

ANALYSIS OF EFFECT OF SERVICE QUALITY, QUALITY PRODUCTS, AND PRICES ON CUSTOMER SATISFACTION (Case Study at PT Asuransi Tri Pakarta Customer Branch Semarang)

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ABSTRACT

The purpose of the study was to analysis: (1) the impact of service quality on customer satisfaction on PT Asuransi Tri Pakarta Semarang, (2) inflence of product quality for customer satisfaction on PT Asuransi Tri Pakarta Semarang, (3) the effect of price on customer satisfaction on PT Asuransi Tri Pakarta Semarang.

The population of this study were customers of 75 employees on PT Asuransi Tri Pakarta Semarang. This study was a population. The Data of this study was collected by using questionnaire. Data analysis was conducted by multiple regression analysis.

The result shows that (1) there is influence service quality, product quality and price on customer satisfaction on PT Asuransi Tri Pakarta Semarang.

Keyword: Service Quality, Product Quality, Price and Customer Satisfaction.

INTRODUCTION

Along with the rapid development of the times, the competition in the increasingly harsh effort between entrepreneurs engaged in their respective fields. The businessmen are expecting the maximum benefit in many ways, especially in meeting the needs of its customers so expect customers will be satisfied.

In this case the role of marketing is very important, so the marketers are required to understand well what to do as a marketer. Start paying attention to quality of service, product quality and price are given in order to meet the needs of customers with the goal of generating satisfaction to the customers.

Marketing is not just how to deliver products from producers to customers alone, but also how to deliver these products at a price and get optimum satisfaction. With the fulfillment of customer satisfaction is the company will earn a profit, that profit the company can be growing and can maintain its existence in the world of commerce. Similarly, to do PT Asuransi Tri Pakarta.

Table 1
PT Asuransi Tri Pakarta Semarang Branch Customer Complaints

Complaint Type	2012	2013	2014	2015	2016
Delays Claims	192	212	265	243	278
Insufficient Value Claims	75	188	104	113	125
Rejection Claim	329	362	365	372	388

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From the above data shows that the number of complaints of policyholders from year to year increasing it indicates that in the handling of claims delays do occur many companies in because the number of claims that are too large will be undertaken by the customer of PT Asuransi Tri Pakarta.

The phenomenon that occurs in PT Asuransi Tri Pakarta is the high premium given the insurer for the premium to the insurer has a different premium levels. So many customers who often compare the premiums on every company here the company also had to follow the price provided by the other insurance. Such problems make price decline, where it is supported by research results Johannes Gerardo Runtunuwu (2014) on the effect of product quality, price and quality of service to customer satisfaction cafe and resto Manado branch showed that the quality of service affects positively for customer satisfaction.

From the description above, the problem in this study could also be attributed handling customer complaints PT Asuransi Tri Pakarta. The formulation of the problem for this research is how the efforts of PT Asuransi Tri Pakarta complaint handling can reduce the number of claims so that customer satisfaction can be achieved. Research questions that arise are as follows:

1. How service quality affects customer satisfaction PT Asuransi Tri Pakarta?
2. How product quality affects customer satisfaction PT Asuransi Tri Pakarta?
3. How price affects customer satisfaction PT Asuransi Tri Pakarta?

LITERATURE REVIEW

Customer Satisfaction

Customer satisfaction is an important thing for a company. Usually seen the slogans "The customer is king". The word satisfaction is derived from the Latin "*satis*" means good enough, adequate and "*facio*" which means to do or make. It not only indicated satisfaction with the benefits, both for companies and customer satisfaction it also is a great feeling (Wilkie, 1994).

Service Quality

Parasuraman, et al. (1998) defines quality of service as a basis for marketing services, because the core product being marketed is a performance (quality), and the performance is also to be purchased by the customer. Therefore, the quality of service performance is the basis for the marketing of services. Quality of service is the expected level of excellence and control over the level of excellence to meet the customer (Tjiptono and Diana, 1998).

Another understanding of the quality of service that is to describe the quality of service, such as the degree to which a service meets needs or expectations of the customer (Lewis and Mitchell, 1990; Dotchin and Oakland, 1994A; Asubonteng et al., 1996, Wisniewski and Donnelly, 1996). In relation to the perception of the quality, the image can be viewed as filter (Fandy Tjiptono, 2000). Indicators of quality of service is as follows:

1. Stows neatly dressed employees
2. Employees serve customers appropriately
3. Employees continue to help customers
4. Employees are knowledgeable about the product

5. Employees have personal attention to the customer

Product Quality

Quality is a dynamic condition related to products, services, people, processes, environments that meet or exceed expectations (Tjiptono 2002) according Wykof (in Lovelock, 1990). Objective quality refers actual technical superiority of a product which can be verified and measured (Monroe & Krishman 1985) In contrast, the impression of quality is customers' assessment of overall product excellence or superiority (Zeithaml 1988). The quality of products that are perceived global ratings ranging from bad to good, marked by a high level of abstraction and refers to setting a specific consumption.

