



CUSTOMER SATISFACTION ANALYSIS ON INDIHOME INTERNET SERVICE PRODUCTS IN SURABAYA

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Abstract

This study aims to examine the influence of price perception and service quality on IndiHome customer satisfaction in Surabaya. This research is motivated by the growing competition in home internet services. The research method used is quantitative with data collection techniques through online questionnaires using Google Forms to 120 generation Z respondents in Surabaya. The data analysis technique uses Structural Equation Modeling Partial Least Square (SEM-PLS) with the help of SmartPLS 4.0 software. The results show that price perception and service quality have a positive and significant influence on IndiHome customer satisfaction. Price perception is the most dominant variable in influencing customer satisfaction.

Keywords: IndiHome, Customer Satisfaction, Service Quality, Price Perception



INTRODUCTION

The development of information and communication technology in recent years has brought significant changes to people's activities. The internet is no longer seen as a secondary need, but has become an important part in supporting various activities, such as communication, education, work, business, entertainment, and public services. The increase in digitalization in various sectors encourages people to obtain fast, stable, and able internet access to meet their daily needs. This condition results in competition in the Internet Service Provider (ISP) industry getting tighter because each company strives to offer the best service to retain customers while attracting new customers. Firmansyah et al. (2021) Soetiyono - Alexander (2025)

In Indonesia, the growth of internet users has increased from year to year as digital transformation develops. The high level of internet penetration shows that the public's need for internet services is getting bigger. Internet service providers are required not only to be able to provide a wide network, but also to provide good service quality and prices that customers can afford. In conditions of high competition, customer satisfaction is one of the important factors that determine the sustainability of the company because satisfied customers tend to reuse, give recommendations to others, and have a positive perception of the company. Sumanto et al. (2023) Zuliarni & Arfina (2025)

One of the largest internet service providers in Indonesia is IndiHome, which is a fixed broadband service owned by PT Telkom Indonesia (Persero) Tbk. IndiHome provides fiber optic-based internet services combined with various digital services, such as landlines, IPTV, streaming services, and various other digital features. As one of the largest internet service providers, IndiHome has a very large number of customers and a wide range of services, including in the city of Surabaya. The large number of customers shows that IndiHome has a strong position in the telecommunications industry. However, the company also faces challenges in maintaining customer satisfaction amid increasing public expectations for the quality of internet services.

Competition between internet service providers causes customers to have many alternative choices. Various companies such as Biznet, MyRepublic, First Media, ICONNET, XL Satu, and Indosat HiFi offer internet packages with different prices, speeds, and services. This condition makes customers even more critical in evaluating the services received. If the customer feels that the price paid is not proportional to the benefits obtained or the quality of the service provided



is not satisfactory, then the customer will be more easily transferred to another service provider. Dewi et al. (2023) Chaindra et al. (2024)

In the context of service marketing, customer satisfaction is influenced by various factors, including price perception and service quality. Price perception is related to customer assessments of price fairness, price affordability, price conformity with service quality, price conformity with the benefits received, and price competitiveness compared to competitors. Prices that are considered fair and in accordance with the benefits obtained will increase the positive assessment of customers towards the company. Zulhijja & Surachman (2023)

In addition to price, service quality is also a factor that greatly determines customer satisfaction. Customers not only expect a fast and stable internet connection, but also want responsive service, quick resolution of disturbances, service guarantees, and a friendly attitude from the officers. Therefore, the company must be able to provide services consistently so that customers get a positive experience while using IndiHome services.

Based on various customer reviews found on social media and digital platforms, there are still several complaints related to network interruptions, incompatibility with internet speed with the chosen package, the length of the interference handling process, and the perception that the service price is relatively higher than some competitors. This condition shows that the evaluation of price perception and service quality still needs to be carried out as an effort to increase customer satisfaction.

This study aims to analyze customer satisfaction of IndiHome products in Surabaya by examining the influence of price perception and service quality. The results of the research are expected to be able to contribute to PT Telkom Indonesia in formulating a strategy to improve service quality and pricing that is more in line with customer expectations. In addition, this research is also expected to be a reference for the development of research in the field of service marketing, especially related to customer satisfaction in the internet service provider industry.

