THE EFFECT OF SERVICE QUALITY TOWARDS CUSTOMER SATISFACTION (The Case Study of

JNE Express Bandung)

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Abstract

This research is quantitative research that addresses research objective through empirical assessments that involve numerical measurement and analysis approaches. This research covered performance analysis of JNE Express Bandung throughout service quality dimension. The eight dimensions are tangible, reliability, responsiveness, assurance, empathy, effectiveness, access and scope of service. Population of this research are customers of JNE Express Bandung, and the sample is 400 customers.

Keyword: Customer Satisfaction, Service Quality

1.   Introduction

Competition for trans-shipment cargo has also increased, and the focus has now shifted to the quality of services offered to their customers (Lobo and Jain, 2002). The competition with other freight forwarder companies will increase every year. Therefore, JNE Express should be able to maintain their existence in the industry. According to Gronroos (2007:111), it is important for a firm to manage service quality well, but it is essential for it to manage service failures even better. Frequently the more important issue is that lack of quality cost money. In order to face the issue in JNE Express, the company should measure the quality of service.

There is an issue that blown up to the media is the case in JNE Bandung. In this case, the customer's package was lost in delivery process. The error occurred by JNE Express company in the delivery process, which resulted in the delivered goods do not arrive at the receiver. According to the data from sales and marketing division report of JNE Express Bandung, sales of JNE Express decreased specially in the end of 2014 (period of August until December). The highest sales happend in April then in August, although in August the sales was high after that they were decrease until December. JNE Express Bandung must consider with this situation.

2.   Litterature Review

2.1 Customer Satisfaction

Kotler and Keller (2012:32) said satisfaction reflects a person's judgment of a product's perceived performance in relationship to expectations. Gustafsson (2005) said that customer satisfaction is defined as the overall evaluation of the performance of an offering date. This overall evaluation has a strong positive effect on customer loyalty intentions across of service and products category. Based on those theories, customer satisfaction is the feeling of customers about the products or services performance that will evaluate at the end of consuming them in purpose to know whether the customers make good choices or not.

According to Kotler and Keller (2012, pg.150), many companies are systematically measuring how well they treat customers, identifying the factors shaping satisfaction, and changing operations and marketing as a result. Wise
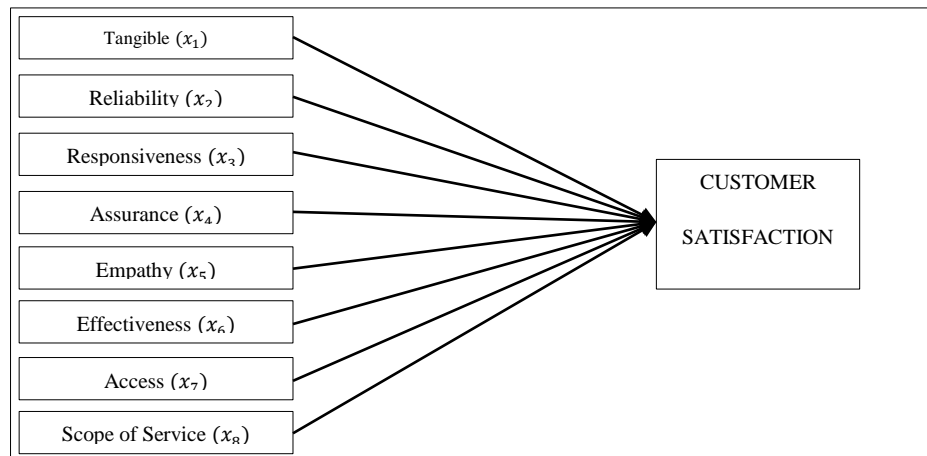
firms measure customer satisfaction regularly, because it is one key to customer retention. A highly satisfied customer generally stays loyal longer, buys more as the company and its products, pays less attention to competing brands and is less sensitive to price, offers product or service ideas to the company, and cost less to serve than new customers because transactions can become routine.

