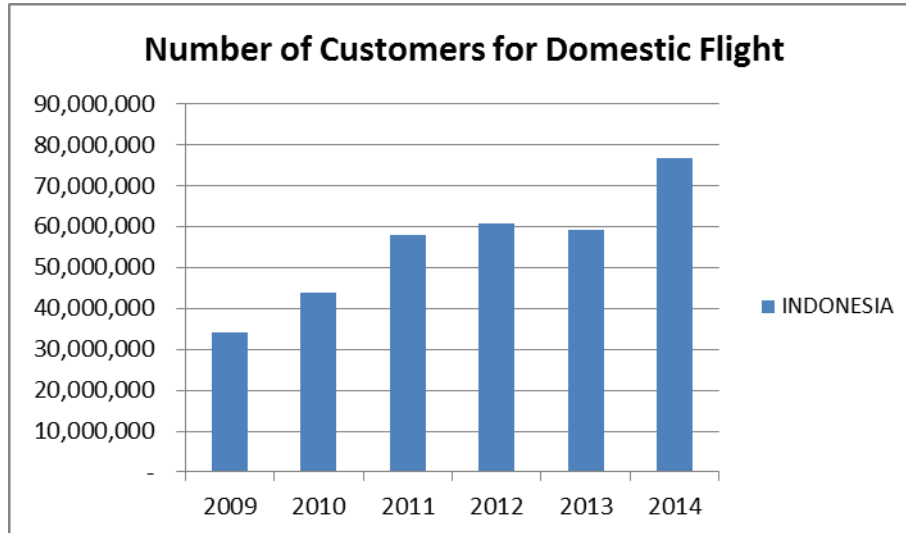
The high demand for air transportation services has led to the rapid development of air transport business. But accompanied with the increasing competition in the airline business, the marketing performance of airline companies operating in Indonesia find difficulty in improving their business performance which will have an impact on the condition of the airline company. The following are several Indonesian airline companies that have been closed (bankrupt) due to competition in seizing the trust and loyalty of customers.

**Table. 1.1. Airlines in Indonesia that have been closed**

No	Airlines	Operates (Year)	Closed (Year)
1	<b>Bouraq Airlines</b>	1970	2005
2	<b>Star Air</b>	2000	2008
3	<b>Sempati Air</b>	2000	2008
4	<b>Linus Air</b>	2008	2009
5	<b>Adam Air</b>	2003	2008
6	<b>A-Wair</b>	2000	2001
7	<b>Indonesia Airlines</b>	2001	2003
8	<b>Jatayu Airlines</b>	2001	2008
9	<b>Riau Airlines</b>	2008	2011
10	<b>Kartika Airline</b>	2001	2010
11	<b>Merpati Air</b>	1962	2014
12	<b>Mandala Air</b>	2005	2014
13	<b>Batavia Air</b>	2001	2013

Source: Various Sources

The airline companies in Indonesia, especially LCC airlines, which should stop operating are apparently not in line with the interest of Indonesian people to travel every year (see Chart 1.1.). It seems that the high interest of Indonesian people to travel is not supported by a good performance of the airline companies, so that many of them must stop operating.

**Chart 1.1 Number of Customers for Domestic Flight**

Source : Directorate General of Civil Aviation Indonesia, 2009 – 2014

If seen from the number of LCC airlines to be closed and the low performance of marketing, it seems to be a logical consequence of the low level of party alignments customers. This shows that Switching Barriers Index for the airlines industry is low compared to other industries, thus indicating poor customer retention of airline flight services in Indonesia.

Besides that, national airlines must be able to compete with foreign airlines operating in Indonesia, which basically have the better resources.

In a highly competitive environment, the provision of high services passengers is the core competitive advantage for an airline's profitability and sustained growth (Chen, 2008). In the past decade, as the air transportation market had become even more challenging, many airlines had turned to focus on airline service quality to improve service satisfaction. Service delivery condition influences a firm's competitive advantage by retaining customer patronage, and with this comes market share (Park et al., 2004; Morash and Ozment, 1994). Delivering high-service to passengers is essential for airline survival, so airlines need to understand what passengers expect from their services.

