



**THE RELATIONSHIP BETWEEN SERVICE QUALITY ON CUSTOMER
SATISFACTION**

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Abstract

Purpose of the research was to analyze effect of reliability, responsiveness, assurance, empathy and tangible on satisfaction of customer. The research was an associative one describing correlation between two or more variables. The numbers of respondents as sample were 100 respondents. The research was conducted on customers of Sahid Jaya Hotel in Surakarta, Indonesia. Sample was taken by using purposive sampling technique. Results of the study found that reliability, responsiveness, assurance, empathy and tangible affect customer satisfaction positively.

Keywords – Reliability, responsiveness, assurance, empathy, tangible, customer satisfaction.

I. INTRODUCTION

Satisfaction of customers is an important part of consumer researches. It is also instrumental in determining types of products that can meet their needs and wants. In fact, Tjiptono (1997) stated that making customers to be satisfied can provide benefits, namely:

1. Harmonious relationship between company and its customers can be established.
2. Provide a good reason for repurchase and creation of customer loyalty as well as word-of-mouth recommendations that can be profitable for the company that is, reducing marketing costs.
3. Customer loyalty to a brand needs to be maintained and improved because retaining existing customers is easier and more cost-effective than finding new ones.



Customer is the main focus in discussion of satisfaction and quality of service. According to Nuryakin and Farida (2016) customer satisfaction becomes an important factor for sustainability of service organizations. Therefore, customer satisfaction is a dominant and decisive factor in maintaining and developing a company. According to Keegen (1999) "customer is a person who comes to the same place several times to buy wares or goods." Therefore, companies must have specific and clear goals in order to establish quality.

On the other hand, along with development of Surakarta city today, many storied hotels have been constructed in the city. The presence of star-rated hotels in Surakarta impacts competition in hospitality services, demanding hotel managers to formulate strategies in order to win the competition through customer satisfaction. Viewed from viewpoint of costumers, they are actually not only wanting cheap prices but also a comfort in using hospitality services.

The establishment of many hotels and new apartments in Surakarta city is a challenge for hotel managers to improve customer satisfaction. With a tighter business competition in hospitality sector nowadays, special strategies are needed in attempts of attracting clients or customers. Satisfaction of customer is influenced by several factors: product delivery system, product or service performance, image of corporate /product /brand to price value associated with value received by consumers, employee performance, competitive advantage and weaknesses (Cravens, 1996).

II. PURPOSES OF THE RESEARCH

The study tried to prove empirically determinants of customer satisfaction. Therefore the purpose of the research was to analyze effect of reliability, responsiveness, assurance, empathy and tangible on satisfaction of customer.

III. FRAMEWORK OF THOUGHT

Framework of thought for this study is developed in order to clarify implementation of research and to facilitate understanding of analysis so as not to deviate from the core problems. The framework of the study refers to previous research of Mc Duogall (2000) showing findings that three elements of service consisting of core service quality, relational service quality and perception of value have significant relationship to customer satisfaction. The frame of thought is described as follows:

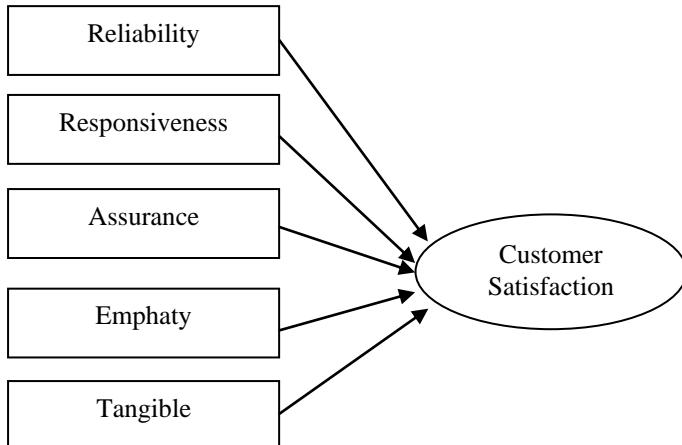


Figure 1.Framework of Thought Model

Based on the figure above, it can be explained that five independent variables (reliability, responsiveness, assurance, empathy and tangible) affects dependent variable (satisfaction of customer).

