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Determinants of Customer Retention in Indihome: A Study of Satisfaction, Switching Costs, and Service Quality in Sidoarjo

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A B S T R A C T
This study aims to analyze the effect of customer satisfaction, switching costs, and service quality on IndiHome customer retention in Sidoarjo. This study uses a quantitative approach involving 100 respondents selected through purposive sampling. Data were obtained from questionnaires and analyzed using SPSS 26. Various tests were conducted, such as validity, reliability, normality, multicollinearity, heteroscedasticity, multiple linear regression, coefficient of determination (R^2) test, and partial test (t-test). The results show that the three independent variables have a significant effect on customer retention. Switching costs make the largest contribution because they create barriers for customers to switch. Service quality, including reliability and responsiveness, strengthens customer loyalty. Meanwhile, customer satisfaction is an important foundation for supporting long-term relationships although its influence is lower than the other two variables. This study concludes that a holistic strategic approach is needed to improve customer retention, including managing switching costs, improving service quality, and maintaining customer satisfaction. These results provide guidance for telecommunications companies to strengthen competitiveness in a competitive market.

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1. INTRODUCTION

The advancement of communication and information technology has had a significant impact on the way we communicate. The Internet has become an important means for all levels of society to access information and communicate easily and quickly. In accessing social media or accessing information, an internet network is required. The large number of Internet service providers, causing customer retention to the internet services they use will also be tested. Customers will switch to Internet service providers that offer good quality and costs that are

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not too expensive for customers. So internet service provider companies must also maintain customer loyalty (Amanah, Ansari, & Harahap, 2021). This incident provides a good opportunity and obstacle for cellular operators in providing decent and competitive Internet services. Increasing competition requires companies operating in the telecommunications sector to focus on customer satisfaction and generate profits (Rohmial, 2022).

The more people need the Internet, the more Internet provider companies there are, the Internet has become a primary need for the community. In addition to internet quota data packages, the use of WiFi networks is also in great demand and sought after by the public, because WiFi is considered to have a faster internet network. Therefore, companies that provide WiFi internet services must be able to retain their customers or what can be called customer retention, this is the tendency of consumers to repeatedly subscribe to a product and service in the future. Customer retention is the main thing for a company, because the higher the customer satisfaction, the more profit can be obtained. Finding new customers is important, but retaining old customers in the long term is also important, because retaining old customers takes more time. Offering company services to old customers because they already know the quality that the company provides compared to finding new customers (Sopiyan, 2021).

One of the companies that follows the development of communication and information technology is PT Telekomunikasi Indonesia, Tbk or better known as Telkom. The number of telecommunications service providers whose competition is getting tighter over time, has encouraged PT Telkom to issue new product advertisements where PT. Telkom is a state-owned enterprise that provides many choices of communication facilities aimed at meeting the needs of the community in the telecommunications sector. Offering various multi-service services to its consumers, namely telephone, internet data and images (IP-TV) including in one access network. also known as Putar Tiga Kali Lipat (Fuadi et al., 2022). Companies are required to be able to make consumers feel happy and satisfied with the services provided in order to benefit and maintain relationships between the two parties. IndiHome users in Sidoarjo often encounter various issues, such as unstable connections, internet speeds that do not match the subscribed packages, and slow responses from customer service. According to research by Agustian and Retnowati (2018), the service quality of IndiHome in Sidoarjo scored an average of 4.09 out of 5, indicating room for improvement in certain aspects (Agustian & Retnowati, 2018). Additionally, network disruptions caused by maintenance or infrastructure damage are frequently reported, further reducing customer satisfaction. To address these issues, IndiHome offers complaint services accessible through various channels, including online help centers and customer support. IndiHome has shown its superiority in the fixed broadband internet market in Indonesia, not only by dominating market share, but also by becoming the most popular brand. In the last five years, IndiHome has managed to maintain its position as market leader, demonstrating its strong appeal among consumers.