2.2 Service Quality

Zeithaml et al. (2009, 4) define services as services are deeds, processes and performances provided or coproduced by one entity or person for another entity or person. Zeithaml et al. (2009, 111) refer service quality focuses specifically on five dimensions, tangible, reliability, responsiveness, assurance and empathy. In shipping industry there are three additional dimensions, namely effectiveness, access and scope of services (Tsoukatos and Rand, 2006). In relating customer satisfaction and service quality, researchers have been more precise about the meaning and measurements of satisfaction and service quality. Satisfaction and service quality have certain things in common, but satisfaction generally is a broader concept, whereas service quality focuses specifically on dimensions of service (Wilson, 2008, p. 78).

2.3 Research Framework

Based on the deep literature review and benchmarking from the previous researches, this study used the framework by Chatzoglou (2014:350) from international journal of Elsevier (Procedia Economics and Finance 9, 349 – 360, 2014). The selections of this model are based on several considerations, the industry of the company that used by Chatzoglou same with the industry of the company that choose by the author, and then the result of Chatzoglou research show that the eight dimensions have an influence towards customer satisfaction. Sekaran and Bougie (2009) believed that a good abstract of an article can help to decide whether an article is relevant for the study. Chatzoglou (2014) stated that his study purpose is to measure the level of service quality towards citizen satisfaction of Hellenic Post in Greece. The purpose of Chatzoglou (2011) is in line with this study purpose. The following figure will describe the framework research of this study.

Tangible (x_1)

Reliability (x_2)

Responsiveness (x_3)

Assurance (x_4)

Empathy (x_5)

Effectiveness (x_6)

Access (x_7)

Scope of Service (x_8)

CUSTOMER SATISFACTION

Adapted from Chatzoglou (Procedia Economics and Finance 9, 349 – 360, 2014)

FIGURE 2.1 Research Frameworks

2.4 Hypothesis

Based on the research framework above, the hypothesis for service quality that includes; tangible, reliability, responsiveness, assurance, empathy, efficiency, access and scope of service to the customer satisfaction are:

H_1 = Tangible has positive effect to customer satisfaction.

H_2 = Reliability has positive effect to customer satisfaction.

H_3 = Responsiveness has positive effect to customer satisfaction.

H_4 = Assurance has positive effect to customer satisfaction.

H_5 = Empathy has positive effect to customer satisfaction.

H_6 = Efficiency has positive effect to customer satisfaction.

H_7 = Access has positive effect to customer satisfaction.

H_8 = Scope of service has positive effect to customer satisfaction.

H_9 = The eight dimensions of service quality have positive effect to customer satisfaction

3. Methodology

3.1 Research Type

Quantitative research methodology is applied in this research. Zikmund, et al (2010) defines quantitative business research as business research that addresses research objective through empirical assessments that involve numerical measurement and analysis approaches. Quantitative researchers direct a considerable amount of activity toward measuring concept with scales that either directly or indirectly provides numeric value. The numeric values can then be used in statistical computations and hypothesis testing.

3.2 Operational Variable

Independent variables are one that influences the dependent variable in either a positive or negative way (Sekaran, 2010). Independent variables in this research are 8 which are Tangible, Reliability, Responsiveness, Assurane, Empathy, Effectiveness, Access and Scope of Service.

According to Sekaran (2010) Dependent variable is the variable of primary interest to the researcher. Through the analysis of the dependent variable, it is possible to find answers or solution to the problem. Dependent variable in this research is Customer Satisfaction (Y).

3.3 Measurement Scale

The scale used in this study is ordinal scale. Ordinal scale is a ranking scale in which number are assigned to objects to indicate the relative extent to which the objects possess some characteristic. Thus it is possible to determine whether an object has more or less of a characteristic that some other object. (Malhotra, 2010)

In this study, the measurement scale used is a Likert scale. Likert scale is a measurement scale with four response categories ranging from "strongly disagree" to "strongly agree," which requires the respondents to indicate a degree of agreement or disagreement with each of a series of statements related to the stimulus object (Malhotra, 2010).

3.4 Population and Sampling

Based on Sekaran and Bougie (2010:262) population refers to the entire group of people, events, or things of interest for which the researcher wants to make inferences. Therefore the population for this research will use is customers of JNE Express in Bandung. According to Sekaran and Bougie (2010:262) sampling is the process of selection the right individuals, objects, or evens as representatives for the entire population. In this research,

sampling technique that the researcher used is Non Probability Sampling, which is purposive sampling. The number of customers in JNE Express Bandung is fluctuative, because it is hard to find the exact amount of customers, therefore to determine the amount of sample in this research, the technique using from Bernoulli formula. From the formula obtained 400 respondents.