Dimensions Product Quality

In the opinion of David A. Garvin (in Mowen, 2001), the dimensions of the quality of products, namely:

- a. Performance, the performance of the main and principal operating characteristics of the product. How well a product does indeed supposed to do. For example, in terms of operation, speed, ease, and convenience of a product.
- b. Features, additional features, namely a secondary or complementary characteristics of a product. Decorations that complement or enhance the function of a product.
- c. Reliability, the probability of damage or malfunction and consistency of performance of the goods. The product's ability to survive during ordinary use.
- d. Durability, life of the product, the life span of products and the general strength.
- e. Services, easily and quickly corrected.
- f. Aesthetics, how the products seen, felt and heard. The product quality is not as dependent on the functional capabilities, but also its beauty.
- g. In accordance with the specifications, the extent to which the characteristics are designed and operated to meet the standards that have been set previously.
- h. The quality of reception, a category including the influence of brand image and other intangible factors that can affect customer perception of quality.

According Fandy Tjiptono (2006) indicators of the quality of products is as follows:

1. performance
2. The characteristics or additional privileges
3. Compliance with specifications
4. Perceived quality

Price

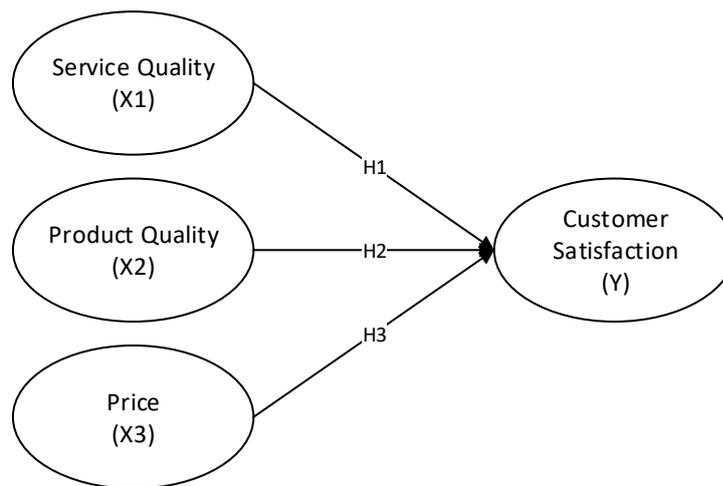
According to Kotler and Armstrong (2001: 493) that the price is the amount of money charged for a product or service, or the amount of value in exchange for the customer on the benefits for owning or using a product or service. Price is often an indicator of value when the price is linked to the perceived benefits of goods or services which at a certain price level when the perceived benefit of customers increases, then the value will increase as well. Similarly, at a certain price level, the value of goods and services will increase with the increasing perceived benefits.

Price is the amount of money charged for a product or services, or the amount that customers value exchanged for the benefit of owning or using a product or service (Kotler and Armstrong, 1995). According to Basu Swastha (2000) prices is the amount of money needed to get some combination of goods as well as services. Price is a redeemable value customer with the benefits of owning or users of products or services whose value is set by buyers and sellers through bargaining, or set by the seller for the same price to the buyer (Umar 2002). Meanwhile, According Tjiptono (2009), In simple terms can be interpreted as price or the amount of money (monetary units) and other aspects (non-monetary) that contain a particular utility or usability required to obtain a service.

According to Hasan (2008) price indicators are as follows:

1. Affordable price
2. Conformity prices with quality products
3. Price competitiveness
4. Conformity prices with benefits
5. Special discounts

Theoretical Framework



Hypotheses

H₁: Quality of Service affects customer satisfaction.

H₂: The product quality affects customer satisfaction.

H₃: The price affects customer satisfaction.

RESEARCH METHOD

The population is the total number of units of analysis whose characteristics would be expected, or it can also be interpreted as a set of elements that the object of research. As is used as the population in this study is the insurance customers of PT Asuransi Tri Pakarta.

The sample in this study is determined by the provisions according to Roscoe, 1975 (in Sekaran 2003, Hair et al, Tabachic & Fidell) obtained general guidelines that can be used to determine the amount of sample is in the multivariate study, sample size is set at 25 times the

independent variable. The regression analysis with three independent variables requires the adequacy of a sample of 75 samples of respondents. (Ferdinand, 2013: 173).