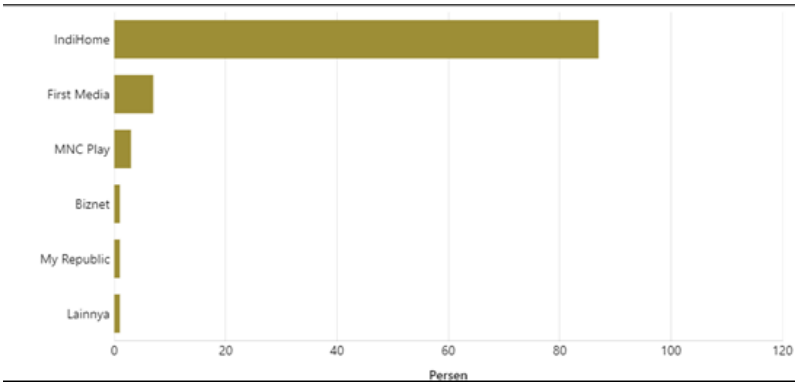

Figure 1. Indihome horizontal bar dominates the 2021 fixed broadband internet market
Source : databoks.katadata.co.id

The graph shows the distribution of market share of various internet service providers in Indonesia, with IndiHome dominating significantly. IndiHome's market share is around 100 percent, far surpassing other competitors such as First Media, MNC Play, Biznet, My Republic, and the "Others" category, all of which have much smaller percentages. This shows that IndiHome is the most dominant internet service provider in this market.

Table 1.1 Recapitulation of TopBrand Index Period 2019 – 2023 for Three Providers

Brand	2019	2020	2021	2022	2023
IndiHome	39,8 %	36,7%	34,6%	33,8%	40,2%
First Media	29,9%	23,1%	24,2%	16,3%	25,9%
Biznet	8,3%	8,2%	10,8%	17,7%	18,3%

The table shows the five-year market share of three internet service providers in Indonesia, namely IndiHome, First Media, and Biznet. In 2019 to 2022, IndiHome led the market with a fluctuating but still dominant share, although it experienced a decline to 33.8% in 2022 before increasing sharply to 40.2% in 2023. First Media showed a downward trend from 29.9% in 2019 to 16.3% in 2022 before increasing again to 25.9% in 2023. Biznet consistently increased every year, reaching 18.3% in 2023.

The first factor is customer satisfaction, Satisfaction is a feeling of happiness or disappointment experienced by someone when comparing performance results with desired results. When performance is below expectations, customers will be disappointed. When performance meets desires, customers are satisfied or happy (Rio Sasongko, 2021) where customer satisfaction is one of the determining factors for customer retention because high customer satisfaction increases the intensity of repeat purchases and has been considered a fundamental determinant of long-term customer behavior and customer retention (Parera, 2019).

The second factor is switching cost, switching cost is the cost or penalty that customers must pay if they want to switch to another provider. Customer switching costs are one strategy to help businesses improve their performance. Indirectly, penalty costs also increase after switching to a new product, therefore switching costs make customers reconsider when they want to switch to another provider, and companies must improve quality so that customers maintain the use of the company's services or services or are called customer retention (Thaher et al., 2023)

The third factor is service quality, service quality is a measure needed by a service company in an effort to meet customer expectations, it is expected to strengthen customer retention. for companies in competing with their competitors. If customer needs are met, then the service quality assessment becomes good based on customer perception, thus creating comfort and trust so that they continue to use the company's services without being attracted to competitors' offers even though the competitors' prices are cheaper (Mevia et al., 2022)

