

## THE SATISFACTION LEVEL OF SERVICE QUALITY MANAGEMENT OF PT KAI (INDONESIA RAIL COMPANY)

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### ABSTRACT

*The influence of service quality management (tangibles, reliability, responsiveness, assurance, empathy) to customers' satisfaction of transportation industry plays an important role. This study analyzed the effect of service quality management on the customers' satisfaction of PT KAI (Indonesian's Rail Company). Railway service of Tanjung Balai - Medan route was analyzed with purposive sampling method that in took the 96 respondents. It showed the effect of independent variables (Quality of Service: tangibles, reliability, responsiveness, assurance, empathy) to the dependent variable (customers' satisfaction) was 52.2%. In other words 52.2% of dependent variables could be explained by independent variables, while the remaining 48.5% was explained by other variables not included in the study. The results of this study indicated that simultaneously the quality of service variables positively affected the customers' satisfaction with a significant value of  $0.000 < 0.05$ . While the partial variables: tangibles, reliability, responsiveness, assurance and empathy have a significant effect on customers satisfaction, only responsiveness variable that has no effect on customers satisfaction with significant value  $0.077 > 0.05$ .*

**Keywords:** Service quality management, customers' satisfaction and rail service

### INTRODUCTION

Service Quality is the expected level of excellence and management is hoped to meet the customers' satisfaction. In principle, the quality of services focuses on the efforts to meet the needs and desires of costumers, as well as the accuracy of delivery. It is to balance customers' expectations from the services which make the costumers' satisfied. One of the pickles to create costumers satisfaction is through quality improvement, because the costumers are the main focus when revealing the satisfaction and quality of services. Thus, service issues are the price to be paid by customers and if the company meets the customers' satisfaction, their loyalty will arise.

Customers' satisfaction is the level which perceived performance of the product that will match the expectations of a buyer. Therefore, quality has a close relationship with customers' satisfaction. Quality provides the impetus to the costumers to forge a strong relationship with the company, while satisfaction is the fulfillment response from the costumers. Satisfaction is the result of an assessment of the costumers that the product or service has provided a level of enjoyment where the degree of fulfillment is more or less. Additionally, customers' satisfaction is determined by costumers' perceptions of companies' performances in creating products or services.

Customers' response about PT. Kereta Api Indonesia (PT.KAI) assesses that cleanliness and comfortably can indeed be featured in the business and executive classes. In the service quality of service delivery should be preferred; in this case, safety is a major factor in the business of transportation industry; if the customers' safety has not been maintained, then the

service is considered not to have an excellent quality. If a lot of accidents and also many facilities that have not been sufficient then the service will appear dissonance and also disconfirmation. Dissonance arises from one dissatisfaction / incident which leads to the temporary rejection. A particular service, while disaffection emerges from the existence of disconfirmation, and a belief that a service is in the poor quality, leading to a total rejection of passengers.

### FORMULATION OF THE PROBLEM

The researcher formulated the problem as follows:

How is the influence of service quality to customer's satisfaction of PT KAI (Indonesia's Rail Company) passengers of Tanjung Balai – Medan route?

### RESEARCH PURPOSES

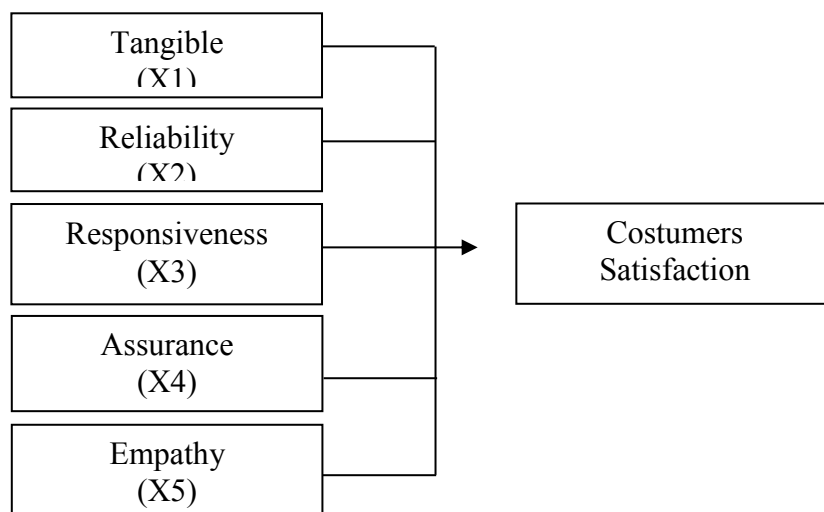
The purposes of the study include:

1. affect of service on the customers' satisfaction of PT KAI Tanjung Balai – Medan route;
2. Level of satisfaction of PT KAI ((Indonesia's Rail Company).

### CONCEPTUAL FRAMEWORK

Customers' satisfaction can be realized if the quality of service perceived by customers equal or at least almost the same as what customers expect in using the services of service providers. To assess the quality of service, Parasuraman et al. (1985) have proposed 5 factors used in assessing service quality; they are tangible, reliability, responsiveness, assurance, and empathy. To realize that, the company must know what is considered important by the customers and the leader, the company must strive to produce the best possible performance so that the service has a good quality so that customers will feel satisfied with the quality of service provided.

Careful service is the main requirement to create customers satisfaction. Price determines the satisfaction of passengers in the use of services, because the determined amount is related to the level of income owned by passengers. The higher amount will cause passengers to think twice in the use of freight services, vice versa if the amount is lower than the passengers tend to use the means of transportation without doing more consideration. To know the attachment of influence between variables can be explained in the following frame below:



## **Service Quality**

The meaning of service quality can be interpreted as one of the achievements to compete and determine success to meet customers' needs. As Lovelock pointed out "A service is an act or performance offered by one party to another. Although the process may be tied to a physical product, the performance is essentially intangible and does not normally result in ownership of any of the factors of production while quality refers to the degree to which a service satisfies customers by meeting their needs, wants and expectations (Lovelock *et al*, 2004)."

The better service provided for the customers, the higher the level of success and quality of the company being overridden and vice versa. Quality of service, in the opinion of Parasuraman, *et al* (In Normasari, 2013) is a comparison between the perceived service (perception) of the customers and the quality of service customers expect. It means that there are two main factors influencing the expected service quality and perceived service. If the service received or perceived in accordance with the expected, then the quality would be perceived good service and satisfactory. If the quality of service received exceeds the expectation of the customers, then the service quality would be perceived as the ideal service quality, but if the service quality received is lower than expected then the quality of service will depend on the provider's capability.

## **The Dimension of Service Quality**

According to the thought developed by Parasuraman *et al* (1985) the quality of service has 5 (five) measurement dimensions, namely:

### *1. Tangible*

That is the ability of a company in proposing its existence to external parties, the appearance, the ability of facilities and physical infrastructure of the company and the environment is evidence of facilities / buildings, warehouses, employee appearance and so forth.

### *2. Reliability*

That is the ability of the company to provide services as promised quickly, accurately and trusted. Performance should be in line with customers' expectations that mean punctuality, equal service for all customers, sympathetic and high-accuracy attitudes.

### *3. Responsiveness*

That is the ability of employees to respond to help the customers and provide fast, precise service and with accompanied the delivery of clear services. In this case the company not only responds quickly to customers complaints arising from unfulfilled promises but also quickly respond to the changes that occur in the market, technology, equipment, and customers behavior.

### *4. Empathy*

That includes the ease of establishing relationships, good communication, personal attention and understanding of individual needs by customers and by trying to understand customers' desires. Where a company is expected to have understanding and knowledge about customers, meet customers specific needs and have a convenient operating time for customers.

## **Determinant Factors of Service Quality**

Determinant factors of service quality level are the factors that cause the occurrence of unfulfilled expectations of service quality from the customers' side, which is often expressed as a model of service quality. Parasuraman, in Khusaini (2016) explained that there are two factors affecting the quality of services, they are:

a) Perceived Service

Perceived service occurs when the service received or perceived by the customers in accordance with expectations, then the quality of services perceived as good quality and satisfactory.

b) Expected service

Expected Service occurs if the service received exceeds customers expectations, then the quality of services perceived as the ideal quality.