LITERATURE REVIEW

Customer Satisfaction

Customer satisfaction is an emotional condition that arises after customers compare the expectations before using a product or service with the actual performance felt after using it. The level of satisfaction is an important indicator



in assessing the success of a company in meeting the needs and expectations of its consumers. (Melissa & SquirrelSquirt , 2025)

In the service industry, customer satisfaction has a very important role because customers not only assess the final result of the services received, but also evaluate the overall experience during the service process. Satisfied customers tend to make repeat purchases, use services continuously, give recommendations to others, and have a positive perception of the company. (Muflih, 2021)

Price Perception

Price is one of the elements of the marketing mix that has an important role in influencing customers' decisions to use a product or service. In the service industry, especially fixed broadband internet services, price not only functions as a medium of exchange, but also as an indicator of the value that customers receive for the services used. Setting the right price can create a positive perception of the company, increase competitiveness, and be one of the factors that encourage the creation of customer satisfaction. On the other hand, prices that are judged not to match the quality or benefits received can cause negative perceptions and reduce customer satisfaction levels. Therefore, companies need to set prices that are not only competitive, but also able to reflect the quality of the services provided so that customers feel that they are getting value that is worth the cost incurred.

From the perspective of consumer behavior, the main concern is not solely the amount of price that must be paid, but how customers perceive the price based on their experience while using the service. Price perception is a subjective assessment of the customer on the fairness or feasibility of the price formed through a comparison between the sacrifices made and the benefits obtained. The assessment is not only influenced by the nominal price, but also by the quality of service, product reliability, ease of obtaining services, and customer experience during interaction with the company. If customers feel that the price paid is proportional to the quality of the internet network, access speed, connection stability, and service received, a positive price perception will be formed. On the other hand, if the customer considers that the costs incurred are not in accordance with the benefits received, then the price perception will be negative and potentially reduce the level of satisfaction with the services provided. Therefore, companies need to ensure that each pricing policy is able to reflect the quality of the services provided so that customers feel a balance between the costs incurred and the benefits obtained. Nugraheni et al. (2024)

Quality of Service

Service quality is the company's ability to provide services that are able to meet or exceed customer expectations. In the service industry, service quality is



an important factor because customers not only assess the final results received, but also the entire service process provided by the company. The better the quality of the service the customer feels, the more likely it is that the customer is satisfied and maintains the use of the service. On the other hand, if the service provided is not in accordance with customer expectations, then the satisfaction level will decrease and potentially encourage customers to switch to other service providers. (Düsselndorf & Samboro , 2024)

This study measures service quality using five dimensions of SERVQUAL, namely tangibles, reliability, responsiveness, assurance, and empathy. These five dimensions complement each other in shaping customer perception of the quality of services provided by IndiHome and are important factors in increasing customer satisfaction.

Relationship Between Variables and Previous Research

Price perception has a strong influence on customer satisfaction. Customers will be satisfied if the price paid is considered in accordance with the quality of service and benefits obtained. On the other hand, if the price is judged too high compared to the benefits received, customers tend to feel dissatisfied. In home internet services, customers not only consider the amount of subscription costs, but also evaluate network stability, internet speed, and services provided by the company. Therefore, companies need to set competitive prices in order to be able to create customer satisfaction. The results of previous research show that price perception has a positive influence on customer satisfaction in various service sectors, including the internet service provider industry. (Cultivator & Hudayah , 2024)

The quality of service has a strong influence on customer satisfaction. Customers will feel satisfied if the company is able to provide fast, accurate, responsive services, and is able to resolve various complaints effectively. In home internet services, stable network quality, fast handling of interruptions, and the professional attitude of service officers are aspects that are highly concerned by customers. The better the quality of service provided by the company, the higher the level of customer satisfaction. Previous studies have also shown that service quality has a positive and significant influence on customer satisfaction. (Practical et al. 2022)