Based on the above-mentioned research background, the purpose of this study is to investigate the decision making factors affecting the airline customer retention, mainly to explore the relationships among the airline service factors (Customer Trust, Customer Satisfaction, Brand, Performance of Service Delivery, Switching Barrier) with Customer Retention within the framework of ordinary least square equation modeling, and then we discuss the research findings from an academic perspective and provide directions for future research.

## **LITERATURE REVIEW**

### **a. Customer Retention**

Retention is defined in different ways by different studies done by Gerpott, Rams and Schindler (2001) as the continuity of business relations between the customer and company. As it has been stated, the vital issue in relation with marketing research is the effects of relationship and quality on customer retention (Lin & Wu, 2011).

Rust, Zohorik & Keiningham (1995) say that retention and attraction of new customers are used as drivers for increasing market share and revenues. In retaining customers, it is important for the firms to know who have to serve their customers. Post sales services are important drivers for customer retention (Saeed, Grover & Hwang, 2005). It is important for the product/service provider to put emphasis on the quality of product and service. As it is stated (Lin & Wu, 2011) that there is a statistically significant relationship among quality commitment, trust and satisfaction, customer retention, and future use of product, thus retention is influenced by the future use of product (Khan, 2012).

### **b. Customer Trust**

A customer is any person who had, has or can have some interaction with a salesperson or salespersons. In the literature there are a lot of definitions of trust in the salesperson. Customer trust is the emotion or effect of a buyer feeling secure or insecure about relying on the salesperson; and beliefs about the trustworthiness of a salesperson in a situation where the buyer faces some risk if the salesperson is not trustworthy (Swan, et al. 1988). Ganesan (1994) says customer trust is the willingness to rely on an exchange partner in whom one has confidence. Two distinct components are: (1) objective credibility, belief that the other has the expertise to perform the job; and (2) benevolence, belief that the other has motives beneficial to the target when new conditions arise for which a commitment is not made.

In any situation, trust is built over time, through numerous interactions among individuals, among partners. However, in the key customer-supplier relationship, it is irresponsible to rest on the effects of time to build the level of trust. Both partners must be willing to speed up the process by engaging the time, resources, and effort needed to get to know each other. Because a relationship between two companies is primarily a relationship among people, it is important to enlist the right stakeholders as owners/drivers of the future of the business partner relationship. For key customer-supplier relationship it is important to manage the dynamics both within and across the partner organizations (Paliszkievicz, 2013).

Trust is viewed as the determinant in driving successful relationships (Berry, 1995; Morgan & Hunt, 1994). In the service marketing area, Berry (1993) states that "relationship marketing is attracting, maintaining and enhancing customer relationships." Additionally, Berry and Parasuraman (1991) conclude that "relationship marketing concerns attracting, developing, and retaining customer relationships." Satisfaction

is not the only important variable to strengthen retention (Hart & Johnson, 1999). According to Morgan and Hunt (1994, p. 23), trust is defined as the perception of “confidence in the exchange partner’s reliability and integrity.” Gremler and Brown (1996), Hart and Johnson (1999), and Gwinner et. al. (1998) noted the relationship between trust and customer relationships. In addition, Garbino and Johnson (1999) proposed trust as a determinant in driving customer behavioural intentions.

*H1: Customer Trust is positively (significantly) related to customer retention.*

### **c. Customer Satisfaction**

Customer satisfaction is a term frequently used in marketing. It is a measure of how products and services supplied by a company meet or surpass the customer expectation. A comprehensive definition of customer satisfaction in term of pleasurable fulfilment is given by Oliver (1997)

“...satisfaction is the consumer’s fulfilment response, it is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfilment, including levels of under-or over fulfilment..”

