

## FACTORS INFLUENCING GENERATION Z'S LOYALTY IN MOBILE INTERNET USAGE

Rizky Hafizhah Putri<sup>\*)1</sup>, Hartoyo<sup>\*)</sup>, Sri Hartono<sup>\*\*)1</sup>

<sup>\*)</sup>School of Business, IPB University  
Jl. Pajajaran, Bogor, 16151, Indonesia

<sup>\*\*)1</sup>Department of Management, School of Economics and Business, Universitas Mercu Buana  
Jl. Meruya Selatan No. 1, Kembangan, West Jakarta 11650, Indonesia

### Article history:

Received  
22 February 2025

Revised  
28 April 2025

Accepted  
14 July 2025

Available online  
30 September 2025

This is an open access  
article under the CC BY  
license (<https://creativecommons.org/licenses/by/4.0/>)



### Abstract:

**Background:** Generation Z is a valuable target market for the cellular telecommunications industry due to their digital-native behavior. However, their loyalty is a challenge, making it important to understand the factors that influence their loyalty to these services.

**Purpose:** The purpose of this study was to analyze the factors that influence the loyalty of generation Z in using cellular internet services.

**Design/methodology/approach:** The sampling technique used non-probability sampling with a voluntary sampling approach. Data was analyzed using the SEM-PLS model using SmartPLS version 4. Total 146 samples are collected by online form submissions.

**Finding/Result:** The results of the Structural Equation Modeling (SEM) analysis show that customer satisfaction and trust have a direct effect on Generation Z customer loyalty in using mobile internet services. Meanwhile, other variables such as service quality and brand image have an indirect effect through mediation of customer satisfaction. This finding confirms the important role of customer satisfaction as a mediator in building customer loyalty.

**Conclusion:** Companies should offer extra services that match Generation Z's mobile internet habits to boost satisfaction and loyalty. Using virtual assistants to handle their complaints can also help maintain customer satisfaction.

**Originality/value (State of the art):** This research focus on analyze Generation Z behavior as the active user of mobile internet providers.

**Keywords:** customer loyalty, customer satisfaction, generation Z, mobile internet, SEM-PLS

### How to Cite:

Putri, R. H., Hartoyo, & Hartono, S. (2025). Factors influencing Generation Z's loyalty in mobile internet usage. Jurnal Aplikasi Bisnis dan Manajemen (JABM), 11(3), 735. <https://doi.org/10.17358/jabm.11.3.735>

<sup>1</sup> Corresponding author:

Email: [rizkyhafizhahputri@apps.ipb.ac.id](mailto:rizkyhafizhahputri@apps.ipb.ac.id)

## INTRODUCTION

The development of the Internet is supported by a growth in the number of mobile phone users. The Central Statistics Agency (BPS) explained that 67% of Indonesia's population will have mobile phones in 2022. However, the growth of the mobile internet industry is expected to stagnate in the future because the number of new users is less than that in the previous year. This result is supported by Medina and Prasetyo (2024), who explained that the growth of mobile Internet users in 2024 only grew by 5%. This could be caused by old users not changing their mobile numbers. In addition, Indonesia's penetration rate will only increase by 1.31% by 2023 (APJII, 2024). According to a 2024 survey by the Internet Provider Association, 34.40% of Internet users are from Generation Z, the highest proportion among all generations. Known as self-driven digital natives, Generation Z in Indonesia spends more than 3.5 hours per day online via smartphones, based on data from the Nielsen Consumer and Media View (CMV). This duration is 13% longer than that of the millennial generation, with most usage focusing on accessing information.

Previous studies have explored consumer behavior across generations, noting that Generation Z is highly attentive to product and service details (Karim, 2019). Thangavel et al. (2022) further indicate that Generation Z has lower brand loyalty than earlier generations, particularly in e-commerce purchases. However, research specifically examining Generation Z's behavior in using mobile internet products remains limited. Further studies are needed to enrich the literature on this generation. XYZ, as the provider with the highest market share in Indonesia, conducts a customer survey, and the results indicate that customers still stick with the XYZ provider because the network quality and Internet speed are stable.

Both aspects reflect the service quality provided by the XYZ providers. Service quality is an important aspect for Internet service companies, especially in predicting customer loyalty (Naz et al. 2021; Haryanto et al. 2022). In addition to service quality, trust is an important factor in analyzing customer loyalty, such as the security of personal customer data (Torrão and Teixeira, 2023). Other factors that need to be analyzed are brand image. Brand image can strengthen the relationship between mobile providers and customers, based on customer involvement and awareness of the provider's brand

(Nguyen, 2021). The results of this study also explain that brand image development can be used as a reference for formulating marketing strategies, especially for the Generation Z target market. Brand image has a significant impact on customer satisfaction and trust (Nawang, 2024). Satisfaction is one of the key factors used to analyze customer loyalty. For Generation Z, loyalty, especially to digital services, is shaped by various factors. According to Dwita (2022), experience and perceived satisfaction play significant roles in loyalty. Positive experiences with telecommunication providers can lead to higher satisfaction and increased loyalty. Therefore, improving trust and perceived service quality can effectively enhance satisfaction and build long-term customer loyalty (Rachmawati & Mohaidin, 2019). Trust can shape loyalty (Samarah et al. 2022). The results of the two studies also explain that satisfaction has a direct effect on customer loyalty and can be an intervening variable for brand image on loyalty. Customer satisfaction is also formed by a positive brand image (Nguyen, 2021; Shabbir, 2020). Based on the statements above, the following hypothesis can be drawn: service quality positively influences customer satisfaction, loyalty, and brand image; customer satisfaction influences customer loyalty and trust; and trust could increase customer loyalty and brand image influence trust, customer service, and loyalty.