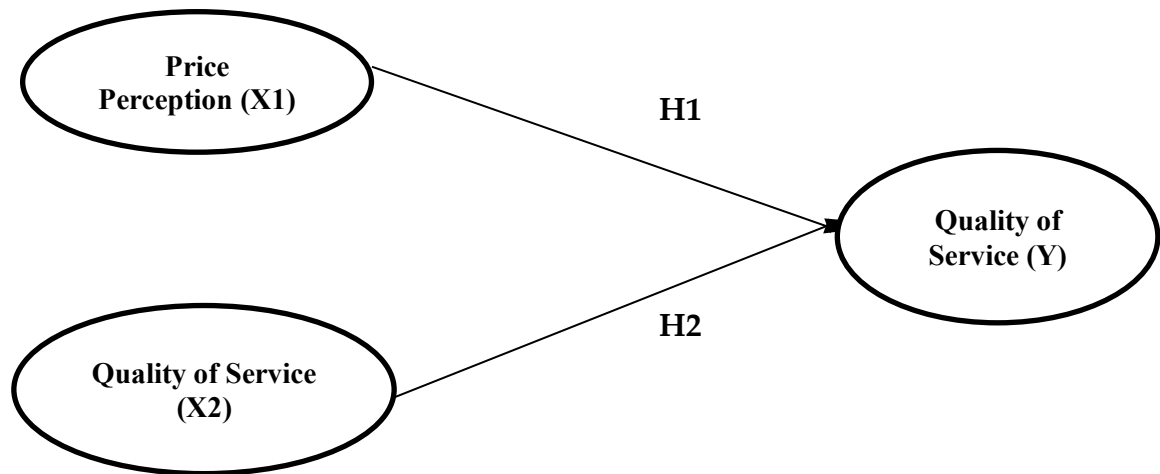
Frame of Mind

Figure 1.
Conceptual Framework

Hypothesis

H1: It is suspected that Price Perception has a positive effect on IndiHome Customer Satisfaction in Surabaya

H2: It is suspected that Service Quality has a positive effect on IndiHome Customer Satisfaction in Surabaya

RESEARCH METHOD

This study uses casual research specifications with the aim of determining the influence of price perception and service quality on IndiHome customer satisfaction in Surabaya. The type of research used is quantitative research because this research focuses on measuring the relationship between variables using statistically analyzed numerical data. The approach method used in this study is a survey approach with the distribution of questionnaires to respondents who meet the research criteria, namely IndiHome customers in Surabaya who have subscribed for at least 12 months. The data collection technique was carried out through primary data obtained from the distribution of questionnaires using the Likert Scale, as well as secondary data obtained from journals, scientific articles and other supporting sources related to the research. The sampling technique used purposive sampling with a total of 120 respondents. The data analysis method in this study uses *Structural Equation Modeling Partial Least Square* (SEM-PLS) through the SmartPLS application which includes testing the outer model and inner model to determine the validity test, reliability test, and influence between variables in the research model.



RESULTS AND DISCUSSION

Research Results

The research was conducted by distributing questionnaires through Google Form with a focus on customers in Surabaya who have been using IndiHome services for approximately 12 months. The total number of respondents to this questionnaire is 120 with the data collection process lasting for a range of 20 days, starting from the time the questionnaire was distributed until the number of respondents who met the research criteria was successfully obtained, with the following details:

a. Respondent Characteristics

The research was conducted by distributing a questionnaire through Google Form with a focus on IndiHome customers in Surabaya. The total number of respondents in this questionnaire was 120 respondents.

Table 1.

Characteristics of Respondents by Gender

Gender	Quantity	Percentage
Male	72	60%
Women	48	40%
Total	120	100%

Source: Primary Data (processed data, 2026)

Based on Table 1. Data processing results, Of the total, male respondents dominated with 72 people or 60%, while female respondents amounted to 48 people or 40%.

Table 2.

Characteristics of Respondents by Age

Age	Quantity	Percentage
< 20 years old	8	6,7%
20-30 years	74	61,7%
31-40 years old	26	21,6%
40 years	12	10%
Total	120	100%

Source: Primary Data (Processed data, 2026)

Based on Table 2. As a result of data processing, it is known that the respondents in this study are 120 people with varying age ranges. The majority of respondents were in the age group of 20-30 years, which was 74 people or



61.7%. Furthermore, the age group of 31-40 years ranks second with a total of 26 people or 21.6%. Meanwhile, the age group of 40 years amounted to 12 people (10%) and the age of <20 years was 8 people (6.7%).

