



## Factors Influencing Customer Purchase Intention in B2B Telecommunication Industry

Leony Adelia Monesi<sup>1</sup>, Prawira Fajarinda Belgiawan<sup>2</sup>

<sup>1,2</sup> Bandung Insitute of Technology, Indonesia

**ABSTRACT:** Digital transformation has the potential to improve consumers' lives by providing new opportunities for business firms to create business value. This phenomenon forces the telecommunications industry to become one of the leading industries in digital transformation as the main digitalization mover and to be able to adapt to the changing trends of the digital transformation era. The increasing trend of digitization and consumption of digital media platforms by global and domestic customers has led to a demand for higher bandwidth with high-speed connectivity. This phenomenon creates new business opportunities for the telecommunication industry. With all the developments in the digital era, the telecommunications industry must adapt to achieve new opportunities in transformation and digital ecosystems that are rapidly developing by increasing the economic value and services of more data-oriented companies. This study aims to determine what factors influence customer purchase intention in B2B telecommunication companies, namely the DWS Telkom division under PT Telkom Indonesia, which plays a role and focuses on carrying out wholesale business portfolio management activities. The division's mission is to provide sustainable value to wholesale customers through digital connectivity solutions, digital platforms, and communications. This research was conducted using qualitative methods by interviewing 7 existing customers of Telkom DWS using question guidelines to determine B2B product purchasing factors. Results from interviews with customers were analyzed using the triangulation method. The results show that the factors influencing purchasing decisions in the B2B industry are product quality, service quality, relationship commitment, trust, customer satisfaction, and loyalty.

**KEYWORDS:** B2B Business, Purchase Intention, Qualitative Methodology, Wholesale Telecommunication Industry.

### 1. INTRODUCTION

Since the COVID-19 pandemic, digital entertainment platforms and global telecommunication service providers have benefited due to their industry types and business models. As a factor of shifting work needs from offices to remote work, social distancing has greatly fueled the demand for connectivity and network infrastructure in everyday life and various digital platforms, such as social media, games, and e-commerce, to meet daily needs. Mobile voice traffic increased during this period, with leading communications operators reporting a large increase in voice traffic since the pandemic. In Indonesia, the internet penetration rate reaches 73.7 percent of the total population in 2022. Internet users in Indonesia also increased by 1% to 2.1 million between 2021 and 2022. This phenomenon indicates a high trend of increasing digitalization in Indonesia. The increasing digitalization trends and consumption of digital media platforms by global and domestic customers has resulted in a sudden demand for digital connectivity, digital platform, and digital services. DWS (Wholesale Services Division) Telkom is one of the functions of PT. Telekomunikasi Indonesia plays a role and focuses on executing its wholesale portfolio business management activities. This division's mission is to deliver sustainable value for their wholesale customers through their unique digital connectivity solutions that are the best fit for customers' IT needs to bring them towards agility. To compete in the B2B business market and increase product sales revenue, the company must identify what factors influence customer purchase decisions for B2B products in the telecommunication industry.

### 2. BUSINESS ISSUES

In the B2B scheme's marketing funnel, marketing and sales play an important role in generating revenue for the Wholesale Services Division (DWS) of PT Telkom Indonesia. The growth of Telkom product sales to generate revenue in the Wholesale Services Division continuously experienced a decline in several segments. Meanwhile, some segments experienced product sales increases for Telkom DWS. Furthermore, the unbalanced number of sales deals and revenue contribution from customers per segment affect the growth of Telkom DWS to generate revenue. Through those findings, the Wholesale Services Division of PT Telkom Indonesia needs a new

marketing strategy to increase product sales and create a greater volume of potential customers to generate more revenue for Telkom DWS. To develop a new marketing strategy, Telkom DWS must identify the factors of customer purchase intention so that the new marketing strategy runs effectively.

### 3. LITERATURE REVIEW

Business-to-business (B2B) transactions usually involve a manufacturer, a wholesaler, or a retailer. B2B is conducted between companies rather than individual consumers [1]. In the B2B industry, determining the factors that influence the success of customer purchase intentions in B2B companies can help management to develop marketing strategies and increase product sales, namely product quality, service quality, trust, relationship commitment, price, customer satisfaction, and customer loyalty. Product quality is defined as “how well a supplier's product meets customer specifications and compatibility” [2]. Product quality positively influences B2B customer satisfaction [3]. Trust can be defined as the willingness of one party to depend on another party [4]. Trust has a positive relationship and effect on satisfaction for suppliers rather than buyers [5]. Price is one of the most important functional attributes and factors in determining the purchase of B2B products to achieve B2B buyer satisfaction, which is usually examined through the satisfaction dimension of price policy and includes related aspects in the telecommunications industry [6–8]. In the B2B industry, customers will usually buy more products and more often because they already have a good relationship with suppliers [9–11]. The importance of customer satisfaction lies in its influence on customer intentions to purchase products again and their assessment of brands and products provided by suppliers [12]. Loyalty is when customers repurchase certain products or services regularly, recommend products to other parties, and are immune from promoting other products or services from similar competitors [13]. Loyalty can be evaluated by looking at the customer's intention to repurchase the product, tolerating the price given by the supplier, and cross-buying intention [14].

