

**EVALUATION OF THE ROLE OF SERVICE QUALITY ASPECTS IN
ENHANCING CUSTOMER LOYALTY OF INDIBIZ PRODUCTS
AT PT. TELKOM INDONESIA WITEL YOGYAKARTA**



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Abstract

This study aims to evaluate the role of service quality in enhancing the customer loyalty of the IndiBiz product provided by PT. Telkom Indonesia Witel Yogyakarta. Customer loyalty is crucial for maintaining market share in the competitive telecommunications industry. The Stimulus-Organism-Response (S-O-R) theory is utilized to analyze the relationship between service quality (stimulus) and customer loyalty (response). Service quality is analyzed through five dimensions: Tangibles, Reliability, Responsiveness, Empathy, and Assurance. This research employs a qualitative approach, conducting observations and in-depth interviews with five IndiBiz customers in Yogyakarta. The findings indicate that Reliability and Responsiveness play a significant role in shaping customer loyalty. Network reliability and prompt responses from customer service are the primary factors driving loyalty. Furthermore, staff empathy also strengthens the emotional connection with customers. However, issues with the MyIndiBiz application act as a barrier to optimally enhancing loyalty. Overall, while high service quality can strengthen customer loyalty, the company needs to improve sub-optimal aspects to retain it. Future research is recommended to explore the impact of improvements to the MyIndiBiz application on loyalty, increase the number of respondents, and analyze other factors such as price and brand image for a more comprehensive understanding.

Keywords: Service Quality, Customer Loyalty, IndiBiz, Stimulus-Organism-Response (S-O-R).

INTRODUCTION

In today's era, marked by the revolution in communication and information technology, significant changes have taken place. The ease of access to communication and information has triggered increasingly intense competition, making customers now have for choices and become harder to satisfy (Teuku Edyansyah, 2016). Since customers are the most crucial element in business, companies must understand their desires to provide services that not only meet but also exceed their expectations (Mahendra & Ratih, 2018). To ensure high-quality services, employees must demonstrate optimal performance so that customers feel the service not only aligns with but surpasses their expectations. Meanwhile, dissatisfied customers tend to switch to competitors who can deliver better service and quality (Agustin et al., 2021).

Over the past five years, the telecommunications industry in Indonesia has shown rapid growth, driven primarily by the increasing use of digital services and the rising demand for connectivity during the COVID-19 pandemic. This growth has also been supported by the expansion of 4G networks and the initial rollout of 5G technology in several regions. In addition, the growing number of smartphone users has made internet access more accessible to a wide range of people, especially younger generations. The government has also played an active role by promoting digitalization through various policies and the development of telecommunications infrastructure. These advancements have accelerated digital transformation across various sectors such as education, the economy, and public services.

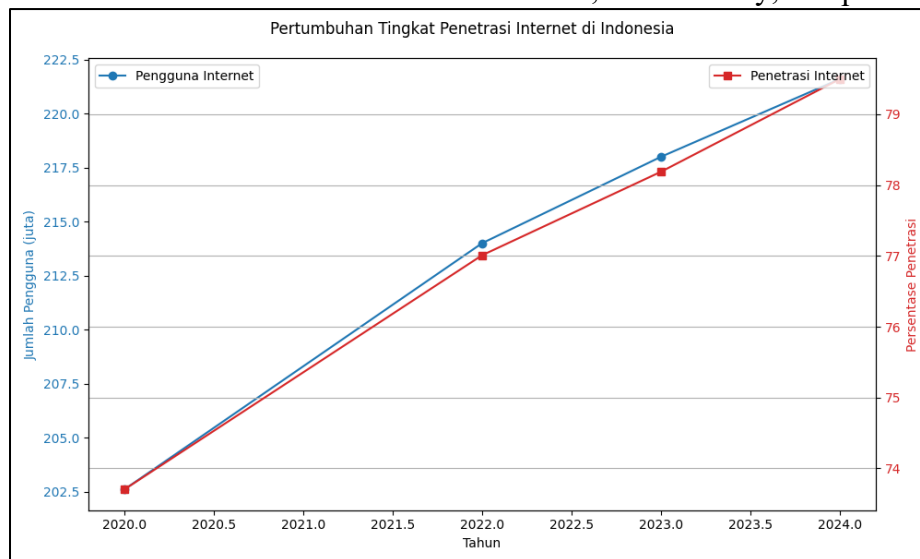


Figure 1.

Internet Penetration Growth in Indonesia, 2020–2024

Source: Indonesian Internet Service Providers Association (APJII, 2024)

According to the 2024 survey by the Indonesian Internet Service Providers Association (APJII), the number of internet users in Indonesia reached 221.6 million, or about 79.5% of the estimated total population of 278.7 million. This figure reflects a consistent year-on-year increase in internet penetration (Komdigi, 2024). This condition indicates that the telecommunications sector plays an essential role in supporting economic growth and technological advancement in Indonesia. Research by Oktaviani (2020) concluded that the number of internet users has a positive and significant effect on

Indonesia's economic growth. Alongside the rapid development of information technology, public demand for high-quality telecommunication services has also increased. In this context, service quality becomes a critical factor that determines a company's success and differentiates it in market competition. When a company can provide better service than its competitors, it gains a stronger position and has greater opportunities to expand its market share (Pilo, 2023).