Customer satisfaction may be defined in two basic ways: either as an outcome or as a process. The first approach defines satisfaction as a final situation or as an end state resulting from the consumption experience. And the second approach emphasizes the perceptual, evaluative and psychological process that contributes to satisfaction.

Although different approach of defining customer satisfaction may be found in the literature, the most popular of them are based on fulfilment of customer expectations, as Gerson(1993), Hill (1996) and others mention that satisfaction is a standard of how the offered total product or service fulfils customer expectations (Grigoroudis, et.al., 2010).

*H2: Customer satisfaction is positively (significantly) related to customer retention.*

### **d. Brand**

Brand is a known identity of a company in terms of what products and services they offer but also the essence of what the company stands for in terms of service and other emotional, non tangible consumer concerns.

The American Marketing Association defines brand as “A name, term, design, symbol, or any other feature that identifies one seller’s good or service as distinct from those of other sellers. The legal term for brand is trademark. A brand may identify one item, a family of items, or all items of that seller. If used for the firm as a whole, the preferred term is trade name.”

To brand something is when a company or person makes descriptive and evocative communications, subtle and overt statements that describe what the company stands for.

For example, is the brand the most economical, does it stand for superior service, is it an environmental responsible provider of x,y,z service or product? Each communication is deliberate in evoking emotion in the receiver to leave him/her with an essence of what the company or person stands for.

Customer retention is more than giving the customer what they expect, it is about exceeding their expectations so that they become loyal advocates for your brand. Byron Sharp (2010) shows empirically that behaviour affects attitudinal response not the other way round. Longer term customers are less sensitive because it is harder for them to completely stop using the brand.

*H3: Brand is positively (significantly) related to customer retention.*

### **e. Performance of Service Delivery**

Service delivery is a component of business that defines the interaction between providers and clients where the provider offers a service, whether that be information or a task, and the client either finds value or loses value as a result. Good service delivery provides clients with an increase in value. Service delivery, then, is a continuous, cyclic process for developing and delivering user-focused services.

Service delivery as described is one element of the service strategy that focuses on where, when, and how services are delivered to the consumer. Service delivery is closely associated with the quality of service and

customer retention for a product or service from a company, especially for a service company, because service delivery will be the main criterion set by consumers.

*H4: Service Delivery is positively (significantly) related to customer retention.*

#### f. Switching Barrier

Switching barrier may have both significant and interactive effects on the retention in business-to-business and employer-to-employee relationships. Gremler and Brown (1996) define switching costs as the investment of time, money and effort that, in the customer perception, make it difficult to switch. Keaveney (1995), Bansal and Taylor (1999), and Lee et. al. (2001) support the positive effect of switching barrier on customer retention. In this study, we propose that switching barrier has a positive impact on customer retention in the airline industry and note that research in this topic is covered in only a few previous studies in the airline industry.

*H5: Switching barrier is positively (significantly) related to customer retention.*

To improve our understanding, a model that considers the relationship of airline's Customer Trust, Customer Satisfaction, Brand, Performance of Service Delivery, Switching Barrier with Customer Retention is established. Hypothesis and measurement model are formulated for the independent variable and the dependent variables as shown in Figure 1 to explain the relationships of Customer Trust, Customer Satisfaction, Brand, Performance of Service Delivery, Switching Barrier with Customer Retention.

