

THE INFLUENCE OF SERVICE QUALITY TO CUSTOMER SATISFACTION IN PDAM KUPANG'S SERVICE COUNTERS

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ABSTRACT

Service Quality is very important factor especially for enterprises that engaged in the services sector. Therefore, PDAM Kupang prioritizes the service quality for the sake of customers satisfaction, by trying to improve the quality of service which is expected to be a positive effect towards customer satisfaction. The purpose of this research is to explain the influence of the counters service quality to customer satisfaction in PDAM Kupang's service counters. The result of the regression, the Service Quality influence positively towards Customer Satisfaction ($\beta = 0,231$). The variable of Service Quality has contribution of 53.4% to Customer Satisfaction variable ($R^2 = 0.534$) and the rest influenced by other variables. Based on a comparison between the value of t_{count} and t_{table} ($n-2$) at the 95% level of confidence, it can be drawn the conclusion that the variable of Service Quality influence significantly to variable of Customer Satisfaction. It means that the service quality in PDAM Kupang's service counters have influence to its costumers satisfaction.

Keywords : *Customer Satisfaction, Customer Services, Service Quality*

INTRODUCTION

All business activities, profit or non profit business, will surely try to give best services to their customers. Best services and customer satisfaction-oriented is expected to win the heart of consumers and to create the loyalty to the product or services being

offered. The reason why every business should do "customer driven organisation", customers have desire to fulfill their needs, having the channels of purchasing (time and money), determining the choice and purchasing decisions (Prasetijo and Ihalauw, 2003). Thus, it was encouraged to every business more understanding the needs, desires, tastes and purchasing decision process of customers.

Implementation of "customer driven organisation" by the company is to provide convenience for customers to get their products. According to Carpenter et al (2001), knowing and understanding of customer purchasing behavior is important to achieve a competitive advantage. Definition of service according to Gronroos is an activity or series of activities that are invisible as a result of any such interaction between customers with company employees or other things provided by the company, to solve the customers problems (Ratminto, 2005:2). Service is very important factor especially for enterprises engaged in the service where the physical product is usually supported by a wide range of initial product, the core product is usually a particular service. Hence, it is important knowing about the limitations, the sense and the factors theoretically that influence of the service itself. Customer service is very important for the sustainability of a company, because without customers there is no transaction occurred between them. Thus, company's service activities must be oriented to customer satisfaction.

The object of this research is water supply enterprise (PDAM) in City of Kupang that is local government-owned enterprise, established based on Peraturan Daerah Kota Kupang (local government regulations) number 06 year 2005, about the establishment of the regional drinking water supply enterprise in Kupang City. Before the PDAM Kupang established, the fulfillment of clean water in the city of Kupang is served by PDAM Kupang Regency and Clean Water Unit under the Department of Settlements and Infrastructures of the Kupang City. As a business enterprise that serves the needs of the community, PDAM Kupang City is expected to give an excellent service that can satisfy the whole of its customers.

The Purpose and Benefits of Research

The purpose of this research is to explain the influence of the counters quality service to customer satisfaction in PDAM Kupang. The results of this research will

hopefully provide a variety of benefits that are to provide empirical evidence of the counter quality of service owned by PDAM Kupang towards their customer satisfaction, to evaluate the counters service quality that have been given to the consumer and to get feedback and advice in taking decisions in order to improve services in PDAM Kupang.

LITERATURE REVIEW AND RESEARCH MODEL

Customer Satisfaction

In providing services to customers, service companies trying to meet the demand and expectation of their customers. Customer satisfaction after purchasing depends on the company's performance compared with consumer expectations.

Customer satisfaction is the response of the customer behavior, by comparing between results of performance and expectation that are perceived. This is accordance with Kotler & Keller (2007) stated that the key to customer retention is customer satisfaction. Satisfied customers will :

- Repurchasing (retransaction).
- Say good things about the company to others (recommendation).
- Ignoring competitor's brand and product advertising.
- Buying other products from the same company (crosseling).