Telkom remains committed to advancing the telecommunications sector in Indonesia. Various strategic steps have been taken to realize the company's vision and goals, one of which is building the best digital network that covers the entire nation, from Sabang to Merauke. This is evidenced by the construction of more than 41,000 towers across Indonesia (Syulianita, 2024). Telkom also implements a digital transformation strategy known as the "Five Bold Moves," which includes developing data center services, integrating fixed and mobile services (fixed-mobile convergence), and building a digital ecosystem to enhance customer experience. This transformation aims to position Telkom as the leading digital telco that can drive Indonesia's progress (Telkom, 2024).

In addition, PT. Telkom Indonesia is known as a company that continuously innovates to maintain competitiveness in today's digital era (Telkom, 2017). Innovation is the key to adapting to the rapidly changing needs of customers and technological developments. Telkom consistently develops new digital-based products and services such as IndiBiz, cloud computing, and other digital solutions that support Indonesia's digital transformation. The company also implements cutting-edge technologies such as 5G and the Internet of Things (IoT) to improve service quality and deliver the best customer experience. These innovations extend not only to technological aspects but also to business process improvements and more responsive, personalized customer service.

As part of this innovation strategy, PT. Telkom Indonesia, through IndiBiz has developed various strategic programs targeting different business sectors in Indonesia. These programs include IndiBiz Education, which offers the Pijar digital learning platform to meet educational needs and keep pace with technological advances. Meanwhile, IndiBiz Hospital applies a hospitality business model supported by reliable CCTV security systems and the digital Omni Communication Assistant (OCA) technology to enhance communication and marketing effectiveness. IndiBiz Finance supports the digitalization of operations for financial institutions such as banks, cooperatives, and other financial entities through services like Network Monitoring, Netmonk, and BPR SATU, which enable real-time online access without requiring additional server investments. IndiBiz Ruko provides digital solutions for retail businesses with features such as IndibizPay (QRIS-based payment), Indibiz Kasir (a multifunctional digital cashier system), internet-based CCTV, and IndibizStore, which adopts a cashier-less concept to minimize transaction errors (IndiBiz, 2025).

In mid-2023, Telkom officially transferred IndiHome services to Telkomsel as part of its renewed focus on Business-to-Business (B2B) solutions. As part of this strategy, Telkom launched IndiBiz in July 2023, coinciding with the company's 58th anniversary (Damar, 2023). IndiBiz is a digital solution ecosystem designed specifically to meet the internet and digital service needs of businesses, especially Micro, Small, and Medium Enterprises (MSMEs) in Indonesia (IndiBiz, 2024). This service demonstrates Telkom's commitment to supporting the digital transformation of businesses in Indonesia by providing fast, stable, and reliable business internet connections. Unlike IndiHome, which targets

household users, IndiBiz is dedicated to the business sector with a focus on digital solutions that drive business growth.

IndiBiz offers various internet packages with a 1:1 download-to-upload speed ratio and no Fair Usage Policy (FUP) limits, making it highly suitable for business operations requiring high-quality internet connections. In addition, IndiBiz provides bundled services combining internet, telephone, and digital TV, offering businesses convenience and efficiency in managing communications and entertainment at their premises. With the tagline *#CiptakanPeluangWujudkanHarapan* (“Create Opportunities, Realize Hopes”), IndiBiz is committed to providing comprehensive solutions for MSMEs to navigate digital business transformation. IndiBiz ensures affordability for MSMEs, minimizing operational costs while enhancing productivity and optimizing business potential in the digital world (MyIndiBiz, 2024).

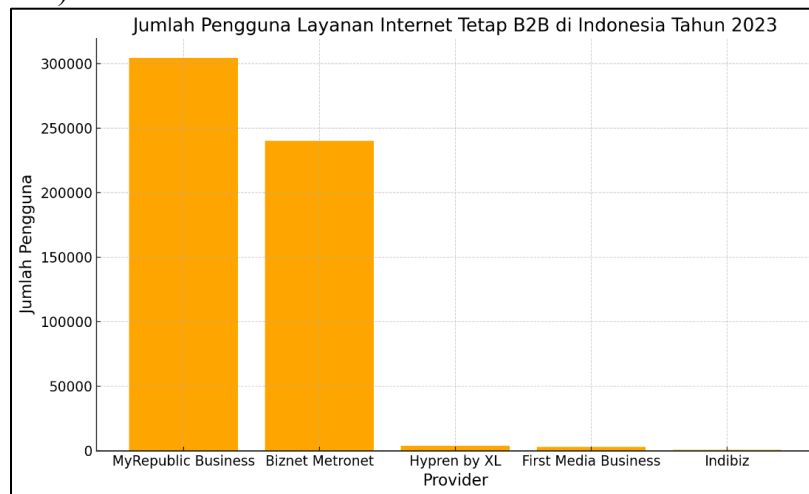


Figure 2.

Number of Fixed Internet Service B2B Users in Indonesia, 2023

Source: Compiled from business reports and articles, 2023

The chart above shows the four main competitors IndiBiz faces, each with a strong customer base and well-established market penetration. MyRepublic Business ranks first with 304,410 customers in 2023, driven by aggressive 4G and 5G network expansion and the addition of 3 million home passes in 2024 (Marketeters, 2025). In second place, Biznet Metronet has 240,000 customers, relying on Indonesia’s largest fiber optic network spanning 100,000 kilometers (Rachman, 2024), while also offering highly competitive prices up to 30% cheaper in secondary cities. Meanwhile, Hypernet by XL Axiata, with around 4,000 customers, focuses on corporate and SME segments, providing end-to-end Internet of Things (IoT) and cybersecurity services, though its coverage is limited to Sumatra and Kalimantan (N. K. Putri, 2023). First Media Business retains about 3,000 customers with its strength in bundled entertainment content services (Pambudi, 2024).

