

The Loyalty Antecedents of Internet Service Provider User: The Case in Indonesia

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The aim of this research is to analyse the antecedents of consumer's loyalty toward ISP user in Indonesia. Previous research was done by Chiou (2004) in Taiwan, while this research added two variables, named involvement and behavioural loyalty. Respondent were internet subscribers who pay for their internet connection. Primary data were collected using questionnaire as measurement instrument. Data collection comprises of two phases: the first phase was intended to measure loyalty intention and the second phase was intended to measure behavioural loyalty. The research period is in the year of 2008, and 267 data were analysed. Structural equation modelling was used to analyse the proposed model and hypotheses. This research found that the new model of loyalty antecedents of ISP user in Indonesia, has found the actual loyalty which is showed as behavioural loyalty variable, which it was not measured in previous research.

JEL Codes: M31, M21

1. Introduction

The need of the internet is growing, indicated by the number of Internet users both in the office, on campus or school and at home. The rapid growth of internet cafes in town and cities also shows how the Internet is indispensable in people's lives. In addition, the number of private Internet users are also highly increasing. It can be seen from the results of a survey conducted by ICTWatch (2003) which showed that internet users in person at home is very high, reach to 74.83% of all Internet users in Indonesia. Internet users who do not use the internet at home 25.17%. From the number of internet users in addition to the house, consisting of 71.90% using the internet at work, 25.21% in the cafe and 1.65% use campus connections.

ICTWatch also illustrates the range of internet costs incurred by the consumer which is equal to 23.15% of internet users at home have to pay Rp 200,000 for the internet connection, then 32.23% to pay Rp 100,000 - Rp 200,000 per month, 25.62% pay Rp 50,000 - Rp 100,000, and 17.36% spend up to Rp 50,000 per month. This indicates that the need for the Internet is an essential requirement for people in Indonesia, so that consumers are willing to spend money for the convenience of using the internet. A number of 55.38% of customers, willing to pay more than Rp 100,000 per month, which means 10% of GDP per capita in 2007.

Association of Indonesian Internet Service Provider (APJII/Asosiasi Penyelenggara Jasa Internet Indonesia) estimates, in 2006 Internet users in Indonesia has reached 20 million. This number increased 25% from the previous year, that is from 16 million users in 2005 to 20 million users in 2006. Huge increase compared to 2000, where in the new Internet users in Indonesia has reached 2 million with a population of 206 million.

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Population increase 8.6% cannot be compared with the increased number of Internet users amounted to 900%. It is fair to say if an increase in GDP per capita is quite large compared to the year 2000, an increase of 124.5% could be also suspected as one of the cause of the increasing number of Internet users in Indonesia. Indonesia has a fairly high ranking in terms of Internet users according to www.internetworldstats.com.

On June 2007, reported by www.internetworldstats.com, Indonesia was ranked as the 15th in number of world Internet users. The ratings are above Vietnam, Turkey, Australia, Taiwan and the Philippines. At the Asian level, Indonesia is ranked the 5th after China, Japan, India and South Korea.

Asia is a continent that has the most number of Internet users compared to other continents. Indonesia is one of the contributor of the number of Internet users. The biggest Internet users in Asia with a total 38.7% of all Internet users in the world. The number of Internet users in Asia is 114,304,000, 17.5% or 20 million of that number of internet users from Indonesia.

As the survey has been done by ICTWatch, researches on consumer loyalty to products or services in Indonesia have been pretty much done, however the publication of research on consumer loyalty on the internet service provider in Indonesia up to now has not been found. Research on consumer loyalty that has been conducted are studies conducted by Oliver (1999), Dean (2001), Bloemer and Kasper (1994), Mittal and Lassar (1998), Goldberg (1982), Clarke, Hallsworth, De Kervenaoael, Jackson , and del Aguila (2004), Krisnan (1993), McEnally and de Chernatony (1999), Pimentel and Reynolds (2004). Research on consumer selection of a particular brand that started the repeated purchase process, which has been conducted among Dodds and Monroe (1985), Park, Lessig and Merrill (1982), Vigneron and Johnson (1999), Funkhouser, Parker and Chatterjee (1994), Kenesei and Todd (2003), Taylor (2002) and Hislop (2001) who tried to answer the fundamental question whether the brand is strong enough to keep customers returning to buy. More buying by consumers toward a brand is one measurement of loyalty. Then, research on customer loyalty of internet services provider user by Chiou (2004), in Taiwan.