According to (Tjiptono, 2007), there are some elements of satisfaction program :

1. The Quality of products and services, companies that implementing a customer satisfaction program must have a good quality product and excellent service. Usually the companies that have customers with high levels of satisfaction tend to provide high level of customer service as well.
2. Loyalty Promotional Program, loyalty promotion program is implemented to establish relations between companies and customers. Typically, the program provides a kind of special rewards (bonuses, discounts, vouchers and gifts associated with the intensity of purchasing or using the company products or services) for regular and loyal customers.
3. Complaint Handling System, according to Schnaars, (in Tjiptono, 1991), handling of complaints is closely related to quality of service/product that working properly

since the beginning of process. If there found such problems, the company tried to fix it immediately through the complaint handling system. The fact showed that most customers experience variety of problems regarding to consumption of products, delivery time and customer service. Therefore, company must have an effective complaints handling system. Effective complaint handling systems require some aspects (Tjiptono, 2000) such as:

- Apology for customers inconvenience.
 - Empathy towards customers.
 - Fast handling of complaints.
 - Fairness in solving problems or complaints.
 - Easy for consumers to contact the company (via toll-free phone lines, letters, email, fax, or face-to-face) in order to convey the comments, criticisms, suggestions, questions and complaints.
4. Warranty, the strategy of unconditional guarantees, according to Hart, 1988 (Tjiptono, 2007), guarantees required to support the success of customer satisfaction. A warranty is a promise conveyed to customers explicitly regarding to the level of performance that customers expect and receive. A good warranty must have some characteristics, such as:
- Unconditional, it means no charged with a variety of regulations, conditions, or exceptions that limit the return policy or compensation.
 - Specific, i.e. the company promises the delivery in accordance with the agreement of the company and the customer.
 - Realistic, such as the granting of realistic and tangible guarantee.
 - Meaningful, include aspects of the services delivery that are important to customers.
 - Expressed in simple language and easy to understand, it is not in the complicated language that related to the law.
 - The price, for sensitive customers, cheap price is usually a source of satisfaction, which is important because it will get value for money. However,

non sensitive customers will see the delivered services according the paid price.

Quality Of Service

Wisnalmawati (2005) states that the quality of services is the expected level of excellence and controlling the level of excellence to meet the demand of the customer. The five dimensions of service quality according to Parasuraman in Lupiyoadi (2004) :

- **Tangible**, physical evidence, the ability of the company to show the existance to external.
- **Reliability**, the company's ability to provide appropriate service as promised accurately and reliably.
- **Responsiveness**, willingness to help and provide fast service directly to customers with clear information.
- **Assurance**, guarantees and certainty, e.g knowledge, manner, and the ability of the company employees to foster a sense of trust from customers to the company
- **Empathy**, provide a genuine attention to individual or personal and understand the demand of the customers

According to Sunarto (2006), the main job of a customer service officer is to provide high quality services to customers. There are steps that can be executed to create a pleasant circumstances for customers (Alma, 1992):

- Creating the atmosphere of an intimate friendship
- Making of customers feel that they are important people.
- Giving trust, so they had a revelation and inspiration
- Giving the easy way in determining their decision.

Measurement of Customer Services Quality Variables

The Dimensions of Service Quality	Statement
Tangible	<ul style="list-style-type: none"> • Room Setup • The cleanliness and comfort of the room • Facilities services • Wearing uniforms and identification • The location is easy to reach by all type of transport • Spacious parking lot
Reliability	<ul style="list-style-type: none"> • Effectiveness of customer services • Equality in Services • Queueing service procedure • Duration of the counter serving customers
Responsiveness	<ul style="list-style-type: none"> • Communication with customers • Clarity in providing information to customers • Quick responses • Have enough knowledge to answer the customers questions and to solve the problems
Assurance	<ul style="list-style-type: none"> • Good maner • Skillful • Friendly • Professionalism
Emphaty	<ul style="list-style-type: none"> • Patience • Giving best service to all customers • Good relationships between officers and customers

Research Model

The research model is described as follows:

Figure 1
Research Model



DISCUSSION

The location of this research was conducted in PDAM Kupang's Service Counters, Jl. SK Lerik No.2 Kelapa Lima Kupang. Period of research was done in September-October 2016.