From a competitive advantage perspective, PT. Telkom Indonesia has strong infrastructure, an extensive network, expertise, and the ability to leverage big data analytics and comprehensive digital services. However, Telkomsel’s dominance as Telkom’s primary revenue contributor has declined, with its market share falling from 56.2% in 2021 to 48.9% in 2023, a loss of 7.3% within three years, signaling a serious threat to Telkomsel’s

dominance (Handono, 2025). This decline has been driven by competitive pricing and innovative services from Indosat Ooredoo Hutchison and XL Axiata. Such intense competition requires PT. Telkom Indonesia to continuously improve service quality, accelerate product innovation, and adjust marketing strategies to maintain customer satisfaction and loyalty, particularly in the SME segment, through products like IndiBiz. In addition, Telkom must effectively manage its reputation and churn rate to remain competitive in a dynamic market (Lilin et al., 2024).

IndiBiz specifically targets the B2B (Business-to-Business) market segment, with a primary focus on Micro, Small, and Medium Enterprises (MSMEs). In 2023, the number of MSMEs in Indonesia reached around 66 million, making this segment highly strategic (Kadin, 2023). IndiBiz offers affordable digital solutions such as Indibiz Pay for seamless financial transactions and the Omni Channel Assistant (OCA) as a business communication integration tool. By emphasizing inclusivity, IndiBiz demonstrates its commitment to strengthening MSME competitiveness by providing an accessible digital ecosystem, including in regions with developing internet penetration (Kurniawan, 2023).

Beyond MSMEs, IndiBiz expands its market segmentation to other sectors such as education, hospitality, culinary, retail, and government institutions requiring integrated digital solutions. For corporate and government segments, IndiBiz provides products such as Logee, which optimizes logistics processes, and Netmonk, which monitors networks in real-time to improve institutional efficiency. In education, the Pijar platform has been adopted by hundreds of schools in Yogyakarta to support digital learning, while dedicated networks ensure data security for government agencies. These diverse solutions are supported by Telkom's strong ecosystem, including 24/7 customer service and collaboration with local startups, broadening the reach of technological innovation (Andarningtyas, 2024).

There are three main factors shaping customer loyalty: affective commitment, continuance commitment, and loyal behavior. Affective commitment reflects the emotional bond between customers and IndiBiz products, making them feel satisfied and personally connected. Continuance commitment represents customers' rational reasons for remaining loyal, such as high switching costs or the economic benefits gained from the service. The third factor, behavioral loyalty, is reflected in tangible actions such as repeat purchases and recommending the product to others. This concept is based on the Customer Commitment theory, which emphasizes the importance of affective and continuance dimensions. Oliver (1999) also defines loyalty as a deep commitment to repurchase a product consistently despite external influences that may tempt customers to switch.

Service quality refers to customers' perceptions of how well IndiBiz's services meet or exceed their expectations. According to Parasuraman et al. (1988), in the SERVQUAL model, there are five dimensions for analyzing service quality. The first is Tangibles, which refers to physical evidence such as technological infrastructure, hardware, and customer facilities—essential as the visible representation of service quality. The second is Reliability, which describes IndiBiz's ability to deliver services as promised consistently and accurately, ensuring customers can rely on the product without disruptions. The third is Responsiveness, referring to staff readiness and willingness to assist customers and provide prompt service. Customers who feel served quickly and responsively tend to be more satisfied and loyal, as their needs and concerns are taken seriously.

While the first three dimensions form the foundation of reliable service, the next two strengthen long-term customer relationships. Empathy emphasizes personalized care and understanding of customers' specific needs, making them feel valued and individually treated in each service interaction. Lastly, Assurance is crucial in digital services involving data and network security, especially for government and corporate clients. Assurance encompasses staff knowledge, courtesy, and the ability to inspire trust and confidence. When customers feel secure and confident that IndiBiz can protect their data integrity and confidentiality, their loyalty and commitment to the product are reinforced.

In increasingly fierce business competition, companies must place customer satisfaction as the central focus of their operations, especially in service industries where satisfaction is a critical factor for business sustainability and growth. However, as the customer base grows, companies will face challenges in measuring satisfaction levels toward their products or services (Aditiya et al., 2022). The intensifying competition means companies cannot rely solely on pricing but must deliver high-quality services to create the best possible customer experience. Telkom, as Indonesia's largest telecommunications operator, still faces significant challenges, as reflected in the 21% customer complaints recorded in 2021.

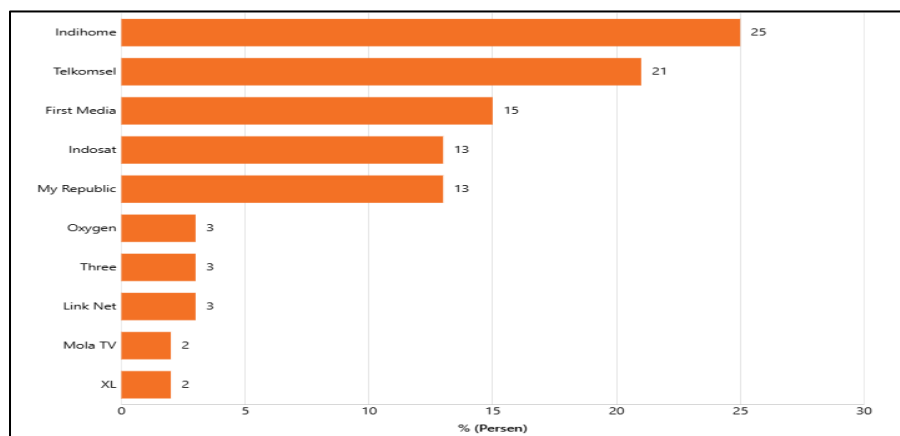


Figure 3.