The cellular market exhibits intense competition fueled by an increasing number of operators and relatively static consumer conditions. Therefore, loyalty evaluation based on the factors that shape consumer loyalty for cellular providers is needed. Service quality, trust, brand image, and customer satisfaction are critical variables that warrant in-depth analysis in the context of Generation Z given that this demographic represents a strategically significant target market, particularly within the telecommunications industry. Therefore, the purpose of this study is to analyze the factors that influence the loyalty of cellular Internet customers in Generation Z. An analysis using SEM-PLS modeling makes it possible to accurately predict the influence of variables on customer loyalty.

As Generation Z is the new target market in any industry, including telecommunications and Internet service providers, companies need to understand the factors that influence their loyalty. The purpose of this study is to analyze the factors that influence Generation Z using the mobile Internet.

## METHODS

This study uses primary data from a questionnaire with a non-probability sampling approach to recruit respondents. The sampling method used was purposive sampling based on the following criteria: 1) users of the XYZ brand mobile Internet provider for one year, 2) aged 18 to 27 years, and 3) domiciled in Jabodetabek.

The questionnaires were distributed online on social media, such as X, Instagram, and WhatsApp, using Google Forms. The respondents were willing to fill out the research questionnaire voluntarily.

Data analysis was carried out using the Structural Equation Modeling (SEM) approach with SmartPLS version 4 software. The initial stage involved evaluating the outer model to identify and specify the relationship between the latent constructs and their indicators, both reflective and formative. The evaluation of the outer model included a convergent validity test measured by the loading factor value ( $> 0.70$ ) and Average Variance Extracted (AVE) ( $> 0.50$ ), as referred to by Nasution et al. (2020). Furthermore, a discriminant validity test was carried out using the cross-loading value criteria ( $> 0.70$ ) as well as an evaluation of composite reliability as reviewed from the composite reliability value (ranging from 0 to 1) and Cronbach's alpha (between 0.70 and 0.90), in accordance with the guidelines of Hair et al. (2014).

Next, an inner model evaluation was carried out to determine the R-squared value, path coefficient, and model fit. The parameters used were the R-square value and model fit with a value of 0.19 giving a weak influence; a value of 0.33 giving a moderate influence and 0.67 giving a strong influence. The path coefficient with the original sample value rule with a positive value indicates a tendency for a unidirectional variable relationship, and a negative value indicates a tendency for an inverse variable relationship; the t-statistic value and p-value determine a significant influence between variables with a value of  $> 1.65$  significance (10%) and  $> 1.96$  significance (5%), and a p-value  $< 0.05$ .

Haryanto et al. (2022) found that higher service quality significantly improves customer satisfaction among Internet service users in Indonesia, particularly when services meet or exceed customer expectations. This aligns with Ozkan et al. (2020), who confirm a positive relationship between service quality,

customer satisfaction, and loyalty. Similarly, Dam and Dam (2021) identified service quality as a key predictor of brand image, with better service leading to more positive brand perception. According to Samarah et al. (2022), brand trust, shaped by customer satisfaction, positively influences customer loyalty, particularly through word-of-mouth. Nguyen (2021) further emphasized that a positive brand image enhances both trust and satisfaction in the context of telecommunication services. Based on these findings, the following hypothesis is proposed:

- H1. Service quality has a positive effect on customer satisfaction
- H2. Customer satisfaction has a positive effect on customer loyalty
- H3. Service quality has a positive effect on customer trust
- H4. Service quality has a positive effect on brand image
- H5. Customer satisfaction has a positive effect on customer trust
- H6. Customer trust has a positive effect on customer loyalty
- H7. Brand image has a positive effect on customer trust
- H8. Brand image has a positive effect on customer satisfaction
- H9. Brand image has a positive effect on customer loyalty

This study uses the SEM model shown in Figure 1. Research with an exploratory approach involves respondents using a voluntary sampling approach. The questionnaire was answered using a five-point Likert scale with five scales based on the statements Strongly Agree (5), agree (4), neutral (3), disagree (2), and Strongly Disagree (1). The number of respondents in this study was 146, most of whom used pre-paid number subscriptions. The number of respondents was determined based on the maximum likelihood estimation requirements for SEM, which recommend 100–200 participants or five–ten times the number of estimated parameters (Handayani et al. 2021; Hair et al. 2017). The SEM model analysis uses two measurements, namely, the outer and inner model evaluation. The outer model evaluation was based on convergent and discriminant validity and reliability. The inner model is based on the influence of independent variables on dependent variables as a direct influence analysis, intervening variable analysis as an indirect variable, and the R-square value as an analysis of the contribution of independent values to dependent variables (Table 1).