The presumption that some communities in the digital age now, is the era where the consumer is away from the loyalty attitude, and supported also by the opinion Bayler and Stoughton (2002) which states that consumers in the digital age are consumers with high demand, not sentimental and in general do not want to become a loyal customer. On the other research, Withey (2003) argue by giving the results of research which states that the presence of the digital age cannot eliminate the loyalty of consumers, including the effect of online advertising still improve customer perception and level of sales.

Consumer loyalty, as described on the background of the study, preceded by various factors. The factors that shape consumer loyalty internet service providers, according to Chiou (2004) is the perception of the attributes of satisfaction, trust, perceived value, expectations of technological progress and satisfaction. The involvement of consumers in choosing and using an internet service provider is very high, so it is quite interesting to test the influence of involvement on loyalty intentions. Oliver (1999) identified loyal behavior as the real measure of loyalty. Therefore this Internet service providers customer loyalty model completed by behavioral loyalty. The problem formulation of this study can be stated as follows: (1) Does perception of attributes satisfaction and trust affect consumer perceived value towards internet service provider? (2) Does perceived value, trust and expectations affect satisfaction towards internet service provider? (3) Does perceived value, satisfaction, trust, expectations

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and involvement influence the loyal intention to their internet service provider? (4) Do loyal intentions affect loyal behavior to their internet service provider?

The scope of research that need to be disclosed in this study limited to: (1) The observation was all over Indonesia (2) Target population is consumer who pay for Internet service providers and have their own decisions. (3) The sample used is an internet service provider users or ISP consumer who is use the ISP for private interests at home, or anywhere outside the interests of an institution. Respondent are the private consumers (individuals) who use the services of ISPs with their own choices and decisions, with routine usage. (4) Subjects were consumer/user of internet service provider. (5) The research object is the intention and the behaviour of consumers to be loyal to the last internet service provider used.

Thus the main objective of this research is to find a model of user loyalty antecedents of internet service providers in Indonesia. The rest of the paper were organized as follows. Section 2 presents the theories of each variable and numerous previous studies to be a reference to the study. Section 3 presents the research framework, hypotheses and research methods. Section 4 presents the results and discussion, are consists of a descriptive study, testing the model, hypothesis testing, and discussion. Finally Section 5 presents the conclusions and implications of the study results.

2. Literature Review

2.1 Loyalty Services Model

Loyalty to the service begins by perceived service quality and consumer satisfaction (Lu and Tang, 2001).

Perceived Service Quality is measured by combining the two sets of elements, that is elements that make up the process and elements of the result or output. Elements of the process is about how the interaction between consumers and service providers, while the output element is the actual output received from transaction services. Lu and Tang (2001) use the process element of the Parasuraman SERVQUAL instrument, namely reliability, responsiveness, assurance and empathy, and output element of the scale used DINESERV by Stevens, Knutson and Patton (1995) namely tangibles and outcomes.

The concept of consumer satisfaction was measured in all perspectives, because it has been proven empirically established that satisfaction is better in predicting the effect on loyalty rather than each specific transaction of satisfaction.

Consumer loyalty in the electronics service industry by Luarn and Lin (2003) formed from the trust, satisfaction and perceived value. Satisfaction and perceived value also affect loyalty indirectly through commitment. Beerli, Martin and Quintana (2002) argue that customer loyalty in banking industry is directly affected by satisfaction and switching costs (open a new savings in the new bank), and indirectly by the perceived quality. The quality of the perceived influence loyalty indirectly through satisfaction. According Divett, Crittenden and Henderson (2003) the greater the perceived coverage and responsibility (in the cinema ticket purchase) will form a higher loyalty. The perceived level of coverage and responsibility will increase with the intervention. Loyalty is high yield stronger behavior (measured by increasing the frequency of visits and increasing the amount of money spent).