The influence of customer retention is influenced by customer satisfaction, switching costs, and service quality, as supported by a number of studies: (1) The test results (Novianto et al., 2020) show that customer satisfaction on the brand has a significant effect on customer retention. And supported by (2) the test results in the study (Rofiq et al., 2020) that customer satisfaction significantly affects customer retention with increasing sales. (3) The research calculations reveal that switching costs have a significant effect on customer retention (Amanah, Handoko, et al., 2021a). (4) In the study Istiqomawati et al. (2022) also supports that there is a positive and significant effect between switching costs and customer retention. (5) The research results (Nugroho et al., 2020) state that there is a positive and significant effect between service quality and customer retention. And proven by (6) The results of the study conducted (Saputro et al., 2020) that service quality has a significant effect on customer

retention. (7) The research results in the study (Amanah, et al., 2021) explained that switching costs do not affect customer retention. (8) In the tests conducted by researchers, in the study it says that customer satisfaction does not have a significant partial effect on customer retention. (9) The research calculations (Hadi & Prakosa, 2022)say that service quality has a positive and insignificant effect on customer retention.

Customer satisfaction reflects the level of satisfaction or satisfaction of customer experiences when interacting with a particular product or service. This measurement involves collecting customer feedback through various channels such as surveys, feedback forms, and online reviews (Azla et al., 2020). Customer satisfaction is important for service providers because customers will pass on their satisfaction to potential customers which will ultimately improve the reputation of the service provider (Puspaningrum, 2020). One of the most important goals of customer satisfaction is to increase customer retention. This is because in general high customer retention can indicate increasingly loyal customer behavior. This means that in the future customers will buy again. Satisfaction is seen as a force to retain existing customers and form long-term customer relationships. Long-term relationships are customer retention (Novianto Margarena et al., 2020). With the level of customer satisfaction measurement through Nafra et al (2020). Conformity to Expectations is the extent to which the results of the service expected by customers match what they feel. b. Returning Intention refers to the customer's desire to return or use the service again in the future. c. Willingness to Recommend is the customer's willingness to recommend the service they feel to others. In research (Tanjung, 2019) it was proven that Customer Satisfaction has a significant influence on Customer Retention.

Switching cost is the cost incurred by users when changing one service to another when they have committed to a particular service (Setiawan et al., 2020). Switching cost is one of the company's methods to create barriers for customers to switch to another service provider. Customers who feel they have lost the benefits or costs incurred when switching to another provider are more likely to continue using a company's products and services (Zakiy & Haryanto, 2021)With the level of measurement of customer switching costs through Khalid et al. (2021) a) Financial costs refer to the costs incurred by customers in the form of money to obtain a service, b) Relational costs are costs related to the time and effort required to build and maintain a relationship with a service provider, c) Procedure costs refer to costs related to the process and steps that must be taken by customers to obtain or use a service. In research Istiqomawati et al. (2022) it was stated that Switching Costs have a positive and significant effect on Customer Retention.

Service quality is a behavior that is applied so that customers are satisfied with their desires so that it can increase customer retention in the company compared to competitors (Mevia et al., 2022) In the service business, attitude and service are very important in determining the quality of service provided. If this aspect is not considered, it will not take long, the company can lose old customers and be avoided by potential customers. With the level of service quality measurement through Sutanti & Putera (2023). a) Physical Evidence (Tangibles) includes material elements such as appearance, equipment, and other materials that are visible and can be evaluated well, b) Reliability is the resilience to deliver services in a timely, accurate, consistent, and satisfactory manner, c) Responsiveness refers to the readiness and ability of staff to provide services quickly and responsively, and their readiness to meet customer needs deftly and friendly, d) Assurance involves the intelligence, skills, politeness, and trustworthiness of staff regarding the promises made, as well as their ability to guarantee security, freedom from danger, risk, or doubt, e) Empathy is the employee's readiness to build relationships, communicate well, provide personal attention, and understand the individual

needs of customers. In research (Erliana, 2022) it was stated that Service Quality has a significant influence on Customer Retention.