Determining of Sample Method

According to Sugiyono (2011:81) the sample is part of the number and characteristics of which are owned by the population. The sampling techniques used in this research is Non Probability Sampling, i.e. all elements in the population does not have an equal chance to be selected into the sample (Ferdinand, 2006). This was done because the limited available time, then the sampling method using Accidental Sampling and Convenience Sampling. Accidental Sampling method is determining of samples technique based on coincidence. Respondents coincidentally met with researchers can be sampled if deemed appropriate.

Data Collection Method

Method of data collection is quantitative conducted by survey. Data captured, includes primary data, were processed from the answers of the respondents (PDAM Kupang's customers) related to examined variables.

Data Analysis

Data obtained during the study were analyzed:

a. Description of respondents characteristics (gender, age, occupation)

b. Validity and Reliability Test

Validity Test was applied to know the level of the validity of the questionnaire. Reliability Test of questionnaire was applied to know the consistency of dependence degree and the stability of the measuring instrument.

c. Normality Test

Normality test was done using Graph P-P Plot. The data were regarded to be normal if data formed points spread short distance from the diagonal line.

d. Simple Regression Analysis

Sudjana (2003) explained that Simple Linear Regression is used to find out the dependent variable toward independent variable, which will be calculated by the following equation:

$$Y = a + b_1 X_1 + e$$

Description :

Y = Dependent Variable

a = Constant

b_1 = Coefficient

X_1 = Independent Variable

e = Standard Error

e. t-Test

t-Test was used to find out the partial influence of independent variable (Service Quality) to dependent variable (Customer Satisfaction).

Significance of positive influence could be estimated by comparing the P_{value} and $\alpha = 0.05$ or value of t_{table} and t_{count}

Hypothesis :

H_0 : $\beta_1 \leq 0$, X has no positive influence to Y

H_1 : $\beta_1 > 0$, X has positive influence to Y

f. Coefficient of Correlation and Coefficient of Determination

Coefficient of Correlation (R) is use to find out the direction and strength of relationship between independent variable (X) and dependent variable (Y). Coefficient of Determination (R^2) is used to find out the best level between two variables or is used to measure the contribution of the X variable to variations of Y variables.

Characteristics of Respondents

In data processing, the first step is determining the data characteristics of respondents.

1. Characteristics of respondents based on Gender

Characteristics of respondents based on gender can be found as follows:

Table 1
Characteristics Of Respondents Based On Gender

Gender	People	Percent (%)
Male	17	34
Women	33	66
Total	50	100

Source: Primary Data, processed (2016)

2. Characteristics of respondents based on Age

Characteristics of respondents based on age can be classified as follows:

Table 2
Characteristics of Respondents Based on Age

The age of	Total	Percent (%)
20-30 years	25	50
31-40 Years	13	26
> 40 years	12	24
Total	50	100

Source: Primary Data, processed (2016)

From the table, the majority of respondents aged 20-30 years by as much as 50 %, and age 31-40 years 26 % of respondents.

3. Characteristics of respondents based on Occupations .

Characteristics of respondents based on occupations in this research is mostly housewives (30%) and private employees (28 %).

Table 3
Characteristics of respondents based on occupations

Jobs	Total	Percent (%)
Students/Student	10	0
Government Employees	11	22
Private Employees	14	28
Housewife	15	30
Total	50	100

Source: Primary Data, processed (2016)

Data Analysis

1. Validity Test

Validity Test was applied to know the level of the validity of the questionnaire. A valid questionnaire able to measure what is supposed to be measured. Questionnaire is valid if corrected item total correlation $r_{0.05} = 0,195$. The results of the validity calculation for filled questionnaire by the respondents can be seen in the following table.