Telecommunication Companies with the Most Customer Complaints, 2021

Source: Indonesian Consumers Foundation (YLKI), 2022

The chart above illustrates that 11.9% of the total 532 complaints in 2021 were directed at telecommunications companies. Two subsidiaries of the state-owned Telkom, IndiHome and Telkomsel, were the two companies with the most complaints. Complaints about IndiHome accounted for 25% of all telecommunications-related complaints, while Telkomsel ranked second with 21%. First Media was in third place with 15%, followed by Indosat and MyRepublic with 13% each. Other companies, such as Oxygen, Three, and Link Net had smaller complaint shares at 3%, while Mola TV and XL recorded the lowest with 2% each (Andarningtyas, 2024).

This data signals the need for Telkom to continuously evaluate and improve its service quality, given its position as the company with the highest number of complaints. Moreover, research by Xu et al. (2021) found that the churn rate in the telecommunications

sector is relatively high, ranging from 20% to 40% annually. This means that each year, companies in this industry lose between one-fifth and nearly half of their total customers to competitors. This phenomenon shows that customers tend to switch operators if they feel dissatisfied with the services provided. The situation is further exacerbated by rising customer expectations in the digital era, where customers have broad access to information and can easily compare services among operators.

Therefore, the author chose the title “Evaluation of the Role of Service Quality Aspects in Increasing Customer Loyalty to IndiBiz Products at PT. Telkom Indonesia Witel Yogyakarta” to thoroughly examine the relationship between service quality and customer loyalty in the context of IndiBiz. This study is expected to contribute to both the theoretical development and practical application of service management in the telecommunications industry. Considering the high churn rate in the sector, which indicates customers’ tendency to switch services if dissatisfied, it is crucial to understand the factors influencing customer loyalty. A qualitative approach was chosen because it allows for an in-depth exploration of customer perceptions and experiences, which cannot be fully captured through quantitative methods. The results of this research are expected to provide a foundation for managerial decision-making and the development of service improvement programs focused on customer needs and expectations. Practically, this study is expected to help PT. Telkom Indonesia Witel Yogyakarta maintains its competitive position in the dynamic market and supports business sustainability through sustained improvements in customer loyalty.

LITERATURE REVIEW

Stimulus-Organism-Response (S-O-R) Theory

The Stimulus-Organism-Response (S-O-R) theory is a fundamental theoretical framework in psychology that explains the dynamic interaction between external stimuli (S), the internal processes of the organism (O), and the resulting response (R). Unlike the more linear Stimulus-Response (S-R) model, the S-O-R framework emphasizes that the organism is not a passive recipient but an active mediator that processes stimuli. This means that the same stimulus may trigger different responses depending on the organism’s internal conditions. Woodworth (1918) was one of the early scholars who developed this model, highlighting the importance of internal factors in understanding behavior. In the context of this study, IndiBiz service quality (as the stimulus) does not directly determine customer loyalty but is mediated by how customers (the organism) perceive and interpret the quality of the service.

Customer Loyalty

Customer loyalty is a crucial aspect of marketing that has a significant impact on a company’s sustainability and growth. In today’s competitive market, customer loyalty can serve as a primary tool for creating long-term profitability. Loyal customers tend to make repeat purchases and often influence others to try the products or services they favor. According to Foxall (2014), customer loyalty consists of two main dimensions: attitudinal loyalty and behavioral loyalty. Attitudinal loyalty reflects positive feelings toward a specific brand or product, while behavioral loyalty is more closely related to actual actions, such as repeat purchases. Therefore, companies must develop strategies to foster both aspects of loyalty through consistent and satisfying customer experiences.

Service Quality

Service quality is defined as a company’s ability to deliver services that meet or even exceed customer expectations. According to Parasuraman et al. (1988), service quality is the gap between customer expectations of the service and their perceptions of the service actually received. This concept involves multiple interacting elements, where companies strive to provide the best possible customer experience. At its most basic level, service quality can be understood as the degree of customer satisfaction influenced by the company’s ability to fulfill its expectations. This underscores that service quality is not a static condition but rather the outcome of a dynamic interaction between service providers and consumers. In an increasingly competitive global environment, service quality becomes a key determinant in attracting and retaining customers, as well as differentiating a company from its competitors.

RESEARCH METHOD

This study employs a qualitative approach to explore in depth customers’ experiences regarding the service quality of IndiBiz, with the unit of analysis at the company level (PT. Telkom Indonesia Witel Yogyakarta), division (Business Service), and product (IndiBiz), involving five selected customers through purposive sampling. Primary data were collected through semi-structured in-depth interviews based on the five dimensions of service quality (tangibles, reliability, responsiveness, assurance, empathy) as well as participatory observation, while secondary data were obtained from relevant literature on the Stimulus-Organism-Response (S-O-R) theory, service quality, and customer loyalty. This approach was chosen because it provides contextual, comprehensive, and applicable insights into the relationship between service quality and customer loyalty, thus serving as a foundation for more targeted service improvement strategies.

Table 1.