Table 3.

Characteristics of respondents based on subscription length

Long Subscription	Quantity	Percentage
<1 year	18	15%
1-3 years	63	52,5%
>3 years	39	32,5%
Total	120	100%

Source: Primary Data (processed data, 2026)

Based on Table 4.3 of the data processing results, it is known that as a result of the data dissemination to customers, the majority of respondents have subscribed for 1-3 years with a total of 63 people or 52.5%. Furthermore, respondents who subscribed >3 years amounted to 39 people (32.5%), dA new customer who < 1 year is 18 people or 15%.

PLS Model Analysis

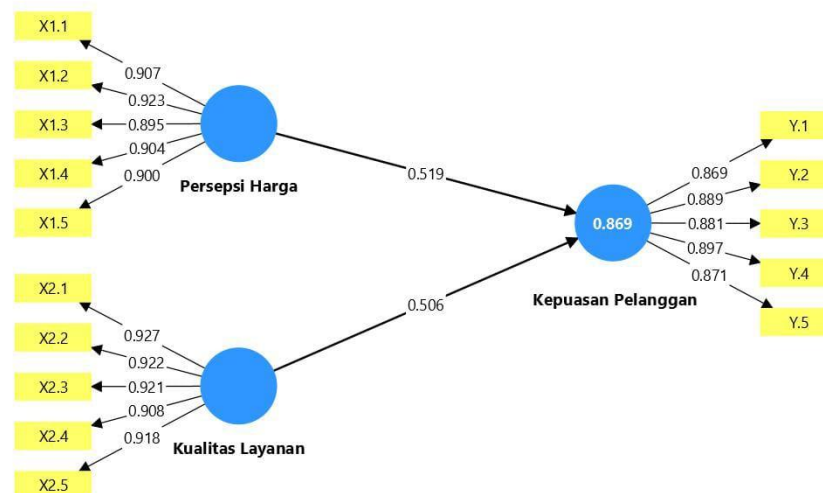


Figure 2.

PLS Output Yield Line Diagram

Source: Primary Data Processing Results, 2026



b. Validity Test and Reliability Test

Table 5.
Convergent Validity Test Results

Variable	Indicator	Outer Loadings
Price Perception	X1.1	0.907
	X1.2	0.923
	X1.3	0.895
	X1.4	0.904
	X1.5	0.900
Quality of Service	X2.1	0.927
	X2.2	0.922
	X2.3	0.921
	X2.4	0.908
	X2.5	0.918
Customer Satisfaction	Y.1	0.869
	Y.2	0.889
	Y.3	0.881
	Y.4	0.897
	Y.5	0.871

Source: Primary Data (processed data, 2026)

Based on Table 5. shows the data results of all indicators on the variables of price perception, service quality and customer satisfaction have *an outer loading* value above 0.70. Thus, all indicators are declared to be convergently valid and suitable for use in subsequent analysis.

c. Reliability Test

Table 6.
Composite Reliability Test Results

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average Variance Extracted (AVE)
Price Perception	0.945	0.946	0.958	0.821
Quality of Service	0.954	0.954	0.965	0.845
Customer Satisfaction	0.928	0.929	0.946	0.777

Source: Primary Data (processed data, 2026)



Based on Table 6. All variables have met the criteria of reliability and validity of the construct. Value *Cronbach's Alpha* and *Composite Reliability* in each variable is above 0.70, while the value of *Average Variance Extracted* (AVE) is above 0.50. Thus, all constructs are declared to be reliable and valid in a convergent manner and feasible for use in subsequent structural model testing.

d. R-Square

Table 7.
R-Square Test Results

	R-square	R-square adjusted
Customer Satisfaction	0.869	0.867

Source: Primary Data (processed data, 2026)

Based on Table 6. The R-Square value indicates that the dependent variable Customer Satisfaction has a value of 0.869. This can be interpreted as 86.9 percent variance or fluctuation in the variable Customer Satisfaction able to explain together by independent variables in this research model. Test results for R-Square Adjusted values on the variable Customer Satisfaction shows a number of 0.867. This value provides a more conservative estimate by correcting for the potential bias of the number of predictor variables in the model, indicating that the pure ability of independent variables to explain variable variation Customer Satisfaction in the population is 86.7 percent.