Table 1. Questionnaire indicators

Variabel	Operational Definition	Indicator	%		
			Disagreed	Neutral	Agreed
Customer Loyalty	Consumer tendencies towards a brand as a function of psychological processes that include attitudes and commitments towards a brand.	L1. Customers give positive reviews	3.42	23.29	73.29
		L2. Customers recommend internet services	5.48	23.29	71.23
		L3. Customers upgrade service packages	11.64	37.67	50.68
		L4. Customers do not consider switching services	17.81	23.29	58.9
		L5. Customers are willing to participate in loyalty programs	8.9	27.4	63.7
Service Quality	Gap between customer expectations and actual services provided to customers.	Q1. Customer service provided as promised	3.42	15.07	81.51
		Q2. Mobile customer service is delivered correctly from the start	3.42	6.16	90.41
		Q3. Provider provides responsive service	8.22	20.55	71.23
		Q4. Provider is ready to respond to customer requests	8.22	23.29	68.49
		Q5. Customers feel safe providing personal data if needed	12.33	32.88	54.79
		Q6. Customer service is able to answer customer questions	2.74	25.34	71.92
		Q7. Customer service treats customers well	1.37	18.49	80.14
		Q8. Customer service prioritizes customer interests	4.11	25.34	70.55
		Q9. Customer service appearance is attractive	10.96	12.33	76.71
		Q10. Front-liner professional	2.05	13.7	84.25
Brand Image	A combination of a brand's associations in consumer memory that leads to brand perception.	I1. Brand is recognized quickly	0.68	6.85	92.47
		I2. Familiar with mobile internet brands	0.68	4.11	95.21
		I3. Brand is easily recognized among competitor brands	1.37	6.16	92.47
		I4. The mobile internet brand used is the customer's choice	2.05	9.59	88.36
		I5. The brand chosen by the customer is the customer's first choice	8.22	12.33	79.45
Trust	Trust can be thought of as belief and intention. Belief refers to customers' perceptions of the attributes of ability and integrity. Intention refers to the willingness to rely on a product/service.	T1. Mobile internet provider cares about customers	3.42	19.86	76.71
		T2. Mobile internet provider is reliable	2.74	15.07	82.19
		T3. Mobile internet provider never disappoints	17.81	27.4	54.79
Customer Satisfaction	Consumer emotional assessment of the use of products and services where consumer expectations and needs have been met.	SAT1. Customer satisfaction with mobile internet providers	4.11	8.9	86.99
		SAT2. Mobile internet providers can meet expectations	4.11	15.07	80.82
		SAT3. Confidence in choosing a mobile internet provider	2.74	13.7	83.56

The framework of thought (Figure 1) in this study is based on the results of previous studies that form the model construct. The results of the study by Haryanto et al. (2022) explain that service quality affects satisfaction and loyalty. The results of the study as a reference that the service quality of cellular providers affects satisfaction and loyalty. In addition to satisfaction and loyalty, service quality affects trust. The results of this study are based on the results conducted by Haryanto et al. (2022) which explain that internet customer trust can increase with increasing quality of service provided. In fact, trust and service quality affect customer satisfaction and loyalty. Service quality can also be a predictor of brand image which has a positive impact (Dam and Dam, 2021).

## RESULTS

The results of the evaluation of this research model are based on Hair et al. (2017), which explains that there are two models evaluated in the reflective SEM model: the outer model and the inner model.

### Outer Model Evaluation

The first evaluation is convergent validity, which explains that the indicator is valid as a measure of variables with two standards, namely a loading factor value of more than 0.7 and an Average Variance

Extracted (AVE) above 0.5 (Hair et al. 2017). The results of the convergent validity analysis show that there are five indicators that are not valid based on the loading factor value below 0.70, so these five indicators are removed (Table 2). Furthermore, the data were reprocessed until the loading factor value was greater than 0.7, which could be analyzed.

The results in Table 2 show that five variables do not meet the requirements of convergent validity with a loading factor that must be above 0.7. After elimination, a re-evaluation was carried out, as shown in Table 2. In addition to the analysis of the loading factor value, convergent validity was also analyzed using the AVE value, which must be above 0.5. The AVE values in Table 3 are above 0.5 so that, indicating that all variables are valid (Hair et al. 2014).

Furthermore, the discriminant validity test showed that the indicators for measuring latent variables differed from each other. The results of the discriminant test can be analyzed based on the Fornell-Larcker value and cross-loading values. The cross-loading value shows that the indicator value for the analyzed variable has the highest loading factor value compared to the indicator value for testing other variables (Table 4). The results of the analysis indicate that the indicators for measuring latent variables differ from each other. In addition to the cross-loading value, the discriminant validity test was tested using Fornell-Larcker.