Interview Questions for 5 Informants

No.	Interview Questions	Theme
1	How was your first experience using Telkom Indonesia's IndiBiz service? <ul style="list-style-type: none"> • If you had a positive experience, can you provide an example? Please explain in more detail. • If you had a negative experience, can you provide an example? What do you think needs to be evaluated going forward? 	Service Quality
2	Do you feel that the MyIndiBiz smartphone app makes it easier to manage your business services? <ul style="list-style-type: none"> • If yes, can you provide specific examples of how this app has helped streamline your business activities? For example, ease of service monitoring, customer service features, or making reservations and managing services! • If not, are there any specific experiences or difficulties that made you feel this app wasn't effective enough? What features or updates do you think need to be added to make the IndiBiz app more helpful in managing your business? 	Tangibles
3	To what extent does IndiBiz's service coverage meet your business needs in terms of network reliability and connection stability? <ul style="list-style-type: none"> • If adequate, how has your experience with network quality and connection stability been? Do you feel that the network connection provided by IndiBiz is reliable enough to support the smooth running of your business, especially during peak hours? • If inadequate, have you experienced any disruptions or technical issues that have impacted the smooth running of your business? Are there any steps you 	Reliability

	believe Telkom should take to improve the stability and reliability of the IndiBiz network?	
4	<p>How would you rate the response time of Telkom Indonesia's customer service when facing problems or questions related to IndiBiz products?</p> <ul style="list-style-type: none"> • How quickly did you receive service after contacting customer service? Please explain in more detail. • If not responsive, are there any specific experiences where customer service did not respond promptly? What do you think needs further evaluation? 	Responsiveness
5	<p>How do you feel about the empathy shown by Telkom Indonesia staff towards your challenges as an IndiBiz customer, particularly in terms of listening, understanding, and providing tailored solutions?</p> <ul style="list-style-type: none"> • If you feel you received good empathy, can you provide a specific example of a Telkom staff member truly listening and understanding your problem, providing a solution tailored to your needs? Explain in more detail. • If you received less empathy, in what situations did you feel the solution provided was not appropriate for your needs? How do you think Telkom staff should approach customers more empathetically? 	Empathy
6	<p>How confident do you feel that Telkom maintains the confidentiality of IndiBiz customer transaction data?</p> <ul style="list-style-type: none"> • If you feel confident, what makes you feel that your transaction data is managed well and securely by Telkom? Please explain in more detail. • If you feel less confident, do you have any experiences or concerns regarding the management of your data? What do you think could be improved or changed in the policies or systems to enhance customer data protection? 	Assurance
7	<p>Are you satisfied enough with IndiBiz's services to recommend it to your colleagues or business partners?</p> <ul style="list-style-type: none"> • If you are satisfied, what is the main reason you would recommend IndiBiz? Explain in more detail. • If you are not satisfied, what is the reason you would not recommend IndiBiz? 	Customer Satisfaction
8	<p>In your experience, how much influence does IndiBiz's product service quality have on customer loyalty?</p> <ul style="list-style-type: none"> • If you perceive a positive influence, can you choose one or more of the five aspects of service quality (physical, reliability, response time, assurance, empathy) that are most influential in increasing your loyalty as a customer? Please explain in more detail. • If you perceive a negative influence, can you choose one or more of the five aspects of service quality (physical, reliability, response time, assurance, empathy) that are obstacles to building customer loyalty? Please explain in more detail. 	Loyalty
9	<p>What is the main reason you chose IndiBiz, even though there may have been alternatives from other telecommunications service providers?</p> <ul style="list-style-type: none"> • If you chose IndiBiz, what was the main factor that made you continue to choose IndiBiz as your service provider, compared to other service providers? Please explain in more detail. • If you did not choose IndiBiz, what factors made you consider other alternatives? 	Loyalty
10	<p>In your opinion, are there any other service aspects that Telkom Indonesia needs to improve or innovate to maintain the satisfaction and loyalty of IndiBiz customers in the future?</p> <ul style="list-style-type: none"> • If so, can you provide specific examples of what needs to be improved or changed to better meet your expectations and those of other customers in the future? 	Loyalty

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- If not, do you believe that IndiBiz's current service adequately meets your expectations and needs?
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RESULT AND DISCUSSION

The Role of Service Quality on IndiBiz Customer Loyalty Network Quality and Service Reliability as a Driver of Loyalty

The findings of this study clearly show that network quality and service reliability (Reliability) are the main drivers of customer loyalty for the IndiBiz product at PT. Telkom Indonesia Witel Yogyakarta. B2B customers heavily rely on stable connectivity and consistent network performance for their business operations. When IndiBiz can continuously meet these expectations, it directly contributes to customer satisfaction and loyalty. This addresses the research problem regarding the implementation of service quality and its role as a driver of loyalty. Service reliability becomes an essential foundation for the continuity of customer businesses, where even minor disruptions can have significant impacts. Therefore, maintaining stability and network performance is a top priority for PT. Telkom Indonesia Witel Yogyakarta.

Within the framework of the Stimulus-Organism-Response (S-O-R) theory, network quality and service reliability (S) act as external stimuli received by customers. The organism (O) processes these stimuli through positive perceptions and evaluations of stable, disruption-free connectivity experiences. When customers perceive IndiBiz services as consistently available, fast, and free of technical errors that disrupt their business activities, this triggers positive emotions such as satisfaction and security. The resulting response (R) is customer loyalty, manifested in their decision to continue using IndiBiz services and even recommend them to others. These findings are consistent with Patmawati et al. (2025), who state that good service quality is directly linked to customer satisfaction and loyalty, with brand trust playing a key role.