e. F-Square

Table 8.
F-Square Results

	Price Perception	Quality of Service	Customer Satisfaction
Price Perception			1,181
Quality of Service			1,122

Source: Primary Data (processed data, 2026)

Based on the results of the f-square test, the price perception variable had a value of 1.181 and the quality of service of 1.122 which showed an influence with the medium category (*medium effect*) to customer satisfaction. These results show that price perception and service quality have a great influence in increasing customer satisfaction with IndiHome products.



f. Hypothesis Test

Table 9.
Hypothesis Test Results

		Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values	Remarks
H1:	Price						Accepted
Perception							
->	Customer	0.519	0.519	0.048	10.730	0.000	
Satisfaction							
H2:	Service						Accepted
Quality							
->	Customer	0.506	0.507	0.048	10.513	0.000	
Satisfaction							

Source: Primary Data (processed data, 2026)

Based on the results of the hypothesis test, all independent variables had a T-statistic value of > 1.96 and a P-value of < 0.05 , so that all hypotheses were declared accepted. price perception (X1) has a positive and significant effect on customer satisfaction (Y) with a coefficient value of 0.519 ($T = 10.730$; $p = 0.000$). Service quality (X2) also had a positive and significant effect on customer satisfaction with a coefficient value of 0.506 ($T = 10.513$; $p = 0.000$). Thus, price perception is the most dominant variable in influencing IndiHome customer satisfaction in Surabaya. These findings show that price perception and service quality are able to significantly increase IndiHome's customer satisfaction.

Discussion

The results of the study show that price perception has a positive and significant influence on the satisfaction of IndiHome customers in Surabaya. These findings indicate that the better the customer's perception of the price offered, the higher the level of satisfaction felt. Price is not only seen as a sum of costs that customers have to pay, but also as an indicator of the value obtained from the services received. Therefore, customers will be satisfied if the price paid is considered comparable to the quality of service, benefits, and experience obtained while using IndiHome services.

Based on the results of the descriptive analysis, the price conformity indicator with quality obtained the highest average value compared to other price perception indicators. This shows that the majority of customers consider the price set by IndiHome to be in accordance with the quality of service they receive.



Although there are various choices of internet service providers with different price variations, customers still consider network stability, internet access speed, and service reliability as the main factors in evaluating price fairness. In other words, customers are not only oriented towards low prices, but pay more attention to the balance between the costs incurred and the quality of the services obtained.

In addition, the results of this study are in line with the study, which states that price perception has a positive and significant effect on customer satisfaction on First Media's internet services. Muhamad et al. (2024)

The results of the study show that the quality of service has a positive and significant effect on the satisfaction of IndiHome customers in Surabaya. These findings show that service quality is a very decisive factor in shaping customer satisfaction in the internet service provider industry. The better the quality of service provided by the company, the higher the level of satisfaction felt by customers. The results of the descriptive analysis showed that the physical evidence dimension (tangible) obtained the highest average value compared to other service quality dimensions. This indicates that customers give a positive assessment of the facilities, supporting devices, and professionalism of IndiHome officers in providing services. The neat appearance of technicians, the use of adequate equipment, and the quality of network installations are aspects that give a positive impression to customers. Nonetheless, companies still need to improve other dimensions such as responsiveness and reliability to improve the overall customer experience.

In addition, the results of this study are in line with the research, which states that the quality of service has a positive and significant effect on the satisfaction of IndiHome customers in Surabaya. Ericho Arya Bima (2022)

CONCLUSION

Based on the results of the research, it can be concluded that the perception of price and service quality are factors that have a positive and significant effect on the satisfaction of IndiHome customers in Surabaya. Good price perception shows that customers value IndiHome services according to the quality and benefits received, so as to increase customer satisfaction. On the other hand, good service quality through the provision of adequate facilities also increases customer satisfaction. The findings of this study show that customer satisfaction is not only determined by price and service quality aspects separately, but is the result of customer evaluation of the overall experience of using IndiHome



services. Therefore, companies need to maintain a balance between competitive pricing policies and continuous service quality improvement in order to maintain customer satisfaction and increase the company's competitiveness in the internet service provider industry.

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