Customer retention is a stage that makes customers loyal to the company and makes repeat purchases or the tendency for customers to continue using a company's services in the future (Melindai & Gandajaya, 2022).Getting new customers no longer takes as long as it used to. With the increasing world of marketing, competition is getting tighter because each company provides attractive offers that can change customer retention. The cost of getting new customers is much higher than the cost of retaining existing customers, this cost includes not only money, but also time and energy (Martha & Anugrah, 2023). Customers who build long-term relationships with companies tend to make more purchases. The greater the customer retention effort, the higher the profitability, because customers tend to buy more products and are more willing to try other products from the company. Thanks to word of mouth (WOM), this event reduces marketing and sales costs (Budi Paryanti et al., 2021) with the level of Customer retention measurement through Jurnal et al. (2022) a) Competitiveness refers to the financial benefits and competitive advantages that customers get from a product or service, b) Convenience includes the ease and convenience experienced by customers when using a product or service, c) Price refers to the amount of money a customer has to pay and how reasonable that price is in relation to the quality received.

2. METHOD

In this study, the researcher used a quantitative research method in which numerical data is measured to obtain a proper analysis of the phenomena that occur and thus draw general conclusions (Pratama et al., 2023). This study was tested using a quantitative method to investigate the impact of variable X on variable Y. The Independent Variables in this study include customer satisfaction, switching cost, service quality, and customer retention. The population is the general whole including objects or subjects and certain qualities and properties determined by the researcher to be studied and concluded. The sample is part of the population that has these properties (M. R. Hidayat et al., 2021). Primary data was obtained through the accumulation of questionnaires in the form of google forms and processed using the SPSS application, questionnaires are techniques used to collect data from respondents through a series of questions that have been systematically arranged. This study uses a likert scale which is classified into certain scale categories, namely strongly agree, agree, less agree, disagree, and strongly disagree (Suyono Putri et al., 2024). Data collection through questionnaires is aimed at the Sidoarjo community who use the IndiHome wifi provider service. The sampling technique in nonprobability sampling is a sampling technique that does not provide an opportunity (chance) for each element or member of the population to be selected as a sample. (Rahmatika & Indayani, 2022) In this study, the number of populations is unknown, therefore the method for determining the number of samples for this study uses the Lemeshow formula,

$$n = \frac{z_1^2 - a/2P(1-P)}{d^2}$$

as follows

n : Number of samples, z^(2)(1-α/2) : Degree of confidence (95%, z = 1.96), P : Maximum estimate (50%=0.5), d : Alpha / large error tolerance (10% = 0.1)

$$n = \frac{1{,}96\ x\ 0{,}5\ (1-0{,}5)}{0{,}1^2} \quad n = \frac{3{,}8416\ x\ 0{,}25}{0{,}01}$$

The number of samples to be taken is: $n = 96{,}04.$

The number of samples obtained from the results of the formula calculation was 96.04 people. To anticipate the possibility of unreadable questionnaires, the researcher decided to

round the number of samples to 100 people. The respondent criteria in this study were customers using the IndiHome provider service in Sidoarjo (Mahihody & Hinonaung, 2020).

In this study, the data analyzed several methods (Leri et al., 2022), namely:

2.1 Validity Test

Validity testing aims to evaluate the ability of a measurement instrument to represent the measured phenomenon accurately. Validity is tested by comparing the correlation value of the calculation results (r count) with the critical value in the Pearson product moment correlation table. The instrument is declared valid if the test significance value is below 0.05, which indicates a significant relationship between the instrument and the concept being measured. Conversely, if the significance value exceeds 0.05, the instrument is considered not to meet the validity criteria (Hidayati et al., 2023).

2.2 Reliability Test

Reliability testing is used to measure the level of consistency of a questionnaire in evaluating certain indicators or variables. This test is carried out on each question item that has passed the validity test. A variable is declared reliable if the Cronbach's alpha value obtained is more than 0.60, indicating that the instrument has an adequate level of consistency. Conversely, if the Cronbach's alpha value is less than 0.60, then the variable is considered unreliable, which means that the instrument is inconsistent or less reliable in measurement (Sugiarta et al., 2023).