The occurrence of this gap is due to the failure of service providers in the delivery of services as a whole in accordance with the dimensions of service quality. The five gaps delivered Parasuraman, Zeithaml and Berry (in Kotler, 2002: 498) is as follows:

- A. The gap between customers' expectations and management perceptions does not always understand exactly what customers want. As a result, management does not know how a service is designed and what support services customers use.
- B. The gap between management perceptions and quality management service specifications may understand precisely what the customers wants, but not set a specific performance standard. This is due to the absence of total management commitment to service quality.

Aaker (in Fikri et al, 2016), factors affecting customers' loyalty are as follows:

1. Satisfaction: Customers will be loyal to a product or service if he gets satisfaction from it.
2. Habitual Behavior: Customers loyalty can be formed due to customers' habits.
3. Commitment: In a strong product or service there are customers who are committed in large quantities.
4. Linking of The Brand: Loyalty is formed and influenced by the level of customers' loyalty in general.
5. Switching Cost: The difference of sacrifice or risk of failure, energy and physical cost incurred by the customers, because he chose one of the alternatives.

### **Customers Satisfaction**

Customers satisfaction is a level where the needs, wishes and expectations of customers can be fulfilled which will lead to the occurrence of repeated purchase or loyalty (Band in Musanto, 2004). While Asep *et al* (2012) defined Customers Satisfaction as a feeling of pleasure that customers perceived after consuming or feeling the results of the performance. The level of customers' satisfaction is a function of the difference between perceived performance and expectations (Khusaini, 2016). According to Kotler, Satisfaction is the feeling of pleasure or disappointment of someone who emerges after comparing the perception of the performance or the outcome of a product and its expectations (Khusaini, 2016). Satisfaction is one of the key elements in an effort to retain existing customers or to attract new customers. Many researchers conducted studies to demonstrate the benefits of retaining these customers. According to Park (in Normasari, 2013) customers satisfaction is a sense of customers as a response to products or services that have been consumed.

Satisfaction is not only obtained when getting a purchased item, but also influenced by service (Logahan and Putri, 2013). Satisfying the needs of customers is the desire of every company. Besides the important factors for the survival of the company, satisfying the needs of customers can enhance the competitive advantage. Satisfied customers of products and

services tend to repurchase products and reuse services when the same needs arise in the future. It means that satisfaction is a key factor for customers in repurchasing which is the largest portion of the company's sales volume. Customers are the main concept of satisfaction and quality of service. In this case the customers play an important role to measure the satisfaction of the product or service received. The meaning of a customer has evolved from a traditional view to a modern outlook can be viewed from Lovelock (2004) said that:

*“Traditional notions of quality (based on conformance to standards defined by operations managers) were replaced by the new imperative of letting quality be customers driven, which had enormous implications for the importance of service marketing and the role of customers research in both the service and manufacturing sectors”.*

According to Fandy Tjiptono, customers in traditional view are defined as who buy and use the product. This traditional view concludes that the customers are the one who interacts with the company before the production process is finished, because they are the users of the product (Harcahyani, 2010). While the customers according to Tjiptono in modern view are: "In the modern view, the concept of customers includes external and internal customers. External customers are everyone who purchases products from the company, while internal customers are all parties within the same organization, who use the services of a particular department (including subsequent processing in gradual production)" (in Manurung, 2007).

## RESEARCH RESULTS

### Characteristics of Respondents

The data collected in this study was done by distributing questionnaires to 96 respondents related to each of the variables studied, both dependent and independent variables, where the dependent variable is customers satisfaction, while the independent variable is service quality consisting of tangibles, reliability, responsiveness, assurance and empathy.

