ABSTRACT

This thesis is submitted to figure out the correlation between product quality and customer loyalty. The date is obtained through survey by deployed questionnaire to 6 respondent which all of them are limited to Board of Directors corporate customers Nokia Siemens Networks Indonesia. The techinical sample is accidental sampling, meanwhile the analysis method used linear regression.

To figure out the correlation between *Product Quality* and *Customer Loyalty* thus, to be used the R Square or Determination Coefficient (KD), the dimension of R Square is 0,432. Means, 43,2% variability *Customer Loyalty* can be described by variable of *Product Quality*, or dimension of influencing *Product Quality* toward *Customer Loyalty* is 43,2%, the rest 56,8%.

Figuring out the 56,8% has several factors for example the price, relationship between vendor and operator has also major factor operator decide to buy our products. The interesting factor that we don't see that the thing which also has factor on the percentage is that the political issue from government has been involved on the decision making on telecommunication industries. Beyond the variable of *Product Quality*. Value R is 0,657 shows the strong relationship level between variable of *Product Quality* toward variable *Customer Loyalty*.

Key Words : *Product Quality*, Customer Loyalty