Table 4
The Results of Validity Calculation

Variable	Indicator	Corrected item Total Correlation	Description
Reliability	RB1	0.2156	Valid
	RB2	0.2527	Valid
	RB3	0.3224	Valid
	RB4	0.3279	Valid
Responsiveness	RS5	0.4708	Valid
	RS6	0.3572	Valid
	RS7	0.3367	Valid
	RS8	0.4213	Valid
Assurance	AR9	0.3006	Valid
	AR10	0.5133	Valid
	AR11	0.4943	Valid
	AR12	0.3875	Valid
Empathy	EP13	0.4736	Valid
	EP14	0.3406	Valid
	EP15	0.2091	Valid
	EP16	0.2780	Valid
Tangible	TG17	0.2474	Valid
	TG18	0.4936	Valid
	TG19	0.3710	Valid
	TG20	0.4300	Valid
	TG21	0.3640	Valid

Customer Satisfaction	KP7	0.4090	Valid
	KP8	0.4839	Valid
	KP9	0.4662	Valid
	KP10	0.4187	Valid
	KP11	0.3845	Valid
	KP12	0.3304	Valid

Source: Primary Data, processed (2016)

From the results above, all of the empirical indicators that measuring variables are valid.

2. Reliability Test

Reliability Test of questionnaire was applied to know the consistency of dependence degree and the stability of the measuring instrument. Questionnaire is regarded reliable if the value of Cronbach Alpha above 0.60.

Table 5
Reliability Testing Results

No.	Variable	Alpha	Description
1	Quality Of Service	0.859	Highly Reliable
2	Consumer Satisfaction	0.843	Highly Reliable

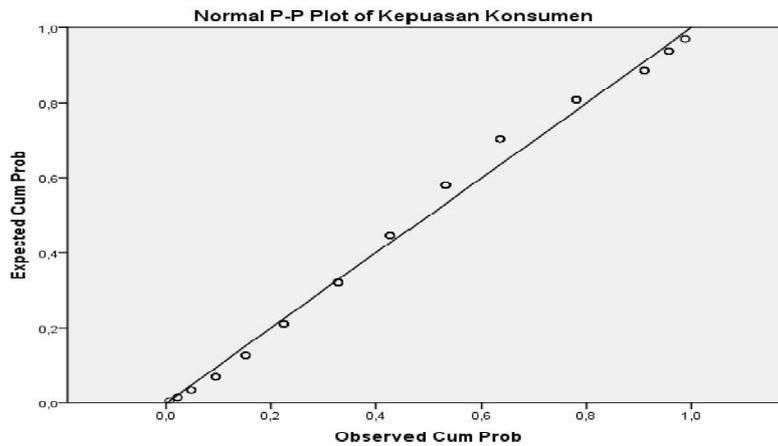
Source: Primary Data, processed (2016)

Table above indicated that all variables had Alpha Coefficient 0.8 (above 0.60), it could be concluded that all items variables questions on the research questionnaire were highly reliable. Further, dissemination of the variable indicator in the questionnaire could be forwarded to 50 respondents and tested into simple linear regression model.

3. Normality Test

Normality test was done using Graph P-P Plot. The data were regarded to be normal if data formed points spread short distance from the diagonal line. Regression analysis results showed normal graph patterns, distribution of points was not far from the diagonal line, as shown in the following figure:

Figure 2
P-P Plot Graph



P-P Plot graph showed the result of test that spots surround the diagonal lines. This indicated that the regression model had already distributed normally.

4. Simple Regression Analysis

Following table presents regression analysis of Service Quality towards Customer Satisfaction:

Table 6
Simple Regression Analysis

Model	Unstandardized Coefficients		Component Coefficients	t	SIG.
	B	STD. Error	Beta		
(Constant)	,569	1.241		,464	,647
Service Quality	,231	,029	,731	10.386	000

From the table above shows the result of a simple regression equation as follows:

$$Y = 0.569 + 0,231X$$

Regression Model can be interpreted that there is a positive influence Service Quality variable to Customer Satisfaction variable. If Service Quality variable increases of 1 unit, it will cause increasing of Customer Satisfaction variable of 0.231 unit and if there is no influence of independent variable (its effects are not significant) then customer satisfaction is 0,569 unit.

