

Effect of Service Quality, Satisfaction, Switching Cost, Innovativeness to Switching Intention of National Television in the City of Surabaya

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Abstract: *Television is a mass media that serves as an educational tool, lighting, and entertainment. Currently in Indonesia television is the most widely consumed media by the community. The concept of consumer switching behavior is basically important to understand by a service company when consumers decide to switch to another service provider then the company will lose its customers, which has a huge impact on the company's future survival. In this study, the intention of switching on national television consumers is important to be scrutinized so that television companies can know how to get them or retain their audience based on the quality of service, innovation, and switching costs that will occur when consumers consume services. The effect of service quality, satisfaction, switching and innovation on the intention of switching viewers of national television in Surabaya to subscriber television or cable television was analyzed. This research is a study using a quantitative approach, a study using formal measurements that can be done by using questionnaires, and systematic observation behaviors, designed to be subject to statistical analysis. The results showed that The quality of service of national television stations has a positive and significant effect on the satisfaction of national television audience in Surabaya.*

Keywords: television, Indonesia, viewers, switching

I. INTRODUCTION

Television is a mass media that serves as an educational tool, lighting, and entertainment. Currently in Indonesia television is the most widely consumed media by the community (Jurriëns, 2011). Media consumption in cities both in Java and outside Java shows that television is still the main medium consumed by Indonesians (95%), followed by internet (33%), radio (20%), newspaper (12%), tabloid (6%) and magazines (5%) (Lim, 2011).

Along with the development of technology and communications technology, television is offered in an increasingly diverse form, one of which is paid television. Media Partner Asia stated that the development of paid television industry in Indonesia only reached 9% or about 3-4 million households out of 40 million households having a television in Indonesia. Looking at the fact that the development of the paid television industry in Indonesia is still 9%, there is still a 91% share of the unpaid paid television market,

predicted from total existing subscribers in 2014 of 3-4 million subscribers, will increase to 7.7 million customers in 2023 (Ambardi, 2014)..

Consumer switching behavior is the behavior of switches made by a service provider to another service provider (Bansal, 2005). Siddiqui (2011) in the statement says that switching consumers can be called as consumer exit or defection behavior consumers whose definition is the behavior of service users who switch from their old service providers. Siddiqui (2011) also has broadly defined that consumer behavioral behavior can be interpreted as the behavior of switching service providers performed by service users, either migrating to use the same service category or alternative service providers other than the providers they used previously.

It is also pointed out by Shin and Kim (2008) that service quality is a perceived impression by consumers about matters related to the efficiency of the service provider. Good service quality will attract new customers to come, and prevent consumers from switching to other service providers that provide worse services (Babakus et al., 2004). Thus, service quality is an important factor for profitability and market success of the company (Aydin and Özer, 2005).

Based on the results of the extensive study conducted by Dawi et al (2016) on research papers on the quality of paid television services found that there are 7 dimensions that can be used to conceptualize the quality of service on paid television namely tangible, reliability, content quality, customer service, convenience, price, and interactivity. Customer satisfaction can be defined as a customer's perception of product quality that matches their previously established expectations (Kotler et al., 2009). as suggested by (Orel and Kara, 2014) that customer satisfaction describes the results of the desired service meeting involving an evaluation of whether the service has met the needs and expectations of the customer. Self-switching costs are defined as perceived, anticipated, or experienced costs when the customer switches from one seller or service provider to another seller or service provider (Pick and Eisend, 2014). Moving costs are seen as a powerful defensive marketing tool (Chebat et al., 2011) which led to lower revenue and lower cost relationships. Firms are harsh to create switching costs to improve customer retention.

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In this study, the intention of switching from national television viewers to cable television is important to be examined as Indonesia's television market share is still the largest in Indonesia given that television is the most widely used information and entertainment medium in Indonesia. This research is also important because the growth of the paid television industry has been increasing every year as it will threaten the market share of national television. In this study, the intention of switching on national television consumers is important to be scrutinized so that television companies can know how to get them or retain their audience based on the quality of service, innovation, and switching costs that will occur when consumers consume services. From the background, a problem statement will be discussed in this research, namely the effect of service quality, satisfaction, switching and innovation on the intention of switching viewers of national television in Surabaya to subscriber television or cable television.