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Jensen and Hansen (2006) found that loyalty (as measured using the re-purchase) is directly influenced by situational factors to survive and, where these factors are influenced directly by finding the diversity and relative attitude. Relative attitude also directly affects the search factor diversity, in which relative attitude is directly affected by the purchase involvement and perceived brand difference.

This research also cite Aydin and Özer (2004), which is found that customer loyalty is directly affected by the trust and perceived switching costs. Trust and perceived switching costs are directly influenced by perceived service quality.

2.2 Loyalty Model of Internet Service Provider User

Chiou (2004) suggests a model of loyalty antecedent of internet service provider user in Taiwan. The results are: Attribute satisfaction has positive effect on satisfaction through perceived value and satisfaction affects loyalty intention. In addition, Chiou (2004) also stated that trust in the Internet service provider also has positive influence on perceived value, satisfaction and loyalty intentions. Expectations of Internet service providers in the future adversely affect the satisfaction and loyalty intentions. Chiou (2004) research is a reference to be applied in Indonesia and modified in accordance with the situation in Indonesia. The weakness of the Chiou (2004) model were (1) do not include the behavioral loyalty in the model, so the model could not measure the real loyalty and (2) do not measure the role of involvement. According to the research gap, this study added involvement and behavioral loyalty variables as a novelty.

2.3 Antecedents of ISP Consumer Loyalty

2.3.1 Attribute Satisfaction and Perceived Value

According to Bettman (1974) attribute satisfaction to be found by examining the attributes of each product or service, and specify the statistical test that these attributes really satisfy factor (satisfactory) for consumers of specific products or services. Ho and Wu (1999) suggested five antecedents of consumer satisfaction in the purchase via the Internet, as an attribute that gives satisfaction to the consumer, namely logistics support, product characteristics, technology characteristics, characteristics of information and view the homepage. Chiou (2004) also expressed attribute satisfaction for the internet service provider industry in Taiwan, namely the speed of access, email services, online services, technical support and consultation.

Schiffman and Kanuk (1999) defines perception as the process by which individuals to select, organize and interpret stimuli into a meaningful picture and make sense of the world. Perceptions by Solomon (2004) is a process in which physical sensations such as sight, sound and smell is selected, organized and interpreted. At the end the interpretation of the stimulus will give the meaning. The concept of perception is widely used as a marketing tool in which to evaluate the strength of the brand against other brands in the relevant dimension.

Value, according to Solomon (2004) is a more desirable state of the state otherwise. Value is influenced by culture, so the value will be different in different cultures people. Luarn and Lin (2003) found that perceptions of value are important things that contribute to determine the loyalty of consumers, who were tested also by Chiou (2004) in his research on consumer internet service provider in Taiwan.

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2.3.2 Trust

Consumer loyalty in the electronics service industry by Luarn and Lin (2003) formed from the trust, satisfaction and perceived value. Satisfaction and perceived value also affects loyalty indirectly through commitment, while the trust directly affects customer loyalty.

In his research on online purchases, Ha and Stoel (2004) found that commitment to the brand is significantly influenced by trust in the brand. In the context of marketing, consumers who have a high level of commitment are more influenced by various factors together rather than by various factors separately. According to Ha and Stoel (2004) brand commitment is an important component for long-term relationships with consumers.

Aydin and Özer (2004) in the analysis of the results of his research on customer loyalty in the Turkish mobile market, revealed that the trust is the most important determinant in customer loyalty. Although perceived quality and perceived switching costs appear to have the same level in effect on loyalty, switching costs have more influence indirectly to loyalty. Similarly, George (2004) found a strong influence on the attitude of trust, in his research about the purchase via the Internet.