5. t-Test

t-Test was used to find out the partial influence of independent variable (Service Quality) to dependent variable (Customer Satisfaction). Following is calculation statistics coefficient of T-test :

Table 7
t-Test results

Model	Unstandardized Coefficients		Component Coefficients	t	SIG.
	B	STD. Error	Beta		
(Constant)	,569	1.241		,464	,647
Service Quality	,231	,029	,731	10.386	000

Source: Primary Data, processed (2016)

Significance of positive influence could be estimated by comparing the P_{value} and $\alpha = 0.05$ or value of t_{table} and t_{count}

Hypothesis :

H_0 : $\beta_1 \leq 0$, X has no positive influence to Y

H_1 : $\beta_1 > 0$, X has positive influence to Y

t_{count} value of the X variable (Service Quality) is 10.386 and $P_{\text{value}} = 0.000$. Using significant limits $\alpha = 0.05$, acquired from t_{table} (95% : 50-2) is 1.677.

Criteria of test : $t_{\text{count}} > t_{\text{table}}$ and $P_{\text{value}} < \alpha$, it means that H_0 is rejected and H_1 is accepted. Thus, Service Quality has significant influence partially towards Customer Satisfaction in case of PDAM Kupang's service counters. It could be concluded that improving of Service Quality will increase Consumer Satisfaction.

6. Coefficient of Correlation and Coefficient of Determination

Coefficient of Correlation (R) is use to find out the direction and strength of relationship between independent variable (X) and dependent variable (Y). Value of correlation : 0 to 1.

Coefficient of Determination (R^2) is used to find out the best level between two variables or is used to measure the contribution of the X variable to variations of Y variables. It expressed in percentage and the rest is influenced by other variables (Ghozali, 2001). Following is the results of Coefficient of Correlation (R) and Coefficient of Determination (R^2)

Table 8
Coefficient of Correlation (R) and Coefficient of Determination (R^2)

Model	R	R Square	Adjusted R Square	STD. Error of Estimate
1	,731 ^a	,534	,529	2.04587

Value obtained +0.731 means that there is a strong positive relationship between the variables Service Quality and Customer Satisfaction. The higher the Service Quality the higher the Customer Satisfaction. The R-square value of 0.534 means that 53.4% variability regarding of Customer Satisfaction in PDAM Kupang's service counters can be explained by independent variable (Service Quality) in the model, while the rest of

45.7% influenced by other variables (price, quality of product, etc.), which is not discussed in the model.

Analysis of Research Results

High quality of service will obtain higher customer satisfaction. There are close links between service quality and consumer satisfaction.

Therefore, PDAM Kupang's service counters emphasized on quality of service for sake their customers satisfaction by trying to improve the quality of service and it was expected to be a positive effect towards customer satisfaction. Questionnaire test was obtained valid and reliable instrument and obtained that variable of Service Quality had positive and significant influence towards the variable Customers Satisfaction in PDAM Kupang's service counters.

From the results of the regression, Service Quality had positive influence towards Customer Satisfaction ($\beta = 0,231$). This means, if Service Quality value increase of one unit, it will raise Customer Satisfaction value of 0.231 and vice versa. Service Quality variable contributed the influence of 53.4% to Customer Satisfaction variable ($R^2 = 0.534$) and the rest by other variables. Based on a comparison between the value of t_{count} and t_{table} ($n-2$) at the 95% level of confidence, it can be drawn the conclusion that Quality Service variable influence significantly to Customer Satisfaction variable. This conclusion was drawn by considering the value of $t_{table} < t_{count}$. Thus, the hypothesis Service Quality has a positive and significant influence to Customer Satisfaction (H_1) was accepted and the hypothesis Service Quality did not have positive and significant influence to Customer Satisfaction (H_0) was rejected (H_0).

CONCLUSION

Conclusion of this research was the variable of Service Quality had positive and significant influence towards the variable Customers Satisfaction. This means that the quality of service in PDAM Kupang's service counters had satisfaction effect to their customers.

Based on the conclusions obtained in this research, it can be suggested as follows:

- The enterprise should further enhance the Service Quality to increases the Consumer Satisfaction.
- Influences of outside variable in this research is small and suggested for another research to examine the variables that have considerable proportion such as price, product variation, distribution, etc.

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