II. LITERATURE REVIEW

There has been several works reported on consumer switching behavior. Jiang et al. (2014) stated that since high power is related with a status to act, and exchanging conduct regularly requires making a move in some frame, prompting purchasers to feel incredible is estimated to expand buyer exchanging. Zhang et al. (2012) endeavored to comprehend online administration exchanging conduct through exploring blog benefit exchanging, and the discoveries propose that fulfillment, alluring options, and sunk expenses can altogether influence bloggers' exchanging aim. Choi et al. (2010) examined the connection between religious alliance and dimension of religiosity and purchaser product and store-switching conduct among South Korean shoppers. Dholakia et al. (2010) reported on promising customer conduct related research that addressed in multichannel, interactive media retailing conditions. Pookulangara et al. (2011) analyzed channel-exchanging conduct utilizing the hypothesis of arranged conduct in three retail channels: blocks and-mortar stores, lists, and the Internet. Sharma et al. (2013) proposed a reasonable system to examine the connection between administration quality, fulfillment, repurchase expectation, and exchanging conduct. It additionally plans to demonstrate the significance of corporate picture as far as notoriety and believability in consumer loyalty. Shcherbakov et al. (2016) created and gauged a model of dynamic shopper conduct with exchanging costs in the market for paid-television administrations. I gauge the parameters of the auxiliary model utilizing information on link and satellite frameworks crosswise over neighborhood US TV.

III. METHODOLOGY

This research is research using a quantitative approach, a study using formal measurements that can be done by using questionnaires, and systematic observation behaviors, designed to be subject to statistical analysis (Stangor, 2014). This research uses a survey method that is the method that uses a structured questionnaire to be given to the respondent to obtain specific information (Malhotra, 2004). This research approach starts from identifying variables,

procedures for determining the population and samples, determining data and data sources, and the use of analytical techniques.

Indicators in this study were measured using the Likert scale. The Likert scale is a scale indicating how strong the level of agreement or disagreement against a statement (McDaniel and Gates, 2013). There are three reasons why researchers use Likert scale. The first reason is that it facilitates the respondents to answer questionnaires whether they agree or disagree. The second reason is easy to use and easy to understand by respondents (McDaniel and Gates, 2013). On a Likert scale the respondents were asked to choose whether the respondents strongly disagree, disagree, neutral, agree, or strongly agree with the various statements. The measurement value is 1 = very agree, 2 = agree, 3 = neutral, 4 = disagree, 5 = strongly disagree.

Sampling technique used in this research is the nonprobability sampling technique, the type of nonprobability sampling used is purposive sampling. Purposive sampling is a technique for determining the sample of the research with some specific considerations that aim to make the data obtained later be more representative. Population in this research is all viewers of national television stations living in Surabaya. The number of samples in this study amounted to 207 people, this number refers to Esbensen (2002), suggesting that the sample recommended for multivariate research is at least 200 sample units.

The following criteria are used in determining samples:

1. national television station viewers, 2. residing in Surabaya, 3. do not use paid television service, 4. At least 17 years old. The quality of service in this study is operated as a perception of the national television station's viewers of how well the services provided by national television stations can meet or exceed the expectations of viewers. Quality of service in this research is measured by an indicator developed by Dawi et al., (2016) on its service quality research in paid television industry consisting of 7 service quality dimensions namely tangibles, reliability, content quality, customer service, convenience, price, and interactivity.

This study only adopted 3 of the 7 dimension indicators used by Dawi et al., (2016) which are suitable for use in service quality research in the national television industry such as tangible, reliability, and content quality. The switching costs in this study are operated as a perception of national television station viewers about the costs to be spent on switching from watching national television stations to cable television services.

Innovation in this study is operated as a perception of the national television station's perception of how innovative the impressions are being aired. Data processing techniques using Partial Least Square SEM method (PLS) by assessing the Outer Model as well as to evaluate the reliability of variable constructs in the analysis model. Partial least square approach (Wong, 2013) is used to model paths that estimate the measurements and structural parameters in the structural equation model (SEM).



All of the variables in this research are reflective constructs, both in terms of indicators and dimensions.

The hypothesis tested in this study are H1: Service quality has a positive influence on satisfaction, H2: Satisfaction has a negative effect on consumer intentions, H3: Switching costs have a negative effect on consumer intentions and H4: Innovation has a negative effect on switching intentions.