2.3 Normality Test

The normality test is used to evaluate whether the distribution of data on the dependent and independent variables in the regression model follows a normal distribution pattern. This normal distribution is one of the important requirements in regression analysis to ensure the validity and accuracy of the statistical test results. In research, the regression model is categorized as optimal if the data analyzed approaches or meets the criteria for a normal distribution. The normality test in this study uses methods such as Kolmogorov-Smirnov, to support stronger conclusions (Arnas & Harsono, 2023).

2.4 Multicollinearity Test

The multicollinearity test is carried out to ensure that there is no relationship that is too strong between the independent variables in a regression model. A significant relationship between independent variables can cause the model to be less accurate and difficult to interpret. This test usually involves analyzing the tolerance value and variance inflation factor (VIF). The regression model is considered free from multicollinearity problems if the tolerance value is greater than 0.10 or the VIF value is less than 10, which indicates that the relationship between the independent variables is at an acceptable level (Rizky Navianti et al., 2023).

2.5 Heteroscedasticity Test

The heteroscedasticity test is a method for detecting whether the error variance in a regression model is not constant (heteroscedastic). This is important to ensure that the homoscedasticity assumption is met, where the error variance is constant at each level of the independent variable. If the test confidence level is more than 5% (p-value > 0.05), then there is no indication of heteroscedasticity, so the model is considered to meet the good regression assumptions. This test method uses the Glejser method (Williams, 2020).

2.6 Multiple Linear Regression Analysis

Multiple Linear Regression Analysis is conducted to assess how independent variables affect the dependent variable. In this context, this technique utilizes the Statistical Package for Social Science (SPSS) software to evaluate the effect of customer satisfaction, switching costs, and service quality on customer retention of IndiHome customers in Sidoarjo (Supriyanto & Rejeki, 2023).

2.7 Coefficient of Determination (R2)

The coefficient of determination (R2) is a measure that shows how much variation in the dependent variable can be explained by the independent variables in the regression model, with values between 0 and 1; the closer to 1, the better the model explains the relationship (Nur & Setyo, 2019).

2.8 Partial Test (t)

Partial test (t-test) is a statistical method to test the significant effect of one independent variable individually on the dependent variable in a regression model, while controlling for other variables in the model. This test is done by comparing the calculated t-statistic value with the critical t-value or through the p-value (Nasution et al., 2019).

3. RESULTS AND DISCUSSION

3.1 Results

This study involved 100 respondents with 28% Male and 72% Female Respondents aged 17-25 years (89%), 26-30 years (5%), 31-40 years (3%), and >40 years (3%). In terms of domicile, 100% of respondents are domiciled in Sidoarjo while respondents who are domiciled outside Sidoarjo are 0%. Respondents who use the IndiHome services number 100 (100%).

Table 2. Respondents' characteristics

Respondents' characteristics	Number	Percentage
Gender		
Male	28	28
Female	72	72
Age		
17-25 Years	89	89
26-30 Years	5	5
31-40 Years	3	3
>40 Year	3	3
Total	100	
Domicile		
Sidoarjo	100	100
Outside Sidoarjo	0	0
Using Indihome Service		
Yes	100	100
No	0	0

3.2.1. Multiple Linear Regression Test

Table 3 shown the meaning and significance of the regression coefficient can be explained as follows: a. Constant (α) A positive constant value of 0.643 indicates that without the influence of independent variables such as Customer Satisfaction, Switching Cost, and Service Quality,

the value is zero (0), so the value of the dependent variable Customer Retention is 0.643. b. Regression coefficient value (b1) The regression coefficient value (b1) of the Customer Satisfaction variable is 0.234, indicating that the regression coefficient has a positive direction and both variables (customer satisfaction and customer retention) have a positive relationship. It can be concluded that if the customer satisfaction variable increases by one unit, the customer retention variable also increases by 0.234. c. Regression coefficient value (b2) The regression coefficient value (b2) of the switching cost variable is 0.434, indicating that the regression coefficient has a positive direction and both variables (switching cost and customer retention) have a positive relationship. It can be concluded that if the switching cost variable increases by one unit, the customer retention variable also increases by 0.434. d. Regression coefficient value (b3) The regression coefficient value (b3) of the service quality variable is 0.174, which indicates that the regression coefficient has a positive direction and both variables (service quality and customer retention) have a positive relationship. It can be concluded that if the service quality variable increases by one unit, the customer retention variable also increases by 0.174.