**Table 1. Characteristics of Respondents by Gender**

| <i>Gender</i> | <i>Total</i> | <i>Percentage</i> |
|---------------|--------------|-------------------|
| Men           | 82           | 85.42%            |
| Women         | 14           | 14.58%            |
| Total         | 96           | 100%              |

Table 1 performed the composition of respondents by gender. It showed that male respondents are 82 respondents or 84.42% and female respondents are 14 respondents or 14.58%. The composition gave an illustration that the characteristics of age, the sample studies are quite representative of the population. This reflected that the respondents who have personal savings accounts are among men.

**Table 2. Characteristics of Respondents by Age**

| <i>Age</i>   | <i>Total</i> | <i>Percentage</i> |
|--------------|--------------|-------------------|
| 35 years old | 31           | 32.29%            |
| 36 years old | 65           | 67.71%            |
| Total        | 96           | 100%              |

Table 2 performed the composition of respondents by age. It showed that the age of 35 respondents is 31 respondents or 32.39% and respondents with age 36 years are 65

respondents or 67.71%. The composition gave an illustration that of the characteristics of age; the sample studies adequately represent the population. This reflected that the respondents who have individual savings accounts are aged 36 years and over.

## HYPOTHESIS TESTING

### Coefficient of Determination

The coefficient of determination aims to measure how far the ability of the model, namely the variation of independent variables in explaining the dependent variable. The coefficient of determination R<sup>2</sup> can be seen in table 3.

**Table 3. Coefficient of determinant Summary<sup>b</sup> model**

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .801 <sup>a</sup> | .525     | .435              | 1.27183                    |

a. Predictors: (Constant), Empathy, Reliability, Tangibles, Assurance, Responsiveness

b. Dependent variable : Satisfaction

The value obtained was 52.5 or 52.5% indicating the ability of tangibles, reliability, responsiveness, assurance, empathy able to explain the variations that occur in the satisfaction of 52.5%, while another is explained by other variables not included in this study.

### Test F (Test Simultaneously)

To test this hypothesis, it was used F statistic with decision criteria if  $F_{count}$  is greater than  $F_{table}$ , then  $H_0$  will be rejected and  $H_a$  accepted. Based on table 4 it can be seen that  $F_{count} = 6.847$  and  $F_{table} = 2.36$ , in this case  $F_{count}$  was bigger than  $F_{table}$  and significant value was 0.00 less than alpha value 0.1, so decision taken was  $H_0$  rejected and  $H_a$  accepted. The acceptance of alternative hypothesis showed the independent variables X1 to X5 able to explain the variation of the dependent variable Y in this case tangibles, reliability, responsiveness, assurance, and empathy variables simultaneously had a significant positive effect on customer's satisfaction of PT. Kereta Api Indonesia (PT.KAI) Tanjung Balai. So it stated that the quality of service provided PT. Kereta Api Indonesia (PT.KAI) Tanjung Balai has significant effect on customers' satisfaction of PT. Kereta Api Indonesia (PT.KAI) Tanjung Balai.

*Table 4. Test F (Test Simultaneously) by using F Statistic*

| Model      | Sum of Squares | Df | Mean Square | F     | Sig.              |
|------------|----------------|----|-------------|-------|-------------------|
| Regression | 55.380         | 5  | 11.076      | 6.847 | .000 <sup>a</sup> |
| Residual   | 145.579        | 90 | 1.618       |       |                   |
| Total      | 200.958        | 95 |             |       |                   |

a. Predictors: (Constant), Empathy, reliability, tangibles, Assurances, responsiveness

b. Dependent variable: Satisfaction

## CONCLUSIONS

From the analysis that has been discussed, it may be concluded that:

1. Quality of service consisting of tangible, reliability, responsiveness, assurance and empathy simultaneously have significant effect on customers' satisfaction of railway service user of Tanjung Balai - Medan route. Partially, responsiveness variable does

not significantly influence customers' satisfaction of railway service user of Tanjung Balai-Medan route.

2. Partially, tangibles, reliability, assurance and empathy have significant effect on customers satisfaction of rail company passengers on the route of Tanjung Balai - Medan while the dominant factor affect customers satisfaction is reliability variable.

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