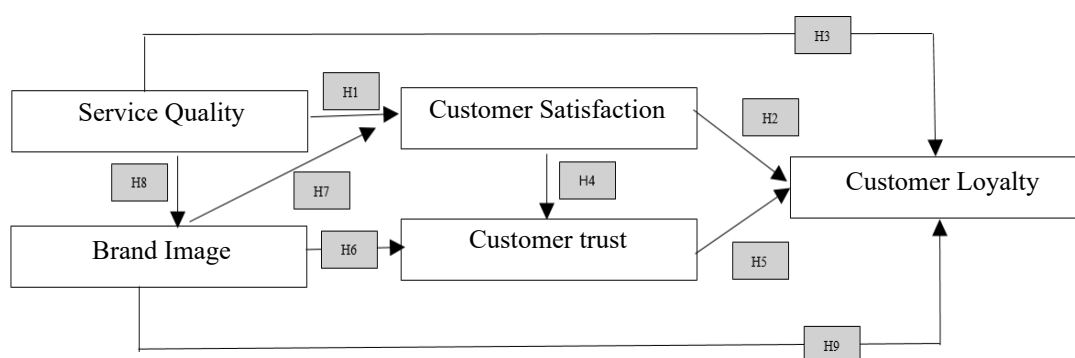


Figure 1. Research framework

Table 2. Loading factor values

Variabel	Indicator	Loading Factor (Before)	Loading Factor (After)	Result	Variabel	Indicator	Loading Factor (Before)	Loading Factor (After)	Result
Service Quality	SQ3	0.775	0.796	Valid	Trust	BI3	0.838	0.866	Valid
	SQ4	0.763	0.796	Valid		BI4	0.827	0.818	Valid
	SQ6	0.845	0.867	Valid		T1	0.862	0.862	Valid
	SQ7	0.783	0.817	Valid		T2	0.894	0.893	Valid
	SQ8	0.804	0.840	Valid		T3	0.829	0.829	Valid
Customer Satisfaction	SQ10	0.747	0.720	Valid	Customer Loyalty	CL1	0.820	0.820	Valid
	SAT1	0.920	0.920	Valid		CL2	0.850	0.850	Valid
	SAT2	0.909	0.909	Valid		CL3	0.813	0.813	Valid
	SAT3	0.831	0.830	Valid		CL4	0.799	0.799	Valid
Brand Image	BI1	0.804	0.831	Valid		CL5	0.746	0.746	Valid
	BI2	0.839	0.898	Valid					

Table 3. AVE value

Variabel	Average variance extracted (AVE)	Result
Brand Image	0.729	Valid
Customer Loyalty	0.650	Valid
Trust	0.743	Valid
Customer Satisfaction	0.788	Valid
Service Quality	0.652	Valid

Table 4. Cross-Loading Value

	Brand Image	Customer Loyalty	Trust	Customer Satisfaction	Service Quality
BI1	0.831	0.357	0.408	0.435	0.353
BI2	0.898	0.366	0.430	0.473	0.322
BI3	0.866	0.308	0.399	0.506	0.302
BI4	0.818	0.551	0.502	0.630	0.369
CL1	0.441	0.820	0.718	0.715	0.657
CL2	0.449	0.850	0.745	0.744	0.655
CL3	0.342	0.813	0.592	0.575	0.493
CL4	0.348	0.799	0.598	0.592	0.468
CL5	0.321	0.746	0.516	0.534	0.474
SAT1	0.518	0.745	0.725	0.920	0.662
SAT2	0.532	0.715	0.726	0.909	0.719
SAT3	0.586	0.651	0.619	0.830	0.502
SQ10	0.420	0.607	0.637	0.658	0.720
SQ3	0.325	0.559	0.482	0.536	0.796
SQ4	0.244	0.461	0.474	0.506	0.796
SQ6	0.318	0.529	0.629	0.565	0.867
SQ7	0.288	0.520	0.620	0.566	0.817
SQ8	0.299	0.636	0.624	0.582	0.840
T1	0.409	0.622	0.862	0.626	0.710
T2	0.600	0.717	0.893	0.760	0.620
T3	0.308	0.717	0.829	0.619	0.549

The Fornell-Larcker test was conducted to evaluate discriminant validity. The standard value of the Fornell-Larcker technique is that the variable must not have the same variance value as another variable that is greater than the AVE (Malki et al. 2023). The Fornell-Larcker value comes from the root of the AVE value for each of these variables, based on the size of the loading factor value (Table 5). The results of the Fornell-Larcker value test show that the value for measuring the variable is greater than that of the other variables. These results indicate that the values of the indicators differ from each other in measuring their variables so that they meet the requirements of the discriminant validity test.

The reliability test value is the output of the composite reliability, and Cronbach's alpha values are used to measure the level of consistency in the indicator. A variable is declared reliable if it has composite reliability and a Cronbach's alpha value above 0.7. Table 6 shows that all the variables met the requirements of the reliability test. The results of the analysis indicate that all variables are reliable, so that the model can be declared reliable.

The results of the outer model test analysis show that the measurement model in the SEM meets the requirements, and the indicators analyzed can measure the value of the latent variables well.

## Inner Model Evaluation

Inner model evaluation is used to predict the quality relationship between latent variables or variables that cannot be measured directly, which have been built based on previous theories and studies. This assessment test was carried out using a bootstrapping procedure with SEM PLS. The test stages for the structural model were obtained from the R-squared value in the path coefficient estimation. The R-squared value is formed from the determination coefficient in the endogenous construct and is used to determine the predictive strength of the inner model. The R-square value criteria are 0.67 (strong), 0.33 (moderate) and 0.19 (weak). Table 7 presents the R-square values obtained in this study.

The service quality, brand image, trust, and customer satisfaction variables explain loyalty by 71.80%, while 28.20% is explained by other variables. Based on Table 7, it can be interpreted that the brand image variable is in the weak category and can explain the variable by 15.8%. The trust and customer satisfaction variables are in the moderate category and can explain the variable by 61.1% and 63.5% respectively. The customer loyalty variable is in the strong category and can explain the variable by 71.7%. The remainder is explained by other variables that were not included in this model.