Respondents' experiences highlight how IndiBiz's reliability becomes a key driver of loyalty, especially for businesses highly dependent on stable internet connections. For example, respondent T4 from Petshop Yogyakarta noticed a significant improvement after switching to IndiBiz, with a much more stable and smooth internet connection even during peak working hours, ensuring uninterrupted operations. Likewise, respondent S2 from a 4-star hotel in Yogyakarta expressed 100% satisfaction with smooth Wi-Fi and telephone services for the team and client communication, further affirming IndiBiz's strong foundation of trust. This reliability, particularly across wide coverage areas and during peak hours, consistently serves as a driver of IndiBiz customer loyalty.

Overall, IndiBiz's network reliability and connection stability have proven to be powerful drivers of customer loyalty. IndiBiz's ability to provide consistent, uninterrupted services, even under heavy usage or across wide areas, delivers a sense of security and satisfaction to business customers. This enables them to run operations smoothly and efficiently, reinforcing their decision to remain with IndiBiz rather than switching to other providers. These findings align with Putri & Muslichah (2024), who found that the Reliability dimension of Indihome services scored high with a total percentage of 75%. Similarly, they align with Undartik et al. (2025), who emphasized the importance of reliability in service quality for customer satisfaction at PT. Telkom Indonesia Witel Cirebon, finding that "good service quality is directly linked to customer loyalty." To further strengthen Reliability as a

driver of loyalty, PT. Telkom Indonesia Witel Yogyakarta needs to continue maintaining and upgrading its network infrastructure. Ensuring regular preventive maintenance and proactive monitoring of potential disruptions will help sustain service consistency. In this way, the reliability stimulus will consistently generate positive responses from customer organisms, reinforcing their loyalty.

Customer Service Responsiveness as a Driver of Loyalty

Customer service responsiveness (Responsiveness) has proven to be a significant driver of IndiBiz customer loyalty, particularly in the dynamic B2B business environment. Business customers require quick and efficient solutions when facing technical issues or service-related inquiries. PT. Telkom Indonesia Witel Yogyakarta's ability to provide swift and responsive support directly enhances customer loyalty and strengthens their bond with the service provider. This addresses the research problem regarding service quality implementation and the identification of loyalty drivers. High responsiveness demonstrates the company's commitment to customer needs, building a crucially positive perception.

Within the framework of the Stimulus-Organism-Response (S-O-R) theory, customer service responsiveness (S) functions as an external stimulus that shapes customer perceptions. When customers (O) encounter problems and receive quick, effective responses, they process the experience positively. The emotions generated are feelings of being valued, relieved, and confident that their issues will be resolved. The resulting response (R) is increased loyalty, as customers feel supported and assured that the service provider cares about their business continuity. These findings are consistent with Undartik et al. (2025), who found that companies need to respond appropriately to customers seeking services and deliver them quickly, accurately, and carefully to improve customer loyalty.

The experience of respondent T4 from Petshop Yogyakarta provides a real example of how customer service responsiveness can strengthen loyalty. He recounted an incident of a disconnection that was quickly addressed, with a technician even arriving after evening prayers (Maghrib) to inspect and fix the issue. This out-of-hours response demonstrated Telkom's strong commitment. Similarly, respondent B5 from a garment business in Yogyakarta highlighted a response within 24 hours during a demand surge, such as the 5-5 sales event, when technicians arrived in less than 48 hours to fulfill his request.

The speed and clarity of IndiBiz customer service responses consistently act as drivers of customer loyalty. Telkom's ability to quickly address issues and provide solutions creates positive customer experiences and builds trust. Customers feel valued and supported, ultimately reinforcing their bond with IndiBiz services and encouraging continued loyalty. These findings are also supported by Putri & Muslichah (2024), who reported that the Responsiveness dimension of Indihome services had an excellent score (87.5%). They are also in line with Amsal & Kartika (2023), who identified "slow responsiveness" as a major service failure in Indonesia's telecommunications industry. In contrast, IndiBiz in Yogyakarta demonstrates responsiveness as a strength. They suggest that "ensuring responsive and efficient customer service is critical for addressing customer inquiries and concerns promptly." To maintain and further enhance responsiveness, PT. Telkom Indonesia Witel Yogyakarta needs to continuously optimize internal and external communication systems. Ongoing training for customer service teams to improve response speed and accuracy, along with ensuring adequate staffing during peak hours, will greatly help. Thus,

positive responsiveness stimuli will consistently generate loyalty responses from customer organisms.

Telkom Staff Empathy as a Driver of Loyalty

Telkom staff empathy is an important driver of IndiBiz customer loyalty, as in B2B relationships, personal interaction and deep understanding of customer needs are highly valued. The ability of staff to show individual attention and understand customer issues from their perspective creates a strong emotional bond. This directly addresses how the empathy dimension of service quality contributes to customer loyalty. Genuine empathy can transform transactional interactions into mutually beneficial partnerships, making IndiBiz stand out from its competitors.

Within the framework of the Stimulus-Organism-Response (S-O-R) theory, Telkom staff empathy (S) acts as a stimulus that influences the customer organism (O). When customers feel that staff listen attentively, show concern, and attempt to see situations from their perspective, it triggers positive emotions such as feeling valued, understood, and emotionally connected. The cognitive process that occurs is the evaluation that Telkom cares about the success of their business. The resulting response (R) is increased loyalty, as strong emotional bonds are formed between customers and the service provider. These findings are consistent with Undartik et al. (2025), who stated that Telkom employees serve politely and courteously, respect every customer, and prioritize customer interests over personal ones, all indicators of good empathy.