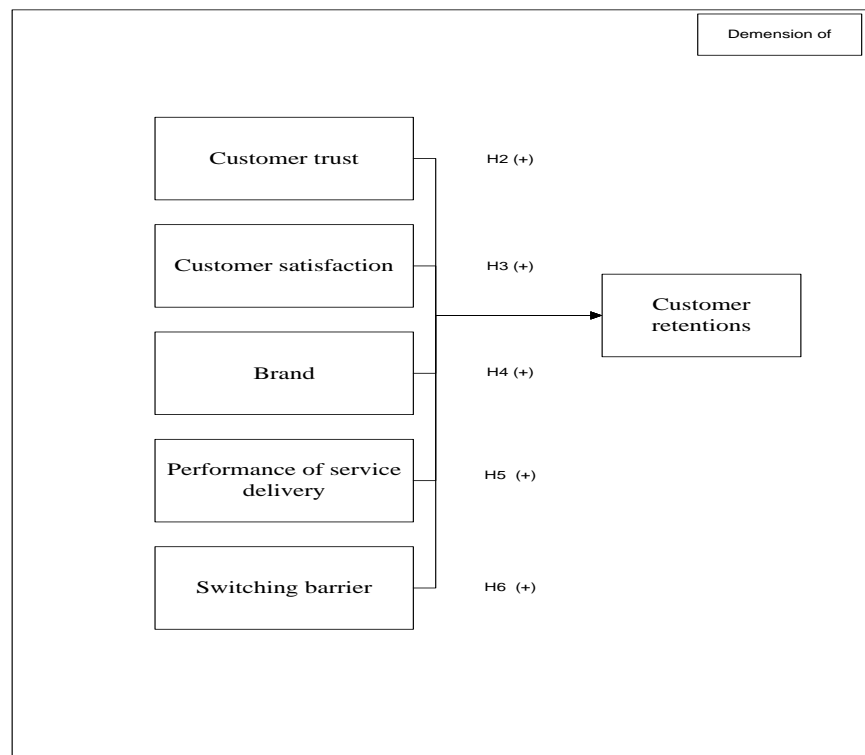


Figure 1. The proposed conceptual model

## DATA AND METHODOLOGY

### a. Ordinary least-squares (OLS) regression

The conceptual model is used and shown in Figure 1 to explain the relationships of Customer Trust, Customer Satisfaction, Brand, Performance of Service Delivery, Switching Barrier with Customer Retention dimensions. To analyse the relation between these factors, an OLS modelling approach to the analysis of collected data is proposed (transform scale from ordinal to Interval using successive interval method). Reliability is assessed at first, and then convergent validity is analysed. Reliability may be understood as the internal consistency of the items that are used to measure a latent construct.

Ordinary Least Squares (OLS) regression is a generalized linear modelling technique that may be used to model a single response variable which has been recorded on at least an interval scale. The technique may be applied to single or multiple explanatory variables and also categorical explanatory variables that have been appropriately coded (Hutcheson, G. D., 2011).

The relationship between a continuous response variable or dependent variables (Y) and a continuous explanatory variable or independent variables (X) may be represented using a line of best-fit, where Y is predicted, at least to some extent, by X. If this relationship is linear, it may be appropriately represented mathematically using the straight line equation ' $Y = \alpha + \beta x$ '. The relationship between variables Y and X is described using the equation of the line of best fit with  $\alpha$  indicating the value of Y when X is equal to zero (also we known that as the intercept) and  $\beta$  indicating the slope of the line (also known as a coefficient of regression). The regression coefficient  $\beta$  describes the change in Y that is associated with a unit change in X (Hutcheson, G. D., 2011).

#### **b. Questionnaire**

The questionnaire consists of several parts in light of the previous literature. Firstly, we determined the important variables. Next, Customer Trust, Customer Satisfaction, Brand, Performance of Service Delivery, Switching Barrier and Customer Retention dimensions were taken into consideration under the inspiration of previous studies. Scale developed by Parasuramen et al. (1988), Park et al. (2004), and Padil et al. (2007), together with insights gained from interviewing airline passengers and focus group responses. The design of the survey questionnaire is based on multiple-item measurement scales. The measurement items are adapted for an airline setting and all of the measurement items are based on a 5-point Likert scale related from 1 = strongly disagree/unimportant to 5 = strongly agree/important. (Because this research uses an OLS Method we need transform scale of data from ordinal to Interval, which in this study we use successive interval method).