IV. HYPOTHESES OF THE RESEARCH

A closest concept relating to service quality is described as a customer evaluation of a service provider's performance based on previous experience. As with the case of satisfaction, relevance of quality to long-term success is undoubtedly important (Parasuraman, Zeithaml and Berry, 1988; Rust and Oliver, 1994 in Hennig-Thurau, Gwinner, Gremler, 2002). Based on previous researches, hypotheses of the present research can be formulated as follows:

- Hypothesis 1: Reliability has a significant effect on customer satisfaction.
- Hypothesis 2: Responsiveness has a significant effect on customer satisfaction.
- Hypothesis 3: Assurance has a significant effect on customer satisfaction.
- Hypothesis 4: Empathy has a significant effect on customer satisfaction.
- Hypothesis 5: Tangible has a significant effect on customer satisfaction.

V. METHODOLOGY OF THE RESEARCH

Type of Research

The present research is an associative one describing correlation between two or more variables. An associative research examines causal of independent variables that have effect on dependent variable.



Population, Sample and Sampling Technique

Population is a sum of the whole (one-unit or individual) with specified qualities and characteristics set by researcher to study and then a conclusion is drawn. Population of this study is all consumers who had used services of Sahid Jaya Hotel of Surakarta. Sample is a part of the population with qualities and characteristics are to be examined or investigated, and it is considered to represent the entire population (fewer than the population). Sample of the research is 100 respondents.

The sampling technique of the research is purposive sampling. Purposive sampling is a way of taking sample by limiting sample on persons with special characteristics who are able to provide information because they match criteria required by researcher. This restriction is necessary so that information obtained can be more focused and in accordance with what the researcher wants to know and also, it can save more energy, time and costs.

Scale of Measurement

The research uses a "Likert Scale" to measure answers of respondents to questions of these independent variables about what customer expects from service and about real service received by the customers of Sahid Jaya Hotel. Alternative answers provided are 1 to 5 with scoring as follows:

- 5 = Strongly Agree (SA).
- 4 = Agree (A).
- 3 = Neutral (N).
- 2 = Disagree (D).
- 1 = Strongly Disagree (SD).

Technique of Data collection

Data of the research is primary data collected by conducting direct observation, questioner and guided- interview, so design is made as efficient as possible with tools and techniques as well as characteristics of the respondents.

VI. RESULT OF THE RESEARCH

Analysis of Multiple Regression Model

Statistical test of regression analysis to examine hypotheses of this study can be seen in the following table.

Table 1. Results of Linear Regression Analysis

Model	Coefficients ^a							
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics		
	B	Std. Error	Beta			Tolerance	VIF	
1	(Constant)	10.964	1.639	6.690	.000			
	Reliability	.179	.046	.301	.3.921	.000	.620	1.612
	Responsiveness	.537	.060	.698	8.892	.000	.594	1.683
	Assurance	.152	.062	.198	2.462	.016	.564	1.773
	Emphaty	-.340	.071	-.485	-4.797	.000	.358	2.790
	Tangible	.113	.029	.269	3.971	.000	.800	1.250



Based on results of regression analysis, a regression equation is obtained:

$$Y = 10.964 + 0.179 X_1 + 0.537 X_2 + 0.152 X_3 - 0.340 X_4 + 0.133 X_5 + e$$

(0.000) ** (0.000) ** (0.000) ** (0.016) ** (0.000) ** (0.000) **

Results of the regression analysis can be interpreted as follows:

- a. Effect of reliability on customer satisfaction is positive.
- b. Effect of responsiveness on customer satisfaction is positive.
- c. Effect of assurance on customer satisfaction is positive.
- d. Effect of empathy variable on consumer satisfaction is negative.
- e. Effect of tangible on customer satisfaction is positive.
- f. Responsiveness is the most dominant variable affecting consumer satisfaction.

Statistical Results of F-test

Statistical F-test is intended to examine the significance degree of effect of independent variables on dependent variable collectively. F-test results can be seen in the table below.

Table 2. Statistical Results of F-test

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	247.866	5	49.573	35.808	.000 ^a
	Residual	130.134	94	1.384		
	Total	378.000	99			

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

Based on results of simultaneous test (F test), it is known F value = 35.808 with significance 0.000 < 0.05. Thus, it can be concluded that variables of Reliability, Responsiveness, Assurance, Empathy, and Tangible have effect on consumer satisfaction simultaneously.