A concrete example of Telkom staff empathy can be seen from respondent S2 of a 4-star hotel in Yogyakarta, where Telkom staff provided the right solution by recommending the purchase of necessary equipment when the hotel faced telephone problems. This shows that staff not only solved technical issues but also proactively helped customers select appropriate devices. Respondent B5 from a garment business in Yogyakarta also described how Telkom staff were very responsive to his request for a larger modem and cables during major events, with technicians arriving in less than 48 hours.

Empathy and good communication from Telkom staff play a significant role as drivers of customer loyalty. When customers feel listened to, understood, and given personalized solutions, they tend to develop stronger emotional ties with the service provider. This not only enhances satisfaction but also builds long-term trust, making empathy a vital element in retaining IndiBiz customers. Research by Putri & Muslichah (2024) also supports this, showing that the Empathy dimension in Indihome had a high-quality score (80%).

These findings are highly positive and demonstrate that IndiBiz has successfully implemented empathy as a service quality dimension. Although Amsal & Kartika (2023) identified “lack of attention and personalized problem-solving” as a general empathy failure, the experiences of IndiBiz customers in Yogyakarta show much better practices. To maintain this advantage, PT. Telkom Indonesia Witel Yogyakarta should continue providing empathy training to staff, emphasizing the importance of active listening and understanding each customer’s unique needs. Encouraging staff to take initiative in offering tailored solutions will also strengthen this aspect. Thus, strong empathy stimuli will continue to generate deep loyalty responses from customers.

Data Assurance and Trust in Telkom as a Driver of Loyalty

Data assurance and trust in Telkom (Assurance) are crucial drivers of IndiBiz customer loyalty, especially in the digital era, where data security and integrity are major

concerns. B2B customers require full confidence that their data is secure and that IndiBiz services can be relied upon without doubt. Telkom's ability to build and maintain this trust directly influences customers' decisions to remain loyal and use the services in the long term. This explains how the assurance dimension of service quality contributes to customer loyalty.

Within the Stimulus-Organism-Response (S-O-R) framework, data assurance and trust in Telkom (S) act as external stimuli that influence customer organisms (O). When customers receive guarantees of data security and perceive Telkom staff professionalism and competence, they process this information positively. The resulting emotions are safety, confidence, and peace of mind that their digital assets and critical information are protected. The response (R) is customer loyalty, manifested in decisions to continue subscribing to IndiBiz services without concern about data misuse. These findings align with Patmawati et al. (2025), who noted that brand trust plays a key role in enhancing loyalty.

Respondent S2 from a 4-star hotel in Yogyakarta also emphasized data assurance, describing how IndiBiz staff provided very clear explanations and convincing guidance. They ensured that personal data would be safeguarded and 100% guaranteed secure. Such transparency and data security assurance are critical in building customer trust, particularly regarding sensitive information. This trust level becomes a determining factor in subscription decisions, providing customers with a sense of security in their transactions.

Data assurance and trust in Telkom act as strong drivers of customer loyalty. The company's reputation, its status as a state-owned enterprise (BUMN), and positive experiences in securing data provide customers with a sense of security. This trust becomes a decisive factor for businesses to continue using IndiBiz, confident that their digital assets and critical information are well protected, thereby strengthening long-term loyalty. Nonetheless, Putri & Muslichah (2024) noted that the Assurance dimension in Indihome scored relatively lower (56.25%) compared to other dimensions.

Respondents' high level of trust in Telkom as a BUMN and its data assurance is a significant asset for IndiBiz. Amsal & Kartika (2023) identified "lack of transparency and communication from telecom companies" as an assurance issue. However, in IndiBiz's case in Yogyakarta, convincing explanations from staff effectively addressed initial customer concerns. To further strengthen Assurance, PT. Telkom Indonesia Witel Yogyakarta should maintain transparency in every process, especially concerning customer data. Continuous education on Telkom's data security standards and certifications can further enhance customer confidence. Thus, strong assurance stimuli will continue to generate solid loyalty responses from customers.

Use of the MyIndiBiz Application (Tangibles) as an Inhibitor of Loyalty

This study specifically indicates that the use of the MyIndiBiz application (Tangibles) serves as an inhibitor of customer loyalty at PT. Telkom Indonesia Witel Yogyakarta. Negative experiences with this digital application create dissatisfaction that reduces loyalty, even though other physical elements generate positive impressions. This directly addresses the service quality aspect that acts as an inhibitor of loyalty in the research problem. In the digital era, applications function as the physical representation of services, and their failures can undermine overall perceptions of service quality.

Within the Stimulus-Organism-Response (S-O-R) framework, the MyIndiBiz application (S) acts as an external stimulus. However, when customers (O) interact with an application that is slow, buggy, or not user-friendly, they process the experience negatively.

The emotions triggered are frustration, discomfort, and the perception that the application is inefficient. The resulting response (R) is decreased efficiency in managing services, which ultimately hampers loyalty.

Some specific issues faced by users include slow access speeds and frequent crashes (bugs), as reported by respondent T4 from Petshop Yogyakarta and B5 from a garment business in Yogyakarta. Such situations are critical for smooth business operations, as delays or failures in accessing customer support can affect satisfaction and trust. Respondent S2 from a 4-star hotel in Yogyakarta also suggested making the application easier to use, especially for those less familiar with technology, highlighting the need for continuous education and improvement.