Using solving method, the samples in this study are 100 passengers of LCC Airlines (with the average number of passengers departing on Domestic Flights from Halim Perdana Kusuma airport, Jakarta in 2014 is 600.000 passengers and 10% sampling error). An airline passenger survey was conducted in Indonesia Online and face-to-face interview with the passengers waiting for their flights was conducted in Halim Perdana Kusuma airport, Jakarta between January and Maret 2015. A total of 100 questionnaires were distributed to Indonesian who had undertaken at least one LCC domestic flight in the previous 18 months. As many as 100 completed questionnaires were collected. In terms of the respondent's purpose of current trip, 22% are for business and 38% are for holiday. Among the sample data, more than half respondents are unmarried, 74% are males, 62% are in the 21-45 age group. A demographic analysis is presented in Table 1.



Table 1. Airline Passenger Profiles

<b>Passenger profiles</b>		
<b>Attributes</b>	<b>Sample number</b>	<b>Frequency (%)</b>
<b>Gender</b>		
Male	74	74%
Famale	26	26%
<b>Marital Status</b>		
Married	57	57%
Single	43	43%
<b>Age</b>		
< 20	22	22%
21-35	38	38%
26-45	24	24%
>45	16	16%
<b>Occupation</b>		
Employee	25	25%
Student	24	24%
Housewife	10	10%
Freelancer	15	15%
Private	14	14%
Others	12	12%
<b>Purpose of last trip</b>		
Business	22	22%
Holiday	38	38%
Visit	19	19%
Other	21	21%

Source: Data Processing

**ESTIMATIONS AND RESULTS**

Reliability analysis is performed on the basis of both internal consistency and interpreter agreement methods. Firstly, the internal consistency reliability of all questions assessed by the Cronbach's alpha coefficients of measurement items for each construct are presented in Appendix Table 2. Hair et. al. (2006) suggests that Cronbach's alpha coefficient over 0.6 is adequate for basic research. The reliability of each construct is assessed by using pearson correlation measure which is in the experiment ranging  $> 0.3$ , indicating that the scale is internally consistent and reasonably free of measurement error (see appendix Table 3).

**Table 4.1.**  
**Mean and Standard Deviation for each of variables**

<b>Variables</b>	<b>Mean</b>	<b>Standard Deviation</b>
Customer Trust	3,355	0,761
Customer Satisfaction	3,241	0,649
Brand	3,259	0,732
Performance of Service Delivery	3,310	0,655
Switching Barrier	3,225	0,730
Customer Retention	3,203	0,638
Average	3,232	0,694

Source : Data processing

Table 4.1. above, shows the mean and S.D for each variables.. The results found that the customer responses were in the agreed level in which the mean=3.23 and S.D=0.69. Mean of customer trust is 3.35. Customer Satisfaction is 3.24. Mean of brand is 3.25. Mean of Performance of Service Delivery, Switching Barrier and Customer Retention are above 3,2. With all of variable have standard deviation under 7.62 point. Customer Trust and Performance of Service Delivery more high if we are compare to others variable, its mean that variables can give high important impact to customer retention in respondents perception, we are know customer retention depends on many factors such as customer satisfaction, brand image, switchin barrier and others.

**Tabel 4.2.**  
**Regression Analysis**

	<i>B</i>	t-statistics	Sig.
<b>Constanta</b>	0,822	0,313	0,755
<b>Customer Trust</b>	0,214	3,442	0,001
<b>Customer Satisfaction</b>	0,150	2,371	0,020
<b>Brand</b>	0,149	2,231	0,028
<b>Performance of Service Delivery</b>	0,299	3,829	0,000
<b>Switching Barrier</b>	0,178	2,001	0,048

Source : Data Processing

The regression analysis in Table 4.2 shows that customer trust has a significant impact on customer retention with t-statistic 3.442 and significance level 0.001, which is less than P-value 0.05 and Beta value of customer trust 0.214. Thus, it is supporting H1 that customer trust has positive impact on customer retention. Beta value shows that one percent change in the customer trust will change customer retention by 21.4 percent. Similarly. Gwinner et. al. (1998) give evidence that customer trust has positive impact on customer retention. Paliszkiwicz (2013) also examines that trust have significant and positive impact on retention. Besides that, customer satisfaction has significant impact on customer retention with the significance level 0.020, which is less than P-value 0.05 and Beta value of customer satisfaction 0.150. Thus, it is supporting H2 that customer satisfaction has positive impact on customer retention. Yenand and Gwinner (2003) give evidence that satisfaction has positive and significant effect on customer retention. Lin and Wang (2006) also examine that satisfaction has significant and positive impact on retention and loyalty. The level of customer retention can be different according to the level of switching barrier in the same level of customer satisfaction.