Chen and Barnes (2007) revealed in his study of online consumer behavior that the perception of usefulness, safety perceptions, perceptions of privacy and perceptions of a good reputation and the willingness to adjust is an important antecedent in the initial trust. The study also found that the initial trust and practices with online purchasing has a positive influence on purchase intentions.

2.3.3 Expectation on Future Technology

The quality and performance of a product or service greatly affects customer satisfaction and loyalty. Consumers are faced with the decision to purchase goods and services directly related to technology, it is possible for him to expect adaptation of technological developments on providers of goods and services bought. So it is with consumer of Internet service provider, purchased services intricately linked with the development of technology, so that consumers would expect that the chosen service provider will follow the development of technology. Ha and Stoel (2004) in his study found an association of technology innovation with the use of the Internet. Chen, Gillenson and Sherrell (2002) found that the compatibility of innovation in services is critical for adoption. If consumers felt the service provider is not compatible with upcoming technologies it will cause consumers having a low level of loyalty towards the service provider concerned.

Expectations of Internet service providers are better in terms of technology adaptation to variable opposite of loyal intentions, because these expectations will lead to intention to switch internet service providers when there are better aligned with technological development at any time.

2.3.4 Satisfaction

Oliver (1999) indicate a lack of clarity of relationship between satisfaction and loyalty. There are six possible relationship between satisfaction and loyalty: (1) Satisfaction and loyalty are different manifestations of a same concept. (2) Contentment is the core concept of loyalty, where no satisfaction there will be no loyalty, so that satisfaction is a loyalty factor forming. (3) Satisfaction has a role in the formation of loyalty and satisfaction is part of loyalty even if

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only one component of loyalty.(4) Loyalty and satisfaction is a component of ultimate loyalty. (5) Part of the satisfaction found in loyalty, although not a key part of the nature of a loyalty. (6) Satisfaction is the beginning of the transition sequence changes that culminate in a separate state loyalty, and loyalty can become independent of the satisfaction that dissatisfaction will have no effect on loyalty.

In accordance with that described by Oliver (1999), Mittal and Lassar (1997) also gave the opinion that the relationship between loyalty and the satisfaction is asymmetrical, dissatisfaction would lead to displacement brand but satisfaction does not necessarily lead to loyalty, it also expressed by Oliver (1999) which stated that the loyalty is free from satisfaction.

2.3.5 Involvement

Involvement is a motivational state that drives and directs cognitive processes and consumer behavior when consumers make decisions. Some researchers use the terminology of felt involvement to emphasize that the psychosocial status of involvement experienced by consumers in a certain time and opportunity (Celsi and Olson, 1988). Involvement refers to the perception of consumers about the importance or personal relevance of an object, event, or activity. If involvement is high then the person will experience a stronger response to the influence of such strong feelings and emotions towards a product or brand.

The involvement decline after the purchase occurs, as most experienced consumer involvement associated with decision-making process, rather than the product. Personal relevance of situational always in combination with intrinsic personal relevance of the consumer to create a level of engagement that actually experienced by consumers during the decision making process. This means that consumers usually experience some degree of involvement during decision making on purchasing, even for products that are relatively unimportant. Source of personal involvement of several products of daily consumption is low, but the situational sources tend to affect consumers' perceived level of involvement. It is concluded that marketers can influence consumers' product involvement by manipulating the environmental aspect that serves as a source of personal relevance situational.

There are three parts in the engagement being considered, they are advertising, product classification, and purchasing decisions (Zaichkowsky, 1986 in Aldlaigan and Buttle, 2001). PII scale developed by Zaichkowsky to measure consumer involvement on product or brand. PII, based on the definition of involvement is the perceived personal relevance to an object based on a perceived need, values and interests (Zaichkowsky, 1985 in Aldlaigan and Buttle, 2001). PII-related items in three assumptions that affect the level of consumer engagement follows:

1. Personal: inherent needs, values or needs that motivate people to object.
2. Physical: characteristics of objects that may cause differences and increase interest.
3. Situational: something that temporarily increases the relevance or interest on an object.

