THE EFFECT OF SERVICE QUALITY AND PRICE TOWARD CUSTOMERS' SATISFACTION AT *TOKO RAJA PULSA* – TERNATE

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ABSTRACT

There has been a rapid growth on technology recently which is as unstoppable as the wave in the ocean. Besides, the social media has been widely known and used by people in all ages and social class around the world. These rapid changes have significantly increased people's spending on internet and cellphone credit. Looking at this phenomenon, the writer and other businessmen are encouraged to open credit counter business in every places and area. Indonesia, as one of developing countries, provides people with several cellular providers. Therefore, people should be careful and smart in spending money for internet and cellphone credit. Although Indonesia consists of many islands, not all areas are covered by cellphone provider. Certain cellular providers dominate some areas as they are able to reach those areas. Then people see cellphone credit business is easily done anywhere by anybody. As a mean of service business, this study is conducted to measure the service quality and price offered affect customers' satisfaction. However, each credit counter business possesses its own strength and weaknesses.

The objective of this study is to figure out how far service quality and price offered have affected customers' satisfaction. Method used in this study is questioner which has been distributed to 75 customers of Toko Raja Pulsa to be further analyzed afterwards.

Keywords: customers' satisfaction, price and service quality

INTRODUCTION

In this globalization era, company is demanded to care more about customers' demand and desire. Thus, company should be able to give its best service to maintain customers' satisfaction unless its competitor may take advantage of this. The quality itself has a strong bond or link toward customers' satisfaction, in which quality motivates customers to make the strong bond with the company. Looking at the unstoppable development in this era, the competition within cellular provider is tightened. Many telecommunication products exist and compete tightly to grab as many customers as possible.

The geographic position of Indonesia, which consists of many islands, makes several cellular providers are not able to reach the outer areas of Java. This condition makes an inequality in the competition itself as only one cellular provider dominates the main islands outside Java. Later on, this is related with the performance and the amount of customers. For example, in Maluku Island there is only one cellular provider which dominates the networking there strongly. Each cellular provider competes to get its customers; as a result, the greater the customers' provider, the stronger the provider's reputability for people there. Besides, many credit sellers or kiosks

exist in the area. The credit sellers or kiosks existence provides people with difficulty in choosing where to buy. The credit sellers or kiosks is then demanded to innovate themselves to avoid bankruptcy. The service quality and price take important roles in doing so. Customers' satisfaction cannot be seen barely, instead by observing the after sales. It can be seen when the customers go back to the place several times, or even become the loyal customers.

LITERATURE REVIEW

The previous study was done by Atmaja (2011) on *Analisis Pengaruh Kualitas Layanan Terhadap Kepuasan Pelanggan (Studi pada Tiket Garuda di PT. Falah Fantastic Tour Travel Bogor)*. In this study, the writer used customers' satisfaction as dependent variable (Y) and service quality as independent variable (X). From the study, it was found that service quality affects positively and significantly toward customers' satisfaction.

Besides, another study was conducted by Subagio (2013) on *Pengaruh Kualitas Layanan Terhadap Kepuasan Pelanggan Restoran Ayam Penyet Ria*. The writer took service quality as independent variable. The result of the study showed that service quality simultaneously and significantly affect customers' satisfaction of *Ayam Penyet Ria*.

In one study which used *SERVQUAL* theory proposed by *Parasuraman et al.*, there were five dimensions placed on the service quality. They were tangibles, reliability, responsiveness, assurance and empathy. Each dimensions possessed several indicators. Price is defined as the value of a thing, declared by money (Alma, 2013). Besides, price can also be defined as cost given by producer to consumer (Nirwana, 2012). Lovelock in Fadillah (2015) stated that, "customers' satisfaction is an emotional condition and customers' after sales reaction in form of anger, dissatisfaction, aggravation, joyful, pleasant or neutral."

RESEARCH METHODS

In this study, the method used is questioner or survey. The sample is taken from certain population and location which is Ternate Island. The population is the whole customers in one of the store in Ternate, in which they are actively purchase cellular credit. The total population is 300, using *Slovin* formula there is 75 samples that represent the whole population. Technique used is probability sampling. Questioners are distributed to respondents. The variables of this study consist of independent variables (X) which are tangibles (X_1), reliability (X_2), responsiveness (X_3), assurance (X_4), empathy (X_5) and price (X_6) with dependent variable (Y) customers' satisfaction.