Customer trust is one of the priority factor of customers for their decision on airlines service quality, company needs to create more trust with customers particularly airlines company transparency operations especially for safety. Since the service satisfactions were evaluated from their perceived when customers compare with their expectation before receive real service, team work is one observing point of customers which reflecting to service quality from airlines company.

Table 4.2 shows that the t-statistic and significance level of Brand are 2.231 and 0.028 respectively, which are greater than P-value 0.05. The beta value of customer retention is 0.149 which is significant and less than the acceptance level. So, H3 that Brand has positive impact on customer retention is acceptable. The beta value shows that one percent change in customer retention will cause change in customer loyalty 0.149 percent.

The result of regression analysis above indicates that the performance of service delivery is significant with  $p=0.000$  and value of t-statistics 3.829 to customer retention. The p values obtained on both dependent variables are  $(p\text{-value}) < \alpha=0.05$ ; therefore the null hypothesis is rejected in favour of alternative hypothesis,



indicating that the performance of service delivery is positively significant to customer retention. Service has become very crucial in all business industries due to globalization and IT development. Customers judge service quality relative to what they want by comparing their perceptions of service experiences with their expectations of what the service performance should be. Marketers described and measured quality only in tangible goods, whereas quality in services was largely undefined and un-researched (Parasuraman, et.al. 1985).

Switching barrier has a direct effect on the customer retention (Jones et al., 2001). In Table 4.1. above, we can see the direct effect on the customer retention; the t-statistic and significance level of Brand are 2.001 and 0.048 respectively, which are greater than P-value 0.05, giving evidence that satisfaction has positive and significant effect on customer retention. Customer switching behaviour represents a dynamic process that develops over a particular period of time and finally results in the end of relationship. According to Keaveney (1995), a review of the services and products literature reveals a variety of potential, and sometimes conflicting, reasons that customers may switch services.

## CONCLUSIONS

The major findings of this study were listed as follows:

- a. There is a significantly positive relationship between customer trust and customer retention
- b. There is a significantly positive relationship between customer satisfaction and customer retention
- c. There is a significantly positive relationship between brand and customer retention
- d. There is a significantly positive relationship between performance of service delivery and customer retention
- e. There is a significantly positive relationship between switching barrier and customer retention

The statistical tests and results of this study corroborate the previous research that indicates that all of factors are an importance factor that influences the customer retention, For better customer retention, airlines company must deeply consider on their product or service provided to customers as the needs of customers are changed and highly demand. Competitiveness advantage of the company recently rely on their excellent service and product qualities.