IV. RESULT AND DISCUSSION

Table 1 shows the Outer Model (Weights or Loadings). Table 2 shows composite reliability. Table 3 shows the Cronbach alpha. Based on the results, The results of descriptive statistics indicate that Quality of service has a

mean value that includes a high enough category, this suggests that the majority of respondents have a fairly good assessment of all services provided by national television stations. Respondents have a pretty good impression on the efficiency of service providers. Descriptive statistics also show that satisfaction has an average value that includes a high enough category, this means that the majority of respondents have a fairly good perception about the quality of service that matches their expectations. Respondents have a fairly positive assessment of the evaluation of their experience of getting services from national television stations.

Table. 1 Outer Model (Weights or Loadings)

Variable	Indicator	Loading Value	Description	Dimension	Loading Value	Description
Quality of service	SQ _{T1}	0.855	Valid	Tangible	0.891	Valid
	SQ _{T2}	0.885	Valid			
	SQ _{T3}	0.885	Valid			
	SQ _{R1}	0.865	Valid			
	SQ _{R2}	0.869	Valid			
	SQ _{R3}	0.807	Valid			
	SQ _{R4}	0.788	Valid			
	SQ _{C1}	0.638	Valid			
	SQ _{C2}	0.825	Valid			
	SQ _{C3}	0.649	Valid			
	SQ _{C4}	0.795	Valid		Content Quality 0.946	Valid
	SQ _{C5}	0.701	Valid			
	SQ _{C6}	0.818	Valid			
	SQ _{C7}	0.759	Valid			
Satisfaction	S ₁	0.888	Valid	-	-	-
	S ₂	0.904	Valid			
	S ₃	0.908	Valid			
Switching fee	SC ₁	0.774	Valid	-	-	-
	SC ₂	0.876	Valid			
	SC ₃	0.911	Valid			
	SC ₄	0.873	Valid			
Innovation	I ₁	0.854	Valid	-	-	-
	I ₂	0.890	Valid			
	I ₃	0.899	Valid			
	I ₄	0.793	Valid			
Moving intention	S ₁	0.902	Valid	-	-	-
	S ₂	0.903	Valid			

Table. 2 Composite Reliability

Variable	Dimension	Composite Reliability	Description
Service Quality	-	0.9393	Reliable
-	Content Quality	0.896	Reliable
-	Reliability	0.900	Reliable
-	Tangible	0.907	Reliable
Satisfaction	-	0.927	Reliable
Switching Fee	-	0.919	Reliable
Inovation	-	0.919	Reliable
Moving intention	-	0.898	Reliable

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Table. 3 Cronbach's Alpha

Variable	Dimension	Composite Reliability	Description
Service Quality	-	0.929	Reliable
-	Content Quality	0.863	Reliable
-	Reliability	0.853	Reliable
-	Tangible	0.847	Reliable
Satisfaction	-	0.883	Reliable
Switching Fee	-	0.881	Reliable
Inovation	-	0.883	Reliable
Moving intention	-	0.773	Reliable

Hypothesis test results show that the service quality has a positive and significant influence on satisfaction. This result is in line with previous research results by Adyin and Ozer (2005) that service quality is an important factor for corporate success. Shin and Kim (2008) also argue that perceptions about service quality have influence and are antecedents of customer satisfaction. Cronin et al., (2000) argues that linearity, that good service quality can increase satisfaction and consumers tend to exhibit positive behaviors.

In the context of this research, good equipment and amenities from national television, as well as attractive performances of staff, can enhance the enjoyment of respondents and viewers in general, to watch the show on national television stations. The quality of audio, video and the rarity of system errors in national television stations can enhance the satisfaction of national television stations. Respondents' ratings are high enough for channel options available on national television stations, the latest shows and programs that are not airing on cable television can increase the perception that respondents have done the right thing when they choose national television stations.

From the result of the hypothesis test, satisfaction variable has a negative effect on switching intention proved true. This proves that national television audiences feel they have done the right thing when they choose the national television station, also feel satisfied and happy when watching the show on a national television station. When consumers are satisfied with their current service providers it will minimize their inclination to move to a new service provider. These results are in line with the theory proposed by Deng et al., (2010) when consumers are dissatisfied with the low quality of service from one of the service providers, consumers will tend to switch to other providers, and vice versa.