2.3.6 Behavioural Loyalty

Ajzen (1991) has found the influence of intention on behavior, it also has been assessed by many researchers of consumer behavior afterwards. One of them is George (2004) applying

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the Theory of Planned Behavior Ajzen's (1991) on purchases over the Internet, the results show that the theory is very useful and explain the consumer behaviour which purchase via the Internet.

Oliver (1999) revealed four levels of consumer loyalty, namely cognitive, affective, conative and action. Each level has a loss of loyalty vulnerability, where loyalty measures the supply vulnerability and performance decreasing. Harris and Goode (2004) found there is no significant correlation of conative loyalty in action on the purchase of consumer loyalty in two websites.

3. Research Methods and Data

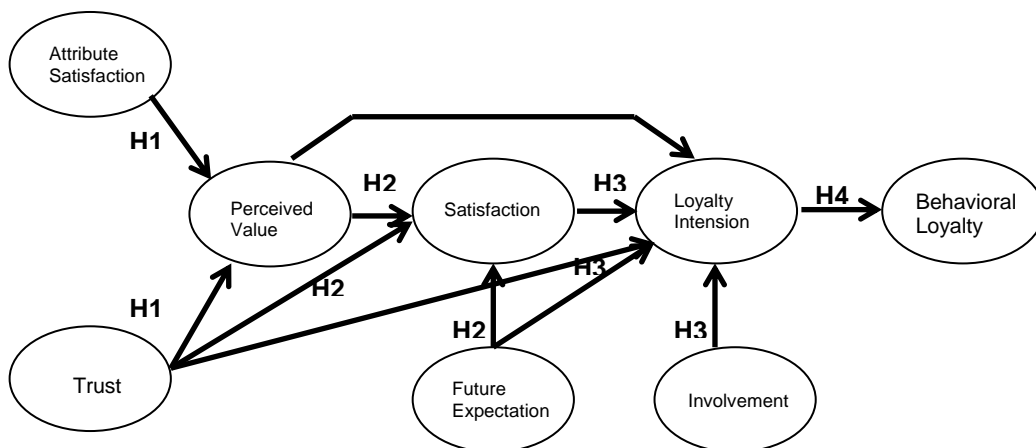
3.1 Research Framework and Hypotheses

Based on the above theoretical background, the hypotheses, can be formulated as follows:

- H1: attributes satisfaction and trust affect consumer perceived value towards internet service provider*
- H2: perceived value, trust and future expectations affect satisfaction towards internet service provider*
- H3: perceived value, satisfaction, trust, future expectations and involvement influence the loyal intention to their internet service provider*
- H4: loyal intentions affect loyal behavior to their internet service provider*

Thus, the research framework can be described as follows:

Figure 1: Research Framework



3.2 Research Method

The research location was in Indonesia. Respondents were customer of internet service provider for personal interests rather than the interests of the organization or institution. Consumers selected individual consumers who use the services of an ISP with its own choices and decisions, and with regular use.

The *first* variable is perceived quality of the ISP, which is reflected in the rate of speed, comfort and features, consistency and service connections. The *second* variable is perceived

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value of the ISP, which describes the equivalence of sacrifice or the price paid by the benefits gained. The *third* variable is the consumer trust toward ISP. The *fourth* variable is the consumer expectations of future ISP. The *fifth* variable is the satisfaction, as intervening variable between perceived value and loyalty intention on ISP. The *sixth* variable is consumer involvement on information search and selection process on ISP. Then the second dependent variable is the consumer loyalty toward ISP. The last dependent variables is behavioural loyalty, which the actual behaviour of the action undertaken by the respondent in the next period.

Representation and generalization is not critical in this study, as in other behavioural research. Sampling technique is thus a non-random sampling, purposive sampling (Sekaran, 2000). According to Sekaran (2000), purposive sampling is a sampling technique that is carried out in accordance with a specific purpose, in which someone or something is taken as a sample because researchers believe that someone or something has the information necessary for the research. The information required in this study is the information about the loyalty of internet service providers, so that the sample taken from the consumer internet service providers who routinely access the paid internet.