## REFERENCES

- Byron Sharp (2010). *How Brands Grow: What Marketers Don't Know*. Oxford University press Australia and New Zealand. Melbourne. Australia
- Bansal, H. S., & Taylor, S. F. (1999). The service provider switching model (SPSM): A model of consumer switching behavior in the service industry. *Journal of Service Research*, 2(2), 200-218
- Edwardson, S. W. Brown & R. Johnston (Eds), *Advancing service quality: A global perspective* (pp. 171-180). International Service Quality Association
- Gerpott, T. J., Rams, W., & Schindler, A. (2001). Customer retention, loyalty, and satisfaction in the German mobile cellular telecommunications market. *Telecommunications Policy*, 25, 249-269.
- Gremler, D. D., & Brown, S. W. (1996). Service loyalty: Its nature, importance, and implications. in *Advancing Service Quality: A Global Perspective*
- Grigoroudis, E. And Arabatzis, G. (2010). Visitors satisfactions, perceptions and gap analysis: the cas of Dadialekimi-souflion National Park" *Forest policy and Economics*, Vol 12 no 3 pp 163-172
- Grigoroudis, Evangelos and Yannis Sisko. (2010). *Customer Satisfaction Evaluation: Methods for Measuring and Implementing*. Springer New York
- Hutcheson, G. D. (2011). Ordinary Least-Squares Regression. In L. Moutinho and G. D. Hutcheson, *The SAGE Dictionary of Quantitative Management Research*. Pages 224-228.
- Inamullah Khan, (2012). Impact of Customers Satisfaction And Customers Retention on Customer Loyalty, *International Journal of Scientific & Technology Research* Volume 1, Issue 2, March 2012
- Kim, H.S., & Yoon, C.H. (2004). Determinants of subscriber churn and customer loyalty in the Korean mobile telephony market *Determinants of subscriber churn and customer loyalty in the Korean mobile telephony market. Telecommunications policy*, 28, 751-765.

Kim, K.J., Jeong, I. J., Park, J. C., Park, Y. j., Kim, C. G., & Kim, T. H. (2007). The impact of network performance on customer satisfaction and loyalty: Highspeed internet service case in Korea. *Expert system with Applications*, 32, 822-831

Lin, H. H., & Wang, Y. S. (2006). An examination of the determinants of customer loyalty in mobile commerce contexts. *Information & management*, 43, 271-282.

Lin, J. S. C., & Wu, C. Y., (2011). The role of expected future use in relationship-based service retention. *Managing Service Quality*, 21(5), 535-551.

Nak Gulid, 2014. The Influence Of Satisfaction, Trust, And Switching Barriers On Thai Tourists Retention. The Clute Institute International Academic Conference. The Clute Institute

Parasuraman, A., Zeithaml, V.A. and Berry, L.L. (1985). A conceptual model of service quality and implications for future research, *Journal of Marketing*, Vol. 49, Fall, pp. 41-50

Rick Suttle. (2000). Characteristics of Consumer Markets by Demand Media <http://smallbusiness.chron.com/characteristics-consumer-markets-1418.html>

Rust, R. T., & Zahorik, A. J. (1993). Customer Satisfaction, Customer Retention and Market Share. *Journal of retailing*, 69 (2), 193-215.

Rust, R. T., Zohorik, A. J., & Keiningham, T. L. (1995). Return on Quality (ROQ): Making Service Quality Financially Accountable. *Journal of marketing*, 59,58-70.

Heidi Cohen, 2011, 30 Branding Definitions -. <http://heidicohen.com>

S. M. Keaveney, (1995). Customer switching behavior in service industries: An exploratory study. *Journal of Marketing*, Vol. 50. No. 2, pp. 71-82, 1995

Swan, John E., Nolan, Johannah Jones: Gaining Customer Trust: A Conceptual Guide for the Salesperson. *Journal of Personal Selling and Sales Management* 5 (1985): 39–48.

Yen, H. J. R., & Gwinner, K. P., (2003). Internet retail customer loyalty: the role of relational benefits. *Journal of service industry management*, 14(5), 483-500

**APPENDIX**

**Tabel 1.**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,625 <sup>a</sup>	,391	,358	1,63938

a. Predictors: (Constant), Customer Trust, customer satisfaction, Brand, Performance of Service Delivery ,Switching Barrier

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	161,958	5	32,392	12,052	,000 <sup>a</sup>
	Residual	252,632	94	2,688		
	Total	414,590	99			

a. Predictors: (Constant), Customer Trust, customer satisfaction, Brand, Performance of Service Delivery ,Switching Barrier

b. Dependent Variable: customer retention

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,822	2,624		,313	,755
	Customer_ Trust	,214	,062	,288	3,442	,001
	Customer_satisfaction	,150	,063	,199	2,371	,020
	Brand Performance_of_Service Delivery	,149	,067	,184	2,231	,028
		,299	,078	,319	3,829	,000
	Switching_BARRIER	,178	,089	,173	2,001	,048

a. Dependent Variable: customer retention

**Table 2 : Realibility Test**

Variabel	Reliability
Customer Trust	0.82
Customer Satisfaction	0.89
Brand	0.82
Performance of Service	0.88
Delivery	
Switching Barrier	0.80
Customer Retention	0.85