The data analysis technique used in this study is quantitative in nature that used statistic accountability of number to be interpreted in form of description or narration. Test used are F test, t test, classic assumption test and coefficient of determination (R^2).

Validity test shows the instrument capability to measure the things measured. This study used Product Moment Pearson test in which the correlation of each score and total score is aimed to figure out the properness of each statements in defining one single variable. The validity is accepted on the account of significant level <0.05.

Reliability test is used to find out how far the questioners are trustworthy or reliable using the method of *Cronbach alpha* > 0.6 and the score of *Cronbach alpha if deleted* is less than *Cronbach alpha*. On the other hand, the analysis technique is multiple analysis in which used for more than two variables. The classical assumption test used consists of normality test, multicollinearity test, Heteroskedasticity test, autocorrelation test, and Linearity test.

RESULTS AND DISCUSSION

The total respondent of this study is 75 people which is 24% male and 76% female. From the result of the study using Validity test Product Moment Pearson method, it is earned sig value for each variable X_1, X_2, X_3, X_4, X_5, X_6 and Y less than 0.05. Thus, it can be stated that all the items on variables used in this study are valid. Reliability test is used to figure out how far the

instrument used is proper or reliable. Using the Cronbach Alpha > 0.6 method, it is proved that variables X_1, X_2, X_3, X_4, X_5, X_6 and Y have got cronbach alpha value > 0.6. The instrument is reliable.

Normality test is used to figure out whether the residual variable is distributed normally. Using the *Kolmogrov-Smirnov* test with sig value > 0.05 it is found out that the score of normality test with significant value is 0.709 which is more than 0.05. Therefore, the residual data is distributed normally.

Multicollinearity test is used to figure out whether there is a linier relation among independent variables. By looking at the VIF value < 10, it can be stated that there is no multicollinearity. VIF value for each independent variable: tangibles (X_1), reliability (X_2), responsiveness (X_3), assurance (X_4), empathy (X_5) and price (X_6) is 2.070; 1.996; 2.349 ; 2.333 ; 2.190 and 1.647. Since the VIF value of all is <10, it can be said that there is no multicollinearity among the independent variables.

Autocorrelation test is used to figure out whether there is correlation between mistake from t period and the previous period within one linier regression. Using the Durbin-Watson test with the sig value 0.05 it is found out that: Within a study of *n* (the amount of sample) = 75, and *k* (the amount of independent variables) = 6; Du value = 1.8013 and (4-Du) = 2.1987 from the Durbin-Watson table. Besides, from the table it is figured out that DW value is 2.052. Since the criteria of having no autocorrelation is DW value should be located between Du and (4-Du), it can be sketched Du < DW < (4-Du) is 1.8013 < 2.052 < 2.1987. To conclude, there is no autocorrelation.

Heteroskedasticity test is a condition where there is no similarity in residual variable on regression model (Priyatno, 2013). This study use the *Glejser* test by regressing the absolute residual value collected from regression model. The requirement of no Heteroskedasticity is by having sig value > 0.05. *Tangible* (X_1), *reliability* (X_2), *responsiveness* (X_3), *assurance* (X_4), *empathy* (X_5) and price (X_6) is each for 0.618, 0.673, 0.945, 0.171, 0.707 and 0.5. It can be seen that the sig value > 0.05. Thus, there is no Heteroskedasticity in residual variable and the regression result is proper to produce decision.

Linearity test is used to figure out the linearity relation between data connected with the sig linearity value < 0.05. From the test it is found that all the variables have got sig linearity value less than 0.05 and therefore fulfilled the criterion of linearity test.

Double regression test analysis is used to figure out the effect of more than two variables toward dependent variable (Sunyoto, 2012).