3.5 Data Analysis Technique

Descriptive analysis is a type of conclusive research that has as its major objective the description of something−usually market characteristics or functions (Malhotra, 2010:106). Descriptive analysis is needed in order to analyze each indicators measured in this study. According to Hair (2010:634) Path analysis is an approach that employs simple bivariate correlations to estimate relationships in a Structural Equation Modeling (SEM) model. Path analysis seeks to determine the strength of the paths shown in path diagrams.

4.   Discussion

This study used eight variables as the independent variable which are; tangible, reliability, responsiveness, assurance, empathy, effectiveness, access, scope of service and one variable as the dependent variable which is customer satisfaction. After doing partially testing, there are two variables didn't have influence on customer satisfaction. Therefore, the researcher uses trimming process twice. The table below shows the result after second trimming process.

TABLE 4.1 Model Summaries

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.857[a]	.735	.731	.32493

a. Predictors: (Constant), X7, X1, X3, X5, X4, X2

b. Dependent Variable: Y

From the results show that the adjusted R square in this research is 0.35 It means that **73.5%** of customer satisfaction are affected by Tangible, Reliability, Responsiveness, Assurance, Empathy and Access of service quality. While the rest, which is of customer satisfaction are effected by others variable which are not included in this research.

TABLE 4.2 Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.051	.106		.482	.630
	X1	.210	.047	.216	4.447	.000
	X2	.265	.059	.259	4.525	.000
	X3	.169	.042	.175	4.009	.000
	X4	.089	.047	.092	1.896	.049
	X5	.093	.050	.094	1.868	.040
	X7	.114	.043	.121	2.624	.009

a. Dependent Variable: Y

From the table above, we can come into a formula which is stated as follow:

$$y = 0.216\ X_1 + 0.259\ X_2 + 0.175\ X_3 + 0.092\ X_4 + 0.094\ X_5 + 0.121\ X_7 + 0.265$$

Those equations can explained as follows :

a. There is a significant relationship between independent exogenous Tangible variable and dependent endogenous Customer Satisfaction variable.

b. There is a significant relationship between independent exogenous Reliability variable and dependent endogenous Customer Satisfaction variable.

c. There is a significant relationship between independent exogenous Responsiveness variable and dependent endogenous Customer Satisfaction variable.

d. There is a significant relationship between independent exogenous Assurance variable and dependent endogenous Customer Satisfaction variable.

e. There is a significant relationship between independent exogenous Empathy variable and dependent endogenous Customer Satisfaction variable.

f. There is a significant relationship between independent exogenous Access variable and dependent endogenous Customer Satisfaction variable.

5. Conclusion

Based on the analysis that has been done, there are several issues that can be concluded from this research. These following statements will be representing the conclusion of the study:

1) The response from customers concerning the eight dimensions of service quality are Scope of Service dimension gained the highest score which is 69.9%, then followed by Effectiveness 68.7%, Assurance 67.25%, Tangible 67%, Empathy 66.3%, Responsiveness 65.07%, Access 61.9% and the last is Reliability gained 61.3%. Based on descriptive analysis, Access and Reliability dimension categorized as Bad category. Whereas, in partial hypothesis testing shows that reliability is the most affect variable on customer satisfaction.

2) The response from customers concerning the customer satisfaction is JNE Express Bandung obtained 67.7%, these results prove that customer satisfaction in JNE Express Bandung are less satisfactory because based on continumm line, the persentage is good category but it is near with the minimum score of good category which is 62.5%.

3) From the path analysis, only six dimensions that influence customer satisfaction partially. Those six dimensions are Tangible, Reliability, Responsiveness, Assurance, Empathy and Access. Other dimension (Effectiveness and Scope of Service) did not influence customer satisfaction partially. The most influence is Reliability dimension 20%, then followed by Tangible 16.7%, Responsiveness 12.9%, Access 8.9%, Empathy 7% and Assurance 6.8%. However, eight dimensions of service quality have an influence on customer satisfaction simultaneously which obtained 73.5% (R-square).

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