Table 5. Fornell-Larcker value

	Brand Image	Customer Loyalty	Trust	Customer Satisfaction	Service Quality
Brand Image	0.854				
Customer Loyalty	0.479	0.806			
Trust	0.517	0.797	0.862		
Customer Satisfaction	0.611	0.794	0.780	0.887	
Service Quality	0.398	0.693	0.724	0.713	0.807

Table 6. Composite reliability and cronbach's alpha value

Variabel	Composite reliability	Cronbach's alpha	Detail
Brand Image	0.888	0.877	Reliable
Customer Loyalty	0.878	0.866	Reliable
Trust	0.834	0.827	Reliable
Customer Satisfaction	0.872	0.864	Reliable
Service Quality	0.894	0.892	Reliable

## Hypothesis Test

Hypothesis testing was conducted based on the results of the path coefficient values obtained through the bootstrapping mechanism using SmartPLS version 4 software (Figure 2). Bootstrapping produces the original sample value, T-stat and P-Value. A significance test of all structural model relationships was performed to interpret the results of the model. The hypothesis can be accepted if the T-stat value shows significant results, namely, a value of  $>1.979$ , and the hypothesis is rejected if the T-stat shows insignificant results, that is, a value of  $<1.979$ . Another value that can determine the results of the hypothesis is the p-value test value. If the P-Value was  $<0.05$ , the hypothesis was supported. The bootstrapping results are shown in Table 8.

## The Effect of Service Quality to Customer Satisfaction

The result in Table 8 explain that service quality has an effect on customer satisfaction. The coefficient value of the path of the influence of service quality on satisfaction shows a positive value which explains that the relationship between the two variables is in the same

direction. These results indicate that service quality can increase customer satisfaction or the perception of service quality of XYZ providers formed by consumers, both of which are able to increase customer satisfaction values. The results of this study are in accordance with previous research statements which explain that service quality can be a predictor of satisfaction for certain business markets, including internet providers (Hammoud et al. 2018). Service quality is related to satisfaction because of customer perceptions of the service received (Febrian et al. 2023). The most important thing is the suitability of expectations with the reality of the services provided by the company to customers. In fact, service that is better than expected by customers can increase satisfaction with the company. Joudeh and Dandis (2018) explain that employees need to understand the quality of the company's services in order to provide a positive experience to customers. In addition, a good CRM system is needed, such as analyzing customer preferences, creating service personalities, and building long-term relationships. What needs to be analyzed is well-managed customer interactions that create customer satisfaction (Ozkan et al. 2019).

Table 7. R-Square value

Variabel	R-square
Brand Image	0.158
Customer loyalty	0.718
Trust	0.611
Customer satisfaction	0.635

Table 8. Results of the analysis of the direct influence hypothesis test

	Variables	Path Coefficient	t-stat	p-value	Results
H1	Service Quality → Customer Satisfaction	0.558	9.649	0.000	Supported
H2	Service Quality → Customer Loyalty	0.117	1.274	0.203	Not Supported
H3	Service Quality → Brand Image	0.398	3.522	0.000	Supported
H4	Customer Satisfaction → Customer Loyalty	0.412	5.110	0.000	Supported
H5	Customer Satisfaction → Trust	0.741	9.673	0.000	Supported
H6	Trust → Customer Loyalty	0.407	4.211	0.000	Supported
H7	Brand Image → Trust	0.064	0.700	0.484	Not Supported
H8	Brand Image → Customer Satisfaction	0.389	6.119	0.000	Supported
H9	Brand Image → Customer Loyalty	-0.030	0.547	0.585	Not Supported



## **The Effect of Customer Satisfaction to Customer Loyalty**

The concept of the results of this statement further explains that the evaluation of the services received by customers will form satisfaction first before loyalty can be built. The results of this study are in accordance with several previous studies which explain that service quality does not have a direct effect on loyalty. Endwia et al. (2021) explain that service quality has an indirect effect on loyalty through consumer satisfaction. The results of this analysis explain that it is necessary to understand consumer behavior in using the services provided. This explains that what needs to be designed by mobile internet provider marketers is to understand Generation Z's satisfaction in buying internet packages. Pham et al. (2019) explained that satisfied customers are more likely to form loyalty, what needs to be analyzed in service quality is customer satisfaction so that loyalty can be formed through satisfaction. The results of the study also explain that service quality has an indirect effect through satisfaction. Therefore, the results of this study are supported by previous studies.

The results of the analysis show that increasing customer satisfaction can increase the perception of loyalty value. The thing that needs to be analyzed is meeting customer needs in increasing satisfaction. Cellular provider companies need to focus on experience and meet customer expectations in order to meet satisfaction and build loyalty (Kusumanegara and Rachmawati, 2023). One thing that needs to be analyzed is customer satisfaction because satisfaction is a key variable in increasing loyalty. Therefore, companies need to make efforts to create a good experience for customers (Santos et al. 2023). Customer satisfaction is fully mediated the relationship between service quality and customer loyalty (Yacob et al. 2023).

## **The Effect of Service Quality to Customer Loyalty**

The results of the analysis in Table 8 show that service quality has no effect on customer loyalty. The results of this analysis are different from several previous studies which explain that service quality has an effect on customer loyalty. The results of the study conducted by Joudeh and Dandis (2018) explain that service can be one of the variables used to increase loyalty directly. The results of the study explain that the service that is in accordance with what is expected by consumers will make customers loyal to the company. The results

of this statement explain that the services provided by the company must be in accordance with consumer expectations.