Table 3. Multiple Linear Regression Analysis Results

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.643	.690		.932	.354
	Customer Satisfaction	.234	.085	.245	2.748	.007
	Switching Cost	.434	.063	.450	6.935	.000
	Service Quality	.174	.052	.294	3.355	.001

a. Dependent Variable: Customer Retention; SPSS source, data processed 2024

Based on the table, the multiple linear regression equation can be formulated as follows:
Y = a+b1X1+b2X2+b3X3+e
Y= 0.643+0.234 X1+0.434 X2+0.174 X3+e
Notes:
Y = Dependent variable, namely Customer Retention; a = Constant from the multiple linear regression equation; b1 = Customer Satisfaction regression coefficient; X1 = Customer Satisfaction variable; b2 = Switching Cost regression coefficient; X2 = Switching Cost variable b3 = Service Quality coefficient; X3 = Service Quality variable

3.2.2.Validity Test

Based on the Table 4, it can be concluded that all questionnaire statement items involving variables X and Y have a correlation value greater than the calculated r compared to the t table which is (> 0.195) (Nuryani, 2019). Therefore, it can be said that all statements in the questionnaire for both variables are valid and can be used to measure the variables that have been studied.

Table 4. Validity Test Results

Variable	Indicators	R Calculate	R Table	Description
Customer Satisfaction	X1.1	0,695	0,195	Valid
(X1)	X1.2	0,712	0,195	Valid
	X1.3	0,717	0,195	Valid

Switching Cost (X2)	X2.1	0,517	0,195	Valid
	X2.2	0,572	0,195	Valid
	X2.3	0,630	0,195	Valid
Service Quality (X3)	X3.1	0,651	0,195	Valid
	X3.2	0,699	0,195	Valid
	X3.3	0,735	0,195	Valid
	X3.4	0,708	0,195	Valid
	X3.5	0,672	0,195	Valid
Customer Retention (Y)	Y.1	0,727	0,195	Valid
	Y.2	0,615	0,195	Valid
	Y.3	0,728	0,195	Valid

SPSS source, data processed 2024

3.2.3.Reliability Test

Based on Table 5, it can be seen that the research results show that the Cronbach Alpha value for all variables (X) and (Y) is greater than 0.60. This indicates that all variables in the questionnaire instrument used have a good level of reliability.

Table 5. Reliability Test Results

Variable	*Cronbach's Alpha*	R Critical	Description
Customer Satisfaction (X1)	0.863	0.60	Reliable
Switching Cost (X2)	0.769	0.60	Reliable
Service Quality (X3)	0.845	0.60	Reliable
Customer Retention (Y)	0.886	0.60	Reliable

SPSS source, data processed 2024

3.2.4.Normality Test

Based on the Table 6, the results of the normality test, the requirement for data to be said to be normally distributed is if the significance value is greater than 0.05. The test results show an Asymp.sig value of 0.077 (0.077 > 0.05), which means the data is normally distributed.

Table 6. Normality Test Results

		Unstandardized Residual
N		100
Normal Parameters[a]	Mean	.0000000
	Std. Deviation	2.08284724
Most Extreme Differences	Absolute	.128
	Positive	.096
	Negative	-.128
Kolmogorov-Smirnov Z		1.277
Asymp. Sig. (2-tailed)		.077
a. Test distribution is Normal.		