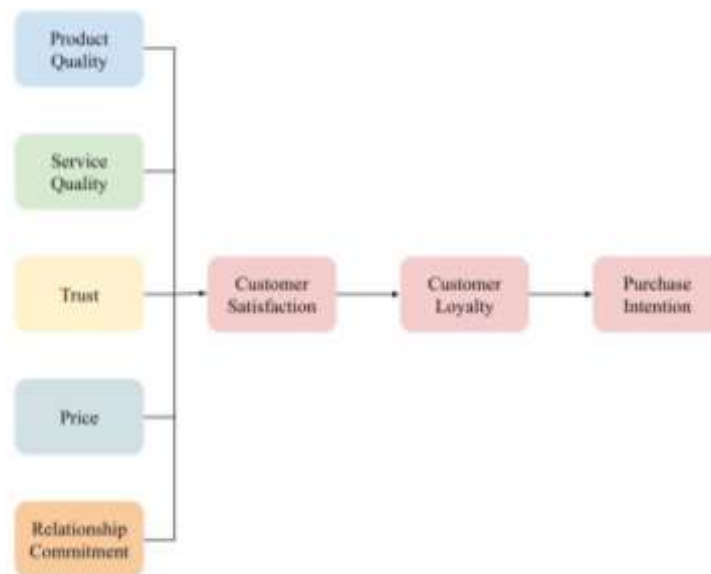


Figure 1. Factors of Customer Purchase Intention in B2B Telecommunication Industry

### 4. METHODOLOGY

The author used semi-structured interviews to collect data with Telkom DWS 7 existing customers based on the company's customer success story questions and needs. The author provides interviews for the research data collection with respondents from Telkom DWS's existing customers in various industries. These respondents can give insights how their perspectives about the factors that influence purchase intention for Telkom DWS's products. The author presents the initial and job titles of the respondents in Table I.



**Table I.** Respondents Background

<i>Group</i>	<i>Objective</i>	<i>Key Informant</i>	<i>Position</i>	<i>Industry</i>
Telkom DWS' Existing Customers	To identify customer's perspectives on the influences of Telkom DWS's purchase intention	K1	Director	Legacy Industry
		K2	Director	Connectivity Industry
		K3	Director	Connectivity Industry
		K4	Director	Connectivity Industry
		K5	Director	Legacy Industry
		K6	Director	Connectivity Industry
		K7	Director	Connectivity Industry

Based on the key information that needs to be collected by research to prove the correctness of purchase intention in the B2B industry in the conceptual framework, the authors designed a list of interview questions for existing Telkom DWS customers. Semi-structured interview with Existing Customers (Telkom DWS Resellers) in Table II.

**Table II.** Interviews Guidances

<i>Stage</i>	<i>Customer Guidance</i>
Customer Problem Identification	What challenges or opportunities did your company have before working with Telkom DWS?
Brand Awareness	How did you find out about Telkom DWS?
Consideration	Apart from Telkom DWS, what companies did your company consider?
Factors of Customer Purchase Intention	What made you finally decide to work with Telkom DWS?
Customer Satisfaction	Can you tell us how you started using Telkom DWS products as a solution for your business? Can you mention special features of our products or services that help your business succeed? Can you tell us about the results and impact that your company got after using Telkom DWS products or services?
Customer Loyalty	Will you work with Telkom DWS for other projects in the future?

The author use triangulation for the qualitative methodology. Triangulation refers to the application and combination of several research methodologies in the study of the same phenomenon and testing the data's validity that gives the researcher confidence that sources have confirmed the data, methods, theories, and between other researchers at different times [15]. The author used triangulation source methodology to collect the data. Source triangulation is the process of testing the validity of the data by confirming research data obtained from different sources. The aim is to give confidence to the researcher that the data is indeed valid and worthy of being research data to be analysed. This process is done by confirming or interviewing sources or parties different from the sources or parties who first provided the data.



Figure 2. Triangulation Methodology

5. RESULT AND DISCUSSION

To validate the conceptual framework and literature review of customer purchase intention in B2B Telecommunication Industry, the authors hold with several existing customers of Telkom DWS. The interview is collected from semi-structured interviews with 7 existing customers in Telkom DWS by answering the interview guidance’s in Table III. The result of the interview details is illustrated in Table III.

Table III. Interviews Results

Objective	Key Informant	Factor of Purchase	Satisfaction	Loyalty
To identify customer's perspectives on the influences of Telkom DWS's purchase intention	KI 3	“We know Telkom DWS from friends who have previously collaborated on other products. We decide to work with Telkom DWS because of the service quality, good communication from Account Manager, and competitive prices from Telkom DWS.”	“The impact is good. Our SMS Masking service contributes quite a bit to the company's revenue.”	“Yes, we will work with Telkom DWS for other projects in the future”
	KI 4	“Product quality and service quality. Telkom DWS provides premium service and wide coverage area in Indonesia.”	“It's hard to believe, but the results are excellent.”	“Yes”
	KI 5	“Account Manager in Balikpapan was very friendly and patient in explaining everything about Telkom DWS, so we chose Telkom as a partner for this internet business cooperation.” “The service and product quality, because Telkom has an extensive infrastructure and is in front of our office, making it easier for us to distribute to our branch offices in the	“By collaborating with Telkom DWS, our main problem has been solved” “By using Telkom DWS, the quality of our internet network is improving, making our customers happy with the current results, it also makes us more excited to reach 5000 subscribers by the end of 2022.	“Yes”