## **The Effect of Service Quality to Brand Image**

The results of the hypothesis test show that service quality has an effect on brand image. The results of this study indicate that service quality can be a predictive variable in improving brand image perception. The most important thing for marketing management to do is to provide a good communication plan, such as advertising, community services, or other promotional tools that form a positive image of the brand provider (Dam and Dam, 2021). Companies need to continuously evaluate the services provided and maintain relationships with customers (Setyadi et al. 2017). The results of this study explain that service quality is one of the variables that companies need to pay attention to, especially regarding the image aspect that is formed. A good image formed in Generation Z customers can have a very big influence on the company. One of the behaviors of Generation Z is to provide both positive and negative reviews on social media. Companies that are not responsive to these complaints form a negative image for customers or the public on social media.

## **The Effect of Customer Satisfaction to Trust**

The results of the t-statistic test show that customer satisfaction has a positive effect on trust. The results of the hypotheses explain that customer satisfaction has an effect on trust. The results of the statistical test explain that the hypothesis is supported based on the t-statistic and p-value values below 5%. The results of this analysis indicate that customer satisfaction can be a variable that can increase customer trust because of the positive direction of influence. Satisfaction is an important factor in building trust, especially online customers (Kassim and Abdullah, 2010). The results of the analysis show that the value of the path coefficient of the influence of satisfaction on customer loyalty of internet providers is 0.412 or 41.20% while the influence on trust is 0.741 or a path coefficient of 74% is formed. The path coefficient value explains that the influence of satisfaction on trust is greater than customer loyalty. However, the value of the path coefficient of satisfaction is the highest coefficient value compared to the value of the path coefficient of trust on loyalty. Therefore, satisfaction is a strong predictive variable for both trust. The value of customer perception of

mobile internet providers needs to be improved if they want to increase customer loyalty and trust. The thing that needs to be considered by mobile internet service providers is that the experience formed must be positive so that customers are willing to recommend internet services to people close to them, such as family, friends, or other relatives. Generation Z is a generation that evaluates through social media so that the experiences of satisfied and dissatisfied customers will be spread through social media.

### **The Effect of Trust to Customer Loyalty**

Trust is a very important variable for building and maintaining good services, the most important thing for a company is to improve service quality and customer satisfaction. Consumers who are satisfied based on their experience of using the company's services will be more trusting than competitors and will reuse the services provided. Therefore, internet providers such as XYZ are expected to be able to show a high commitment to the services provided and be transparent to consumers (Kurniadi and Rana, 2023). The results of this study also explain that the estimated influence of customer satisfaction in increasing trust is very large, even more than 50% of the path coefficient value formed on the relationship between the two variables. The satisfaction variable is reflected by satisfaction with the services provided by consumers while trust is reflected as a reliable internet provider service. These results indicate that PT XYZ as an internet provider needs to meet customer expectations regarding the services provided so that a perception is formed that the XYZ mobile internet provider can be relied on.

The results of the study explain that trust affects customer loyalty based on the t-statistic test and p-value (Table 8). The results of this study explain that trust is one of the variables that can increase customer loyalty. The path coefficient value of the influence of trust on loyalty is 0.407 or trust is one of the variables that can increase loyalty by more than 40%. These results indicate that trust is one of the most important variables in building customer loyalty. The results of this study are supported by Leninkumar (2017) who explained that trust has a positive effect on customer loyalty. Therefore, companies need to develop strategies to make customers happy so that trust is built and makes customers loyal. The results of the study by Aulia et al. (2022) explain that PT XYZ as a market leader should maintain and improve the quality of services

provided because customer trust is very important in increasing loyalty. The results of this analysis explain the importance of building consumer trust to increase loyalty. Loyalty can be formed by increasing customer trust. What needs to be done by internet provider companies is to provide good information related to customers, maintain and improve integrity in providing services, and keep promises to customers.

### **The Effect of Brand Image to Trust**

The results of the analysis in this study indicate that brand image does not effect to trust. Brand image in the service industry is not a factor that drives customer trust. This contradicts research findings that suggest a positive brand image for a company will influence customer trust and increase purchase intention. A strong brand image does not influence customer trust in the service provided, in this study, mobile internet services.

### **The Effect of Brand Image to Customer Satisfaction**

The results of the analysis in this study indicate that brand image has an influence on satisfaction. Brand is one of the forces that explains customer commitment. Therefore, a strong brand image can affect profit and market share (Ricadona et al. 2021). These findings align with the current study, indicating that brand image does not significantly influence customer loyalty. Based on the result, satisfaction is an intervening variable of brand image. The results of this study indicate that brand image has an effect on satisfaction. The brand image that is formed is evaluated by Generation Z customers as a whole to achieve customer satisfaction. The results of this study are in accordance with the results of research conducted by Handayani et al., (2021) which explains that brand image influences satisfaction both directly and indirectly. Satisfaction values are very important, especially those measured in brand image. This is related to the image formed based on satisfaction evaluation (Yuniar et al. 2023).