Roscoe (1975) in Sekaran (2000) provides a guidance on the determination of sample size for multivariate research (including multivariate regression analysis), the sample size analyzed should be several times larger (10 times recommended) of the number of variables to be analysed. In addition it is also proposed that the appropriate sample size for the study was greater than 30 and less than 500. Thus, this study has a provision of at least 80 samples, so that the number of samples used 267 is sufficient.

The questionnaire used was developed in a number of closed questions with answers that should be selected. The process of questionnaires conducted via email and the website to facilitate and speed up the process and address the breadth of the research location, but it also conducted interviews directly to some of the reachable respondents. Of the 267 usable data, coming from respondents who responded via e-mail (download and upload attachments) is only 5 respondents, direct interviews of 54 respondents, and through the website www.emmysurvey.com 208 respondents. Questionnaires were prepared referring to the research questionnaire Chiou (2004) and PII by Zaichowsky (1985), done by some adjustments.

Validity test was done by factor analysis. The data used were derived from the data of 50 respondents who filled the form through the website and the respondent who directly interview. The adequacy of the sample was assessed by the Kaiser-Meyer-Olkin. The assessment results shows that the sample used is sufficient, evidenced by KMO value of 0.624. Reliability tests performed using Cronbach's Alpha, to prove that the questionnaires used are reliable. Reliability test results with 50 samples showed that all the question are reliable with Cronbach's Alpha values > 0.80 (0.6 standard, (Nunnally, 1969 in Imam Ghozali, 2001)), it can be said that all the variables have high reliability.

Structural equation model were used in the data analysis. The first step taken is to develop a theory-based model, then compose the causality path diagram. The model has 8 latent variables, namely the perception of attribute satisfaction, perceived value, trust, future expectation, satisfaction, involvement, loyalty intention and behavioural loyalty. Model was assessed using Lisrel 8.51 software.

4. Analysis and Findings

4.1 Demographic Analysis

Respondents consist of male and female at all ages and a wide range of professions and occupations. The respondents comprised of consumers of different internet service providers. The youngest age group categorized began 17 years to 25 years. The oldest group was 55 years and over. Respondents consisted of 29% female and 71% male, in this case is seen that the internet user still dominated by male. Of the 267 respondents, 75 were female and 187 male.

Based on the user's age respondents are categorized by the age of 17-25 years, 26-30 years, 31-35 years, 36-40 years, 41-45 years, 46-50 years, 51-55 years, and 56 years and over. Most respondents from the category age 17-25 years, which is 64 people or 24%, followed by the category age 26-30 years 59 respondents or 22.4% are not much different from the number of respondents age category 36-40 years, as 59 respondents or 22.1%. Reviewing the number of internet users, the largest Internet service providers users are on the age group 31-40 years, or 44%. Management may establish a marketing strategy appropriate to that group of respondent age. Internet service providers users at the age of 31-40 years, is a well-established consumers in terms of financial, educational and emotional, which can determine rational choice and decision. This is also supported by the data of the respondent jobs, which is the largest number of respondents who work as employees.

The most common profession is an employee, as many as 96 people or 39% of total respondents (267). Followed by academics, 69 respondent or 27%. Next are students who are 39 people or 15%. The remaining respondents were nine civil servants, one retired, one teacher and one housewife.

Internet service provider used by the respondents, are greatly varied. Largest percentage occupied by 'Telkomnet Speedy', 31.4% or a number of 84 respondents of 267 respondents. Followed by 'Telkomnet Instant' 26.6% or 71 respondents. This is presumably because of the easiness of the respondents in using both provider, because both providers are the first telecommunication company in Indonesia. In addition to the above internet service providers, there are many other service providers used by the respondents, such as Indosat M2 used by 3.9% of respondents, then CBN used by 5.4% of respondents. There are 49 Internet service providers were use by respondents in this research.