SPSS source, data processed 2024

3.2.5.Multicollinearity Test

Table 7 shown that the multicollinearity test, the tolerance value is greater than 0.01 and the VIF is less than 10.00 for each variable, which indicates that there is no multicollinearity problem in the regression model. For variable X1, the tolerance value is 0.258 (> 0.01) and VIF

3.880 (< 10.00); for X2, tolerance 0.485 (> 0.01) and VIF 2.062 (< 10.00); and for X3, tolerance 0.267 (> 0.01) and VIF 3.749 (< 10.00). Thus, it can be concluded that there is no multicollinearity between the independent variables (Customer Satisfaction, Switching Cost, Service Quality).

Table 7. Multicollinearity Test Results

Model		Collinearity Statistics	
		Tolerance	VIF
1	Customer Satisfaction	.258	3.880
	Switching Cost	.485	2.062
	Service Quality	.267	3.749
a. Dependent Variable: Customer Retention			

SPSS source, data processed 2024

3.2.6.Heteroscedasticity Test

Based on Table 8 shown that the heteroscedasticity test, it can be concluded that there is no heteroscedasticity if the significance value is greater than 0.05. The test results show that for variable X1, the significance value is 0.377 (> 0.05), for X2 it is 0.064 (> 0.05), and for X3 it is 0.240 (> 0.05). Thus, it can be concluded that there are no symptoms of heteroscedasticity in the independent variables tested.

Table 8. Heteroscedasticity Test Results

Model		Unstandardized Coefficients	Standardized Coefficients			
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.898	.513		3.697	.000
	Cuatomer Satisfaction	-.056	.064	-.165	-.888	.377
	Switching Cost	-.136	.047	-.395	-2.916	.064
	Service Quality	.046	.039	.216	1.183	.240
a. Dependent Variable: ABS_RES						

SPSS source, data processed 2024

3.2.7.Determination Test

Table 9 describes that the R2 value is 0.804 or 80.4%. It can be concluded that the variables Customer Satisfaction, Switching Cost, and Service Quality explain about 80.4% of the Customer Retention variable. The remaining 19.6% is explained by other variables not included in this study.

Table 9. R Square

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.897[a]	.804	.798	.464

a. Predictors: (Constant), Service Quality , Switching Cost , Customer Satisfaction

SPSS source, data processed 2024

3.2 Discussion

3.2.1. Customer Satisfaction Affects Customer Retention on Customers

The results of the study show that customer satisfaction has a positive and significant effect on customer retention, confirming that satisfied customers tend to be more loyal, recommend products or services, and rarely switch to competitors (Abtiza, 2024). This highlights the importance of creating a satisfying experience as a fundamental element in building long-term relationships with customers. However, the effect of customer satisfaction on retention appears lower than other variables, such as switching costs and service quality. This can happen because customer satisfaction is often considered a basic need that must be met by the company.(Barja, 2024). Meanwhile, switching costs and service quality can have a more direct and powerful effect. Switching costs, for example, can discourage customers from switching to competitors, even if their satisfaction is not fully optimal (Haris, 2023).

Likewise, high service quality tends to create a deep and lasting impression, strengthening customer loyalty (Ayu Ranjani & Prabowo, 2024). Furthermore, the personalization of services has also been shown to significantly enhance customer loyalty by addressing individual customer needs and preferences. (Tirtayasa, 2024) Thus, although customer satisfaction remains important, companies need to strengthen strategies that focus on additional factors, such as improving service quality and creating effective switching costs, Bara & Prawitowati (2020) to ensure stronger and more sustainable customer retention. This finding is in line with research conducted by (Handayani et al., 2024) that Customer satisfaction has a positive and significant effect on customer retention variables.