### **The Effect of Brand Image to Customer Loyalty**

The results of the analysis in this study indicate that brand image does not effect to customer loyalty. However, the results of this study are supported by Upamanyu and Mathur (2012) who explained that brand image does not affect customer loyalty. This is supported by indicator values showing that brand image is associated

with well-known or familiar internet provider brands. However, Generation Z customers do not use known products as a reference to other customers. The main thing is to form satisfaction first. A positive brand image impacts customer loyalty, so customers will repeat purchases of services and recommend the brand used to others (Suson et al. 2023).

### Managerial Implications

XYZ Company, as a mobile internet provider, needs to maintain customer satisfaction by maintaining good service quality. Generation Z customers feel satisfied when customer service officers provide solutions to complaints while using the service. Companies need to maintain good methods and explore new communication models so that they can be well-received by Generation Z. Optimizing the use of virtual assistants that support Generation Z's digital activities as digital natives to increase customer satisfaction. Establishing a strong brand image that aligns with Generation Z's characteristics is essential to maintaining customer trust in XYZ's mobile Internet services and encouraging word-of-mouth recommendations. Since Generation Z relies heavily on the mobile Internet for their daily activities, consistent service quality plays a crucial role in sustaining their confidence in the brand.

## CONCLUSIONS AND RECOMMENDATIONS

### Conclusions

Customer satisfaction has emerged as the most influential determinant of customer loyalty. It serves not only as a direct predictor, but also plays a crucial mediating role through which other variables exert their influence on customer loyalty, particularly among Generation Z. This generational cohort, characterized by high digital literacy and strong brand consciousness, demands service experiences that meet or exceed expectations. Generation Z customers tend to hold elevated expectations toward both service quality and brand image, influenced by their exposure to digital information and competitive market alternatives. When service quality aligns with or surpasses these expectations and the company projects a strong, positive brand image, it leads to heightened levels of satisfaction. In turn, this satisfaction acts as a mediating variable that enhances customer loyalty. Thus, even when service quality and brand image do not directly

influence loyalty, their impact is effectively channeled through customer satisfaction, ultimately reinforcing the commitment of Generation Z customers to remain with the brand.

### Recommendations

The next studies can examine Generation Z's behavior in using Internet products from other brands or on an industry-wide scale within the telecommunications sector. It is important to explore the role of brand image in reinforcing customer trust, particularly among Generation Z, whose digital habits and expectations differ significantly from those of the previous generations. This can also provide insights into how brand image influences customer loyalty and decision-making across different age groups beyond Generation Z.

**FUNDING STATEMENT:** This research did not receive any specific grants from funding agencies in the public, commercial, or not – for – profit sectors.

**CONFLICT OF INTEREST:** The author declares no conflict of interest.

## REFERENCES

- Aulia, Kalla S., Indriana, Ghifary I. (2022). The effect of brand trust and brand equity on telkomsel card brand loyalty (Case study on Telkomsel card users on customers in the Barombong Area). *Jurnal Umum Manajemen Profitability*, 7(1):103-117.
- Badan Pusat Statistik. (2023). *Statistik Telekomunikasi Indonesia 2022*.
- Dam S.M., Dam.T.C., (2021). Relationships between Service quality, brand image, customer satisfaction, and customer loyalty. *Journal of Asian Finance, Economics and Business*. 8(3):585–593.
- Dwita, V., & Mourbas, I. N. (2022). E-loyalty of gen z in using mobile banking in Indonesia. In *Eighth Padang International Conference On Economics Education, Economics, Business and Management, Accounting and Entrepreneurship (PICEEBA-8 2021)* (pp. 247-252). Atlantis Press.
- Haryanto B. F. M., Hariningsih E., (2022). Analysis of technical service quality in increasing customer