	future. Therefore, we prefer Telkom DWS as our partner.”		
KI 6	“We know Telkom DWS with a referral from Telkom Team Management. We prefer Telkom DWS because the division is extraordinary in nurturing and accommodating our needs.”	“Great results for our business”	“Yes”
KI 7	“Extensive product network services in Indonesia”  “It is a long-time, from the beginning, it has been working with Telkom. Initially, it was served by the Business Service Division. After that, it was served by Telkom DWS.”	“We are satisfied with the results of Telkom DWS services. Our customer needs are very fulfilled.”	“Yes”
KI 8	“Telkom DWS has a prime service. Indeed, in terms of service quality, DWS is quite good. Other operators have lower prices, but the quality from DWS is better.”	“We are very happy with Telkom DWS services.” “After using Telkom's products and services, our range of services has increased, by the commitments made. Our company is also always given a target to achieve, thankfully DWS has helped facilitate it. Thank God, our services can be present in the villages. On the service side we are quite helped. Overall, there is a 20% service increase with the presence of this DWS service.”	“Yes”
KI 9	“The Telkom DWS team is responsive in terms of service. The most helpful Telkom services are Metro and IP transit which have good quality. But the price of IP Transit is still a bit expensive compared to competitors.” “Telkom DWS has competitive prices and on the product side, Telkom's coverage area is good and wide. Telkom Group is the largest eyeball state-owned company. The reputation name of Telkom Indonesia is an attraction to convince end users because of higher quality assurance.”	“Our business is experiencing revenue growth. commitment to increasing revenue that leads to growth. We are more motivated to pursue revenue even though the competition is increasing with extraordinary changes in fiber capacity.”	“Yes”

After interviewing 7 existing customers of Telkom DWS, analysing, and observing the results with triangulation methodology, the authors summarize the interview results. The summary of factors of customer purchase intention in Telkom DWS Indonesia is shown in Table IV.



**Table IV.** The summary of factors of Customer Purchase Intention

<i>Objective</i>	<i>Variable</i>	<i>Key Informant</i>	<i>Summary</i>
To identify customers' perspectives on the influences of Telkom DWS's purchase intention.	Product Quality	KI 4, KI 5, KI 7, KI 8, KI 9	Product quality has a positive effect and can increase product purchases. Telkom DWS provides various products and large product distribution coverage, making it easier for customers to choose and use their products in domestic and international areas.
	Service Quality	KI 3, KI 4, KI 5, KI 8, KI 9	Service quality has a positive effect and can increase product purchases. This happens because of Telkom DWS provides premium and prime services for their various products.
	Trust	KI 3, KI 5, KI 6, KI 8	Trust has a positive effect and can increase product purchases. This is because the name of Telkom's telecom company provides attraction to convince wholesalers and their customers.
	Price	KI 8, KI 9	Price has a negative effect on product purchase intention. This is because the higher the price, the more the customer will rethink buying the product and look for alternative products at a lower price. according to some customers, Telkom DWS has a slightly more expensive price compared to its competitors
	Relationship Commitment	KI 3, KI 5, KI 6, KI 8	Relationship commitment has a positive effect on product purchases. Telkom DWS is quite extraordinary in nurturing and accommodating customer needs. A good relationship between Telkom DWS and its customers can provide conformity aspects to customers when working with Telkom DWS. This can increase customer satisfaction and loyalty and increase product purchases.
	Satisfaction	KI 3, KI 4, KI 5, KI 7, KI 8, KI 9	Satisfaction has a positive effect on product purchases. the higher the satisfaction from customers, the loyalty factor will also increase. Telkom DWS provides various product variations that can solve business problems from wholesalers and increase their revenue targets.
	Loyalty	KI 3, KI 4, KI 5, KI 6, KI 7, KI 8, KI 9	Loyalty has a positive effect on product purchases. the higher the loyalty of customers, the repeat product purchases will increase. Most of Telkom DWS customers will repurchase the products again for their next project.

**6. CONCLUSION**

DWS (Wholesale Services Division) Telkom is one of the functions of PT. Telekomunikasi Indonesia plays a role and focuses on executing its wholesale portfolio business management activities. After analysing the research results, the author came up with a research conclusion. The result conclusion of the factors of purchase intention of Telkom DWS products in the business-to-business telecommunication industry are product quality, service quality, trust, price, relationship commitment, satisfaction, and loyalty. Product and service quality, trust, and relationship commitment positively influence customer satisfaction. Customer satisfaction from customers will increase customer loyalty, and they will re-purchase the products again. However, price still has a negative influence on customers' purchase intentions. The higher the price, the more customers will re-think buying the product and look for alternative products at a lower price, especially for small and medium-sized enterprises (SMEs).

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