Table 1
The Results of Double Regression

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Constant)	0.770	0.131	
X_1	0.004	0.34	0.006
X_2	0.008	0.035	0.011
X_3	0.094	0.036	0.147
X_4	0.071	0.035	0.111
X_5	0.098	0.031	0.166
X_6	0.556	0.037	0.693

From Table 5.33 the double regression value that can be deduced is as follows:
$Y = 0.770 + 0.004X_1 + 0.008X_2 + 0.094X_3 + 0.071X_4 + 0.098X_5 + 0.556X_6$

F test shows that all the independent variables put in the model have affected simultaneously toward the dependent variable. Below is the result of F test :

Table 2
F Test Result

Model	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
Regression	9.696	6	1.616	115.434	0.000
Residual	0.952	68	0.14		
Total	10.647	74			

Source: Appendix E

Based on table 5.34 it is known that the sig value is 0.000 which < 0.05 with F value for 115.434. It means that the variables of *tangible* (X_1), *reliability* (X_2), *responsiveness* (X_3), *assurance* (X_4), *empathy* (X_5) and price (X_6) are simultaneously and significantly affected the customers' satisfaction (Y).

Through T test is produced the analysis of each variables toward the dependent variable (customers' satisfaction). Below is the result of T test:

Table 3
t test Result

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.770	0.131		5.893	0.000
Tangible (X_1)	0.004	0.034	0.006	0.112	0.911
Realibility (X_2)	0.008	0.035	0.11	0.220	0.827
Responsiveness (X_3)	0.094	0.036	0.147	2.638	0.010
Assurance (X_4)	0.071	0.035	0.111	2.002	0.049
Empathy (X_5)	0.098	0.031	0.166	3.101	0.003
Price (X_6)	0.556	0.037	0.693	14.884	0.000

Source: Appendix E

There are several findings found in the table. First, the sig value of *tangible* (X_1) variable in the table is 0.911 in which bigger than 0.005. Thus, Ho is accepted and Ha is rejected. It means *tangible* (X_1) variable, individually, has no significant effect toward customers' satisfaction (Y). Second, the sig value of *reliability* (X_2) variable in the table is 0.827 in which bigger than 0.05. Therefore, Ho is accepted and Ha is rejected. It means *reliability* (X_2) variable, individually, has no significant effect toward customers' satisfaction (Y). Third, the sig value *responsiveness* (X_3) variable in the table is 0.01 in which less than 0.05. As a result, Ho is rejected and Ha is accepted. In other words, the *responsiveness* (X_3) variable, individually, affects the customers' satisfaction (Y) significantly. Fourth, the sig value of *assurance* (X_4) variable in the table is 0.049 in which less than 0.05. Hence Ho is rejected and Ha is accepted. It can be inferred that *assurance* (X_4) variable, individually, has affected the customers' satisfaction (Y) variable significantly. Fifth, the sig value of *empathy* (X_5) variable in the table is 0.003 in which less than 0.05. Then, Ho is rejected and Ha is accepted which means *empathy* (X_5) variable , individually, affected the customers' satisfaction (Y) variable significantly. Sixth, the sig value of *price* (X_6) in the table is 0.000 in which less than 0.05. This resulted in the rejection of Ho and acceptance of Ha. In other words, *price* (X_6) variable, individually, has affected the customers' satisfaction (Y) variable significantly.

The coefficient of determination test (R^2) is used for measuring the model's capability in explaining the dependent variable.

Table 4
The Coefficient of Determination Test Result

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.954	0.911	0.903	0.11832

Source: Appendix E

Based on table 5.36, the value of correlation coefficient (R) is 0.954 which revealed a strong bond between independent variable and dependent variable. The value of determination coefficient (R^2) is 0.903 which explains there are 90.3% variants on dependent variable (customers' satisfaction) related to independent variables of*tangible* (X_1), *reliability* (X_2), *responsiveness* (X_3), *assuranc*e (X_4), *empathy* (X_5) and price (X_6). The rest of it, 9.7%, is explain on the account of other variables which are not included in this study.

CONCLUSION

From the finding and discussion of this study, it can be concluded that *tangible, reliability, responsiveness, assurance, empathy* and price has affected positively and significantly toward customers' satisfaction as a whole. Partially, there are two variables which does not significantly affect other variables: *tangible* and *reliability*. In this study, price has dominantly affected the customers' satisfaction.

The suggestion from this study for one of cellular credit counter in Ternate is to maximize the performance and honesty of the human resource. Besides, innovation should take place for the future products. On the other hand, another suggestion is for the next study. Further study should include other variables such as customers' loyalty and the population should be taken from other places, such as Java, where competitiveness is more complex.

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