3.2.2. Switching Cost Affects Customer Retention

The results of the study show that switching costs have a significant and positive effect on customer retention. This confirms that when customers feel that the costs or consequences of switching to another provider are quite high, either in the form of financial, emotional, or procedural costs. They tend to remain loyal to their current provider. (Ganaie & Bhat, 2021)This factor is one of the main barriers for customers to switch. Switching costs have a greater influence than customer satisfaction and service quality on customer retention because of their direct nature that influences customer decisions (Zhang et al., 2024) While customer satisfaction and service quality contribute to positive experiences and build long-term relationships, switching costs directly create real barriers to switching.(Lee et al., 2023)Uncertainty or the risk of losing convenience also strengthens this effect, so customers prefer to stay even though their level of satisfaction may not be optimal (Amanah, Handoko, et al., 2021b).

In addition, the presence of contractual obligations or long-term commitments further increases the perceived costs of switching, reinforcing customer retention (Nobar & Rostamzadeh, 2019). Moreover, the emotional attachment customers have to a brand or service can act as an additional switching cost, making them less likely to abandon their provider even in the face of dissatisfaction (Nyamekye et al., 2023).Therefore, effective management of switching costs is an important strategic element for companies to strengthen loyalty and maintain market share, while still paying attention to increasing satisfaction and service quality as an effort to support the sustainability of customer relationships. The results of this study are in line with the research written by (Istiqomawati et al., 2022) which states that there is a positive relationship between the variables of switching costs and customer retention.

3.2.3. Service Quality Affects Customer Retention

The results of the study show that service quality has a significant influence on customer retention. This indicates that indicators such as reliability, responsiveness, assurance, empathy and good physical aspects play an important role in driving customer loyalty. When customers feel that the service they receive is of high quality, they tend to have a strong reason to continue using the service, which ultimately strengthens customer retention. However, the value of the influence of service quality on customer retention is between customer satisfaction and switching costs. This may be due to its more complex role. Service quality creates a foundation that builds customer satisfaction and trust, but its effects can be more moderate than switching costs which directly create barriers to switching (Sze Chee & Md Husin, 2020).

On the other hand, service quality also has a stronger impact than customer satisfaction, because it is considered a more objective indicator of a company's excellence. Thus, although not as strong as switching costs in preventing customers from switching, improving service quality remains an important strategy (Richard & Mensah, 2020). Focusing on service quality not only supports customer retention but also increases the company's competitiveness, while creating positive experiences that support long-term relationships (Salamah et al., 2022). The results of this study are in line with the research of Anastasya Sinambela et al. (2022).that service quality has a significant influence on customer retention. Furthermore, studies in the telecommunications sector, such as those by Abd-Elrahman (2023), show that high service quality in internet services like IndiHome directly influences customer loyalty and reduces churn. Recent research also suggests that consistent service quality, particularly in network reliability and customer service, strengthens customer retention in internet service providers (IndiHome) (A.- Hidayat & Muhlison, 2022). Additionally, a study by Joudeh & Dandis (2019) found that customers who perceive high-quality service in internet connections are less likely to switch to other providers, indicating the strong impact of service quality in network-based industries.

4. CONCLUSION

The influence of customer satisfaction on customer retention is lower than other variables because satisfaction is often considered a basic need that must be met by companies. Customers may be satisfied, but satisfaction alone is not always enough to prevent them from switching to competitors, especially if there are more attractive offers. Satisfaction acts as a foundation, but does not have strong endurance compared to other factors in driving loyalty. Switching costs have the strongest impact on customer retention because they directly create real barriers for customers to switch to other providers. Factors such as financial costs, emotional costs, the risk of losing convenience, or procedural complexity make customers reluctant to switch, even if they are not completely satisfied. This makes switching costs a key element in maintaining loyalty. The results of the study show that customer retention is influenced by a combination of customer satisfaction, switching costs, and service quality variables. Among the three variables, switching costs have the most significant impact because of their nature that directly creates barriers, while service quality acts as a relationship strengthener, and customer satisfaction is an important basis that supports the sustainability of long-term relationships. Therefore, a company's strategy to increase customer retention must include a holistic approach (an approach that looks at a problem or situation as a whole, taking into account all interrelated aspects) that maximizes all of these variables.

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