**Tabel 3 : Validity Test**

Customer Trust

		TX1
X11	Pearson Correlation	,666**
	Sig. (2-tailed)	,000
	N	100
X12	Pearson Correlation	,605**
	Sig. (2-tailed)	,000
	N	100
X13	Pearson Correlation	,506**
	Sig. (2-tailed)	,000
	N	100
X14	Pearson Correlation	,465**
	Sig. (2-tailed)	,000
	N	100
X15	Pearson Correlation	,659**
	Sig. (2-tailed)	,000
	N	100

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Customer Satisfaction

		tx2
X21	Pearson Correlation	,640**
	Sig. (2-tailed)	,000
	N	100
X22	Pearson Correlation	,565**
	Sig. (2-tailed)	,000
	N	100
X23	Pearson Correlation	,556**
	Sig. (2-tailed)	,000
	N	100
X24	Pearson Correlation	,547**
	Sig. (2-tailed)	,000
	N	100
X25	Pearson Correlation	,506**
	Sig. (2-tailed)	,000
	N	100

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Brand

		tx3
X31	Pearson Correlation	,585**
	Sig. (2-tailed)	,000
	N	100
X32	Pearson Correlation	,379**
	Sig. (2-tailed)	,000
	N	100
X33	Pearson Correlation	,530**
	Sig. (2-tailed)	,000
	N	100
X34	Pearson Correlation	,622**
	Sig. (2-tailed)	,000
	N	100
X35	Pearson Correlation	,668**
	Sig. (2-tailed)	,000
	N	100

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Customer Retention

		ty
Y11	Pearson Correlation	,537**
	Sig. (2-tailed)	,000
	N	100
Y12	Pearson Correlation	,425**
	Sig. (2-tailed)	,000
	N	100
Y13	Pearson Correlation	,537**
	Sig. (2-tailed)	,000
	N	100
Y14	Pearson Correlation	,405**
	Sig. (2-tailed)	,000
	N	100
Y15	Pearson Correlation	,471**
	Sig. (2-tailed)	,000
	N	100

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Performance of Service Delivery

		tx4
X41	Pearson Correlation	,533**
	Sig. (2-tailed)	,000
	N	100
X42	Pearson Correlation	,385**
	Sig. (2-tailed)	,000
	N	100
X43	Pearson Correlation	,571**
	Sig. (2-tailed)	,000
	N	100
X44	Pearson Correlation	,500**
	Sig. (2-tailed)	,000
	N	100
X45	Pearson Correlation	,529**
	Sig. (2-tailed)	,000
	N	100

Customer Trust

		TX1
X11	Pearson Correlation	,666**
	Sig. (2-tailed)	,000
	N	100
X12	Pearson Correlation	,605**
	Sig. (2-tailed)	,000
	N	100
X13	Pearson Correlation	,506**
	Sig. (2-tailed)	,000
	N	100
X14	Pearson Correlation	,465**
	Sig. (2-tailed)	,000
	N	100
X15	Pearson Correlation	,659**
	Sig. (2-tailed)	,000
	N	100

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Switching Barrier

		tx5
X51	Pearson Correlation	,484**
	Sig. (2-tailed)	,000
	N	100
X52	Pearson Correlation	,629**
	Sig. (2-tailed)	,000
	N	100
X53	Pearson Correlation	,492**
	Sig. (2-tailed)	,000
	N	100
X54	Pearson Correlation	,464**
	Sig. (2-tailed)	,000
	N	100
X55	Pearson Correlation	,498**
	Sig. (2-tailed)	,000
	N	100

\*\* . Correlation is significant at the 0.01 level (2-tailed).