In this study, although the majority of respondents expressed satisfaction with national television services, their satisfaction had a significant impact on the emergence of migrating intentions from simply watching national television services to paid television services or cable television. This can be seen from the mean of the descriptive statistical results of the switching intent variable that turns out to be greater than the mean descriptive statistic possessed by satisfaction. However, although in the meantime the mean values of both variables are equally high in the category, in the future when satisfaction decreases the intentions of switching viewers of national television will rise and vice versa.

Based on the results of the study, it is known that switching costs have no influence on switching intentions. This result is contrary to the research conducted by Kim et al., (2004) which found that switching costs minimize the possibility of displacement. These findings differ from the opinions of Ranaweera and Prabhu (2013) stating that switching barriers act as a barrier, limiting or impeding dissatisfied consumers in changing services.

In this study, the absence of cost-effect switching on switching intentions may be due to the fact that national television service audiences feel less concerned about the costs and efforts to be taken when they will switch services to paid television services or cable television.

From the hypothesis test results, innovation variables have a negative effect on switching intention proved to be true. This result in accordance with the research conducted by Malhotra (2013) in his research found that at a high level of service quality, the perception of high innovation had a positive impact on consumer purchasing intentions to purchase additional services and instead made consumers want to switch from previous services.

In this study, national television viewers feel that the impressions are less attractive, interactive, innovative, and less recent, so that it can be seen from the mean hypothesis test on the variable intention of switching majority of respondents said they want to move from just watching national television to television paid or cable television. When viewers value innovation on national television is diminishing, then consumers may feel higher intentions to switch to paid television services

This study adds to the findings of Malhotra (2013) which finds the negative effect of innovation on switching intentions. In this study, national television viewers will tend to switch to subscription television or cable television when they feel that national television is less likely to deliver impressions seen by the less-than-innovative audience.

Further research can be done by expanding the scope of research in other cities besides in Surabaya, this will lead to the possibility that there are different results about the intention of switching viewers of national television in other cities other than the city of Surabaya. Then there are still many other factors and can still be explored to develop the concept of switching intentions.



Given that national television is a free to air television whose income is not directly from consumers but is measured by the number of television ratings they get, it is important for marketers in the national television industry to reduce the intentions of switching their viewers in order for the live show rating to be high. Nationals reduce the intention of switching from their viewers are as follows: First, managers can develop the quality of service from the services they serve. Service quality can be enhanced by delivering services that can outperform their customers' expectations of such services such as improving the quality of the studio's finer equipment, hiring more professional production crews, improving the quality of the video and audio from their impressions, delivering sports, better quality news stories, and reduce the error systems of their impressions so that their consumers have a high level of satisfaction perception of the services they provide (Cronin et al., 2000). The function of keeping consumers to always achieve a high level of satisfaction perception is to prevent consumers from having the intention to switch to another service provider. When consumers are dissatisfied with the low service quality of their service providers, consumers will tend to switch to another service provider (Deng et al., 2010).

The second impression is that managers can improve the innovation of their services. Innovations can be enhanced by presenting more innovative, interesting and contemporary impressions by presenting impressions that have new concepts that are not owned by cable television, and deliver more interactive impressions by engaging more of their audience in the television show so that television viewers are more interested in using services provided by national television and there is no intention of switching to cable television providers, when the perception of innovation is considered to be high enough will negatively affect the consumers' intention of switching (Malhotra, 2013).

V. CONCLUSION

Based on the analysis and discussion, some conclusions are drawn up as follows: The quality of service of national television stations has a positive and significant effect on the satisfaction of national television audience in Surabaya. Satisfaction felt by national television viewers in Surabaya to their service providers negatively affect their switching intentions. Switching costs have no effect on the intention of switching national television audience in Surabaya city. Innovation has a negative effect on the intention of switching national television audience in Surabaya. The limitations of this study are that the sample used is only limited to national television viewers who live in the city of Surabaya alone, so the possibility of generalizing the results of this study can be said to be limited. So in future studies it is recommended to research or observe national television viewers in other cities or provinces. Another limitation in this study is examination of the intention to switch viewers of national television to pay television services or cable television only. Therefore, in the next research, it can be investigated the intention to switch national television viewers to other information and entertainment providers such as netflix, youtube and so on.

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