4.2 Result Analysis

Data were obtained from questionnaires distributed, processed using Lisrel 8.5.1 software. Before hypotheses testing the model should have a goodness of fit. The results of the goodness of fit model can be seen in table 1 below.

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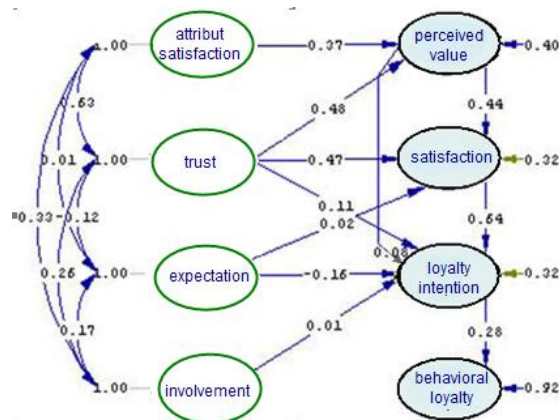
Table 1: Goodness of Fit

Test	Standard Model fit	Model fit
Chi Square (df: 604)	< 662,28319	569.80
Significance	> 0,050	0.83740
RMSEA	< 0,080	0.000
Goodness of Fit Index (GFI)	> 0,800	0.903
Adjusted Goodness of Fit Index (AGFI)	> 0,800	0.862
Normed Fit Index (NFI)	> 0,800	0.943
Non-Normed Fit Index (NNFI)	> 0,800	0.995

Source: Data processed

From Table 1 it can be seen that the model of consumer loyalty to the internet service provider already has a high enough suitability, evidenced by the goodness of fit of 0.903, RMSEA 0.000 (well below 0.08) indicates that the model is a good fit. NFI (normed Fix index) and NNFI (non-normed Fix Index) has a value of 0.943 and 0.995, above the specified limits for models that have a good fit of 0.9 (moderate fit 0.8). Structural model of consumer loyalty on internet service providers shows in Figure 2.

Figure 2: Structural Model ISP User's Loyalty



Chi-Square=569.80, df=604, P-value=0.83740, RMSEA=0.000

On the customer ISP loyalty model, satisfaction is influenced by the perceived value, and trust. Variable future expectation does not affect satisfaction significantly, so that only two variables that significantly affect satisfaction, perceived value and trust. As the influence of trust on the perceived value, the trust is also more powerful than the satisfaction variables influence the perceived value. Nonetheless, the perceived value and trust has almost the same regression coefficients. Regression coefficient was 0.44 and the perceived value and 0.47 on trust variable. Both have a high significance level that is at the level of 0.1%.

Loyalty intention affected by the satisfaction and future expectations only, in which satisfaction affect loyalty intention much stronger than future expectation. Satisfaction has a coefficient of 0.64, while the future expectation coefficient is -0.16, both significant at the 0.1% level.

Behavioural loyalty is influenced by the loyal intentions significantly at a significance level 0.1% with a regression coefficient of 0.28. This indicates that there is a real loyalty in consumer internet service provider industry. The strongest effect was variable trust and

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satisfaction, so it can be a concern for management to increase subscriber satisfaction and trust. Table 2 below presents a summary of the results of hypothesis testing.

Table 2. Hypothesis Testing Result

Hypothesis		Coefficient	P	Result
Attribute Satisfaction => Perceived Value	H1	0,373	0,001	SUPPORTED
Trust => Perceived Value		0,485	0,001	SUPPORTED
Perceived Value => Satisfaction	H2	0,431	0,001	SUPPORTED
Trust => Satisfaction		0,467	0,001	SUPPORTED
Future Expectation => Satisfaction		0,022	0,286	Rejected
Trust => Loyalty Intention	H3	0,111	0,067	Rejected
Perceived Value => Loyalty Intention		0,080	0,159	Rejected
Satisfaction => Loyalty Intention		0,647	0,001	SUPPORTED
Future Expectation => Loyalty Intention		-0,157	0,001	SUPPORTED
Involvement => Loyalty Intention		0,010	0,405	Rejected
Loyalty Intention => Behavioural Loyalty	H4	0,281	0,001	SUPPORTED