Statistical Results of t-test

Result of analysis with t-test is intended to examine effect of each independent variable on dependent variable partially. Based on results of the data analysis, t values were obtained as follows:

Table 3. Results of t-test

Variables	T _{calculation}	Significance	T _{table}	Conclusion
Reliability	3.921	0.000	1.960	Accepted
Responsiveness	8.892	0.000		Accepted
Assurance	2.462	0.016		Accepted
Empathy	-4.797	0.000		Accepted
Tangible	3.871	0.000		Accepted

Source: Data processing, 2017



Results of the statistical testing of effect of each independent variable on dependent variable can be described as follows:

- 1) Effect of reliability on customer satisfaction.

Results of the analysis can be compared that value of $t_{\text{calculation}}$ (3.921) > t_{table} (1.980) with a significance of 0.000 < 0.05, H_0 is rejected meaning that reliability has a significant effect on customer satisfaction.

- 2) Effect of responsiveness on customer satisfaction.

Results of the analysis can be compared that value of $t_{\text{calculation}}$ (8.892) > t_{table} (1.980) with significance of 0.000 < 0.05, so H_0 is rejected meaning that responsiveness has a significant effect on customer satisfaction.

- 3) Effect of assurance on customer satisfaction.

Results of the analysis can be compared that value of $t_{\text{calculation}}$ (2.462) > t_{table} (1.980) with significance of 0.016 < 0.05. It means that H_0 is rejected and assurance variable has a significant effect on customer satisfaction.

- 4) Effect of empathy on customer satisfaction.

Results of the analysis can be compared that value of $t_{\text{calculation}}$ (4.797) > t_{table} (1.980) with a significance of 0.000 < 0.05. Thus, H_0 is rejected meaning that the empathy variable has a significant effect on customer satisfaction.

- 5) Effect of tangible on customer satisfaction.

Results of the analysis can be compared that value of $t_{\text{calculation}}$ (3.971) < t_{table} (1.980) with significance of 0.000 < 0.05, it means that H_0 is rejected and tangible variable has no significant effect on customer satisfaction.

Coefficient of Determination Test

Coefficient of determination examination was conducted to know magnitude of the effect of each independent variable has to dependent variable. Results of the regression analysis for coefficient determination can be seen in the following table.

Table 4. Results of Coefficient of Determination test

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.810 ^a	.656	.637	1.177	2.380

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

Results of R^2 test can be seen from adjusted R^2 with results of 0.656 or 65.6%. It means that 65.6% of variability of the dependent variable can be explained by variability of independent variables, while the rest (34.4%) are explained by other variables other than those examined in the regression model e.g. ability and performance.



VII. CONCLUSION

Results of the regression analysis showed that:

- a. Effect of reliability on satisfaction of customer is positive.
- b. Effect of responsiveness on satisfaction of customer is positive.
- c. Effect of assurance on satisfaction of customer is positive.
- d. Effect of empathy on satisfaction of customer is negative.
- e. Effect of tangible on satisfaction of customer is positive.
- f. Responsiveness is the most dominant variable affecting the satisfaction of customer.

A simultaneous examination of significance obtained value of $F = 35.808$ with significance of $0.000 < 0.05$, so it can be concluded that independent variables affect simultaneously on satisfaction of customers. Results of R^2 test for the adjusted R^2 obtained value of 0.656 or 65.6% meaning that variability of dependent variable to which variability of independent variables can be explained is 65.6%, while the rest (34.4%) are explained by other variables than those examined in the present research.

VIII. RECOMMENDATIONS FOR FUTURE RESEARCH

Suggestions author can provide based on this study are as follows:

1. Results of the present study indicate that effect of service quality dimension on satisfaction of customer is positive. It implies that Reliability, Responsiveness, Empathy and Tangible provided by the hospitality services at present need to be paid attention carefully, so that customer satisfaction can be maintained.
2. Empathy variable has a negative effect on customer satisfaction, so the providers of hospitality service need to pay attention to this variable.
3. Due to limitations of the providers study, so future studies can add other variables in addition to variables examined in the present study. Accordingly, customer satisfaction of hospitality services can be maintained.

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