- loyalty and satisfaction: study broadband internet service in Indonesia. *Internasional Journal of Economics and Business Issues*. 1(1). <https://doi.org/10.59092/ijebi.vol1.Iss1.9>
- Endwia, S. M., Kusumawati, N., Irawan, A. (2021). Factors influencing customer satisfaction and loyalty of online educational platform in Indonesia (pp. 11-13). *Analysis of E-Service Quality Factors*. In the 6th Internasional Conference on Management Emerging Markets, August 2021. Virtual.
- Hair Jr, J. F., Matthews, L. M., Matthews, R. L., & Sarstedt, M. (2017). PLS-SEM or CB-SEM: updated guidelines on which method to use. *International Journal of Multivariate Data Analysis*, 1(2), 107-123. <https://doi.org/10.1504/IJMDA.2017.087624>
- Hammoud, J., Bizri, R. M., & El Baba, I. (2018). The impact of e-banking service quality on customer satisfaction: evidence from the lebanese banking sector. *SAGE Open*, 8(3). <https://doi.org/10.1177/2158244018790633>
- Handayani, D. F. R., Widowati, R., & Nuryakin, N. (2021). The influence of e-service quality, trust, brand image on Shopee customer satisfaction and loyalty. *Jurnal Siasat Bisnis*, 25: 119-130. <https://doi.org/10.20885/jsb.vol25.iss2.art3>
- Joudeh, J. M., & Dandis, A. (2018). Service quality, customer satisfaction and loyalty in an internet service providers. *International Journal of Business and Management*, 13(8), 108-120. <https://doi.org/10.5539/ijbm.v13n8p108>
- Karim S. 2019. A comparison of the media consumption habits of gen x, gen y and gen z. *Allana Management Journal of Research Volume* (9), 1-5.
- Kurniadi, H., & Rana, J. A. S. (2023). The power of trust: how does consumer trust impact satisfaction and loyalty in Indonesian digital business?. *Innovative Marketing*, 19(2), 236. [https://doi.org/10.21511/im.19\(2\).2023.19](https://doi.org/10.21511/im.19(2).2023.19)
- Kusumanegara, A. S., & Rachmawati, I. (2023). The effect of service quality and price on customer satisfaction and loyalty in Telkomsel cellular operator services. In *Proceedings of the International Conference on Industrial Engineering and Operations Management*. <https://doi.org/10.46254/AN13.20230500>
- Leninkumar, V. (2017). The relationship between customer satisfaction and customer trust on customer loyalty. *International Journal of Academic Research in Business and Social Sciences*, 7(4), 450-465. <https://doi.org/10.6007/IJARBS/v7-i4/2821>
- Lai J, Widmar NO, Bir C. (2020). Eliciting Consumer Willingness to Pay for Home Internet Service: Closing the Digital Divide in the State of Indiana. *Appl Econ Perspect Policy*. 42(2):263-282. <https://doi.org/10.1002/aepp.13000>
- Naz F, Alshaabani A, Rudnák I, Magda R. 2021. Role of Service Quality in Improving Customer Loyalty towards Telecom Companies in Hungary during the COVID-19 Pandemic. *Economies*. 9(4). <https://doi.org/10.3390/economies9040200>
- Nguyen N, Leblanc G. (2001). Corporate image and corporate reputation in customers' retention decisions in services. Volume ke-8. [https://doi.org/10.1016/S0969-6989\(00\)00029-1](https://doi.org/10.1016/S0969-6989(00)00029-1)
- Özkan P, Süer S, Keser İ.K, Kocakoç İ.D. (2020). The effect of service quality and customer satisfaction on customer loyalty: The mediation of perceived value of services, corporate image, and corporate reputation. *International Journal of Bank Marketing*. 38(2):384-405. <https://doi.org/10.1108/IJBM-03-2019-0096>
- Pham, L., Limbu, Y. B., Bui, T. K., Nguyen, H. T., & Pham, H. T. (2019). Does e-learning service quality influence e-learning student satisfaction and loyalty? Evidence from Vietnam. *International journal of educational technology in higher education*, 16(1), 1-26. <https://doi.org/10.1186/s41239-019-0136-3>
- Prastiwi, D., Tangdilinting, E. C. P., Yogi, M., Santoso, B., & Panada, Y. M. (2023). The influence of service quality and internet product prices on telkomsel prepaid customer satisfaction. *Jurnal Ekonomi Ichsan Sidenreng Rappang*, 2(2), 186-197. <https://doi.org/10.61912/jeinsa.v2i2.27>
- Rachmawati I, Mohaidin Z. 2019. Understanding user experience, satisfaction, and loyalty of Telecommunication Service Providers in Indonesia. *Cognitive-Crcs*. hlm 360-372. <https://doi.org/10.15405/epsbs.2019.08.36>
- Samarah T, Bayram P, Aljuhmani HY, Elrehail H. (2022). The role of brand interactivity and involvement in driving social media consumer brand engagement and brand loyalty: the mediating effect of brand trust. *Journal of Research in Interactive Marketing*. 16(4):648-664. <https://doi.org/10.1108/JRIM-03-2021-0072>
- Santos, F., Dewi, L., Soares A., (2023). The influence

- of service quality and product quality towards customer loyalty through customer satisfaction at PT Telkomcel Ermera Branch. *Journal of Digitainability, Realism & Mastery (DREAM)*, 2(03), 1-14. <https://doi.org/10.56982/dream.v2i03.78>
- Setyadi, A., Ali, H., & Imaroh, T. S. (2017). Building brand image: Analysis of service quality and customer satisfaction. *Saudi Journal of Business and Management Studies*, 2(8), 770-777.
- Shabbir SA. (2020). Impact of service quality and brand image on brand loyalty: the mediating role of customer satisfaction. *Eurasian Journal of Social Sciences*. 8(2):75–84. <https://doi.org/10.15604/ejss.2020.08.02.004>
- Thangavel P, Pathak P, Chandra B. (2022). Consumer decision-making style of gen z: a generational cohort analysis. *Global Business Review*. 23(3):710–728. <https://doi.org/10.1177/0972150919880128>
- Torrão J, Teixeira S. (2023). The antecedents of customer satisfaction in the portuguese telecommunications sector. *Sustainability (Switzerland)*. 15(3). <https://doi.org/10.3390/su15032778>
- Upamannyu, N. K., & Mathur, G. (2012). Effect of brand trust, brand affect and brand image on customer brand loyalty and consumer brand extension attitude in FMCG sector. *Prima Practices and Research in Marketing*, 3(2), 1-11.
- Yacob, S., Johannes, J., Edward, E., Sulistiyo, U., & Mukminin, A. (2023). An investigation of the internet generation customer loyalty: an empirical study in Indonesia mobile services. *Business: Theory and Practice*, 24(1), 271-281. <https://doi.org/10.3846/btp.2023.17324>
- Yuniar, A., Roswaty, R., & Wulandari, T. (2023). The effect of product quality, brand image and brand trust on customer satisfaction of Telkomsel SIM card users Palembang city. *ProBisnis: Jurnal Manajemen*, 14(1), 77-82.