Based on these findings, the use of the MyIndiBiz application tends to act as an inhibitor of customer loyalty. Although Telkom has provided the application, technical issues and the lack of user-friendly features reduce its effectiveness as a service management tool. Improvements in this digital tangible aspect, such as enhancing stability, adding relevant features, and increasing user comfort, are essential for MyIndiBiz to become a positive driver of loyalty in the future.

These findings align closely with Amsal & Kartika (2023), who explicitly mentioned that “poor applications, which take too much time to open and use,” and “unstable connections” are major tangible issues. They suggested that “ease of use can be improved by fixing application bugs and enhancing accessibility to key features.” To address MyIndiBiz as a loyalty inhibitor, PT. Telkom Indonesia Witel Yogyakarta must prioritize improving application stability and functionality. Conducting regular updates, thoroughly testing the application, and providing essential, easily accessible features (such as billing information and Mbps upgrade options) will be critical. Additionally, customer education on application usage needs to be enhanced. Thus, positive tangible stimuli will generate the desired loyalty responses from customers.

Practical Implications

The findings of this study provide significant practical implications for PT. Telkom Indonesia, particularly in managing IndiBiz services. First, the company should consider enhancing training and development programs that focus on strengthening interpersonal relationships and social support in the workplace. This is crucial for improving employee job satisfaction, which in turn positively influences the quality of service delivered to customers. By improving staff communication and empathy skills, the company can ensure that every customer interaction not only meets expectations but also creates a more personal and satisfying experience.

Next, PT. Telkom needs to evaluate and improve the MyIndiBiz application, which currently acts as one of the inhibitors of customer loyalty. The company should invest in technological development to ensure the application becomes more user-friendly and free from bugs. By improving the application’s functionality, customers will find it easier to manage their services, thereby increasing satisfaction and loyalty. Additionally, the company should provide training for customers on how to use the application effectively, enabling them to fully benefit from all available features.

Furthermore, the company must continue to strengthen network reliability and customer service response speed, both of which have been proven as key drivers of customer loyalty. Through continuous investment in network infrastructure and customer service staff

training, PT. Telkom can ensure readiness in meeting customer needs, particularly during emergencies or demand surges. This will not only enhance customer loyalty but also reinforce IndiBiz's reputation as a reliable service provider.

Finally, PT. Telkom should consider developing a loyalty or rewards program for IndiBiz's loyal customers. Such a program may include discounts, special offers, or exclusive access to new services, providing incentives for customers to remain with IndiBiz. By creating stronger and mutually beneficial relationships with customers, the company can improve customer retention and reduce churn rates, which is critical in today's competitive market. Implementing these recommendations will help PT. Telkom Indonesia not only maintains its market position but also continues to grow and innovate in meeting future customer needs.

CONCLUSION

This study successfully revealed several important findings regarding the service quality of IndiBiz and its impact on customer loyalty at PT. Telkom Indonesia Witel Yogyakarta. Based on in-depth interviews, the majority of respondents consistently showed a high level of satisfaction with the reliability of the IndiBiz network and connection stability (Reliability), emphasizing that this aspect serves as the main foundation supporting the smooth operation of their businesses. Furthermore, the responsiveness of customer service (Responsiveness) and the empathy of Telkom staff (Empathy) in understanding and addressing customer needs were also highly appreciated, making a significant contribution to enhancing customer loyalty. IndiBiz's ability to resolve complaints and requests promptly, even outside working hours, has clearly increased customer trust and loyalty. In addition, customers' high trust in Telkom (Assurance) to maintain the confidentiality of transaction data, supported by its reputation as a state-owned enterprise (BUMN), further strengthens their sense of security.

The findings from the interviews were reinforced by observational results, which showed that Telkom actively implements after-sales strategies focusing on maintaining long-term customer relationships, including regular visits by Account Managers. These observations confirm that the personal and proactive approach of Telkom staff, reflected in their empathy and quick responses, is indeed a real practice in the field. However, the MyIndiBiz application (Tangibles) still requires improvement, with complaints about bugs and slow access speed slightly reducing its effectiveness as a service management tool. Overall, the combined findings from interviews and observations indicate that IndiBiz has successfully built strong customer loyalty through a combination of reliable, responsive, and empathetic service quality, ultimately encouraging customer loyalty and the tendency to recommend this service to others.

Based on these findings, the implementation of IndiBiz service quality at PT. Telkom Indonesia Witel Yogyakarta has overall succeeded in fostering customer loyalty, especially through network reliability, customer service responsiveness, staff empathy, and data assurance. This directly answers the research question regarding how service quality implementation affects customer loyalty. Among the five dimensions of service quality, reliability, responsiveness, empathy, and assurance act as the main drivers of customer loyalty. Conversely, the tangible aspect represented by the MyIndiBiz application is the only dimension that acts as an inhibitor of customer loyalty due to technical issues and suboptimal

functionality. These findings are consistent with the research objective of analyzing in depth the influence of service quality on customer loyalty and identifying both its drivers and inhibitors.

This study contributes to the literature on service quality and customer loyalty, particularly in the context of B2B telecommunications services in Indonesia. By specifically identifying the dimensions of service quality that act as drivers and inhibitors of IndiBiz customer loyalty, this research provides practical insights that can be used by PT. Telkom Indonesia Witel Yogyakarta to prioritize areas of improvement. This contribution also complements a broader understanding of how non-technical factors such as empathy and data assurance, alongside technical factors such as network reliability, collectively shape customer loyalty in the midst of intense business competition. The results of this study are expected to serve as a basis for developing more effective and innovative service strategies to maintain and enhance customer loyalty in the future

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