Source: Lisrel analysis (*Standardized*)

First hypothesis, attribute satisfaction which reflects factors that are considered by consumers in selecting products and services, have an influence on the perception of the value of the consumer. This study found that the attribute satisfaction has a positive influence on consumer perceived value of internet service providers. Thus attribute satisfaction is an important factor that must be considered, in this case, is the speed of access, facilities and features, consistency and service connections as well as a good technical support. The better the attribute satisfaction causes the higher perceived value.

In the second hypothesis testing, perceived value and trust were found affect satisfaction. However, the future expectation does not affect satisfaction. Perceived value as measured by the equivalence of sacrifice compared services received, and also the economical rate or price and conformance to requirements, have a positive influence on satisfaction, which means that price and conformance both are good predictor for consumer satisfaction.

The third hypothesis indicates that of the five variables hypothesized only future expectation and satisfaction variables that affect loyalty intention. While the variables trust, perceived value and involvement does not have direct impact on loyalty intention. Internet service providers of consumer expectations on the development of technology as opposed to loyalty intention, the emergence of new service providers with new technologies that will lead to the displacement of consumer vulnerability to the new service provider. Expectations of future technological developments have a negative effect on loyalty intentions. Management can anticipate the technological adaptability.

Consumers Involvement in choosing Internet service provider is high, but it does not affect loyalty intentions. Involvement will affect the consumer product or service that is very specific, in this case for example, consumers who use any type of broadband connection. Consumer's involvement determined by the high level of interest in specific products and services. While in this study using different types of ISP services.

The fourth hypothesis is accepted, loyalty intention Affect behavioural loyalty. Behavioural loyalty is influenced by past experiences and feelings are attached from the experience. Loyal intentions, as a result of perception, experience and satisfaction had an impact on behavioural loyalty. Thus, the increase in consumer loyalty intention, has a big influence in the behaviour of loyalty or actual loyalty. The research gap has been answered by this

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research result. This model showed the behavioural loyalty, which is the main different from previous model.

5. Conclusion and Implication

5.1 Conclusion

Concluding the research problem based on the analysis, first, attributes satisfaction and trust significantly affect consumer perceive value on ISP. Second, perceived value and trust, affect satisfaction towards ISP, while future expectation does not have significant affect to satisfaction. Third, satisfaction and future expectations influence loyal intention toward ISP, while perceived value, trust and involvement does not have significant influence. And fourth, loyal intention influence behavioural loyalty. In this case, this research model prove the actual loyalty on ISP user, where it was not measured on the previous model.

This study did not distinguish the type of Internet connection, which can lead differences in usage behaviour. Therefore, this limitation can be improved and developed in subsequent studies.

5.2 Implication

In general, consumer satisfaction on internet service providers strongly influence the loyalty intention, and loyalty intentions directly affect behavioural loyalty. Behavioural loyalty, in this study is repeat purchasing, which was preceded by loyal intention, where loyal intention is the result of a perceived value, trust and satisfaction. The trust has a stronger effect than the perception of value, although the value of perception itself has also a strong influence on the formation of satisfaction. So the implication for management is that management of internet service providers should pay attention to the establishment of trust and perceived value, to increase customer satisfaction. Thus, according to the results of this study, the satisfaction increases loyalty intentions.

Future expectation is one of the important things that must be considered, the expectation technological developments, have a negative effect on loyalty intentions. It needs to be addressed critically by the management to pay attention on technology adaptation continuously, since the Internet service provider could not be separated from the development of technology. Rapid response to technological development becomes a very important asset for internet service providers.

The results of the overall test of four hypotheses have led to the conclusion, that even in the high-tech field that continues to grow at a very intense competition and the huge number of competitors, consumer loyalty is still there. This fact is an opportunity for ISPs to better manage their business, and pay attention to the existence of a lucrative loyalty.

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