Based on the above provisions, the number of samples used in this study are three independent variables multiplied by 25, thus becoming 75 respondents.

The sampling method used is *random sampling*. *Random sampling* is a sampling of sampling in which all members of the population have the same chance as the sample. The sample in this study is that insurance customer of PT Asuransi Tri Pakarta Semarang.

Collecting data was conducted by delivering or distributing a list of questions to the respondents, with the hope they will provide a response base on the question. The list of questions can be open, if the answer is not predetermined, while clandestine if alternatives answer has been provided (Umar, 2002).

Multiple regression analysis is applied to analyze the influence of the independent variable (X) to the dependent variable (Y). The research model used is:

$$Y = a + b_1 \cdot X_1 + b_2 X_2 + b_3 \cdot X_3 + e$$

Where:

Y = Customer Satisfaction

a = constant

b_1, b_2, b_3 = coefficient of regression

X_1 = Quality of Service

X_2 = Quality of Products

X_3 = Price

e = Error

Hypothesis testing

The t-test is a test to analyze the significance of the influence of the independent variable on the dependent variable partially. The t-test to determine the significance of the research results need to be tested as follows:

- a. Determining the formulation of a hypothesis H_0 and H_a variable quality of service, product quality, and price.

$H_0: \beta = 0$ (no positive and significant influence between the variables of service quality, product quality, and price partially on customer satisfaction)

$H_a: \beta > 0$ (no positive and significant influence between the variables of service quality, product quality, and price partially on customer satisfaction)

- b. The significant level $\alpha = 0.05$

sample n

t table = (α, nk)

- c. How to calculate t

$$t = \frac{\beta}{sb}$$

Information:

β = coefficient of regression

sb = standard error (error) each regression

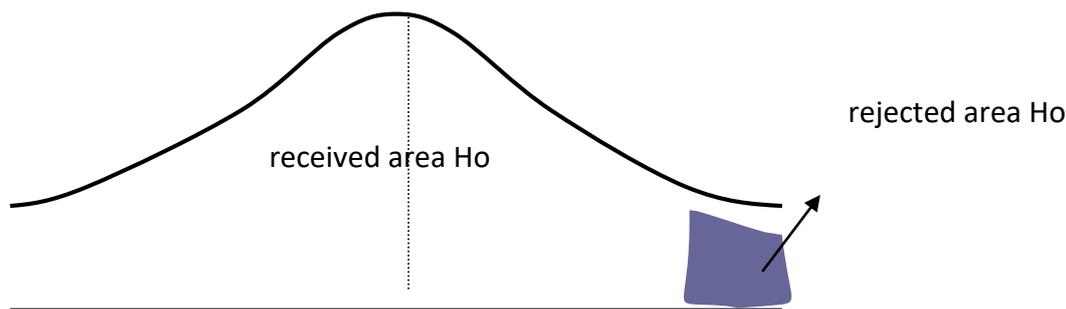


Figure 1: t Test

Conclusion satisfaction:

1. If $t < t_{table}$, then H_0 is received and H_a is rejected, which means there is no positive and significant effect of the variable quality of service, product quality, and price partially to customer satisfaction.
2. If $t > t_{table}$, then H_0 is rejected and H_a is accepted, which means there is a positive and significant effect of the variable quality of service, product quality, and price partially to customer satisfaction.

Analysis The coefficient of determination (R^2)

The coefficient of determination (R^2) essentially measures how far the ability of the model to explain variations in the dependent variable. *Adjusted R^2* is small means that the ability of the independent variables in explaining the variation of the dependent variable are very limited. A value close to the mean of independent variables provide almost all the information needed to predict the variation of the dependent variable (Ghozali, 2011).

RESULTS AND DISCUSSION

Multiple Linear Regression Analysis

Based on the multiple regression calculation between quality of service (X1), product quality (X2) and price (X3) on customer satisfaction (Y) with the assistance of SPSS in the calculations can be obtained the following results:

**Table 2:
Hypotheses Testing Results**

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.544	.890		.612	.543
Service quality	.395	.106	.412	3708	.000
Product quality	.374	.108	.333	3461	.001
Price	.184	.083	.221	2215	.030

$$Y = 0.412 X_1 + 0.333 X_2 + 0.221 X_3$$

Information:

Y: Customer Satisfaction

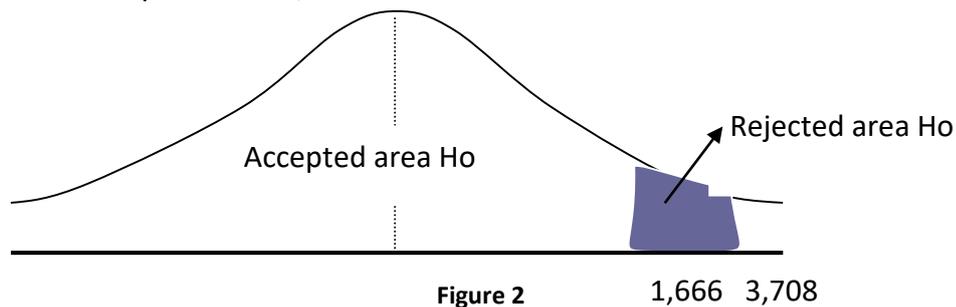
X₁: Quality of Service

X₂: Quality Products

X₃: Price

Hypothesis 1 (H₁)

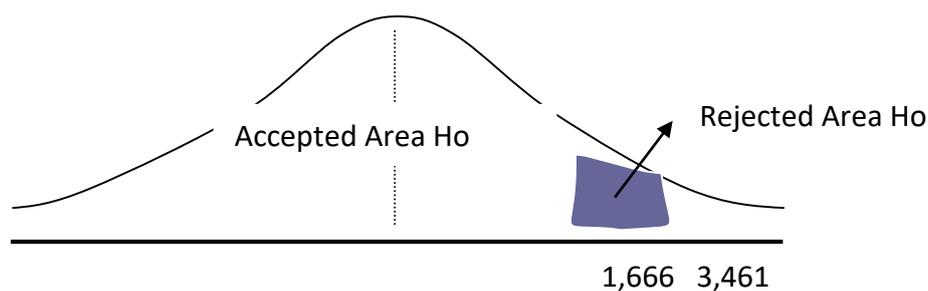
From the calculation results obtained by value t count for X₁ is 3.708 and the use *level of significance* (significance level) of 5% is obtained t table by calculating $df = nk = 75-3 = 72$, t table of 1.666, which means that the value of t greater than the value t table is $3.708 > 1.666$. The value of significance t (0.000) is less than 5% indicates that the variable quality of service (X₁) has a significant positive effect on customer satisfaction (Y). It can be concluded that Ho is rejected and Ha accepted, so the hypothesis that the alleged existence of significant positive influence between service quality variables (X₁) of customer satisfaction (Y) can be accepted. The description above, can be described as follows:



Hypothesis 2 (H₂)

From the calculation results obtained t value for X₂ is 3.461 and the use *level of significance* (significance level) of 5% is obtained t table by calculating $df = nk = 75-3 = 72$, t table of 1.666, which means that the value of t greater than the value t table is $3.461 > 1.666$. The value of significance t (0.001) is less than 5% indicates that the quality of the product (X₂) has a significant positive effect on customer satisfaction (Y).

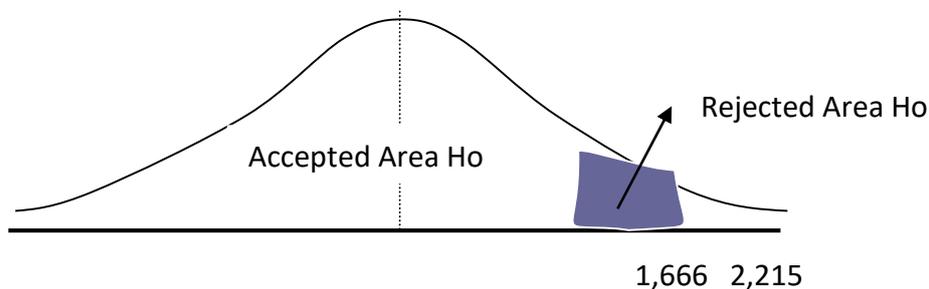
It can be concluded that Ho is rejected and Ha accepted, so the hypothesis that the alleged existence of a significant positive effect between the variable quality of the product (X₂) of customer satisfaction (Y) can be accepted. The description above, can be described as follows:



Hypothesis 3 (H₃)

From the calculation results obtained by value t count for X₃ is 2,215 and by using *the level of significance* of 5% is obtained by calculating $df = nk = 75-3 = 72$, t table of 1.666, which means that the value t is greater than t table is $2.215 > 1.666$. The value of significance t (0,030) is less than 5% indicates that the price variable (X₃) have a significant positive effect on customer satisfaction (Y).

It can be concluded that H_0 is rejected and H_a accepted, so the hypothesis that the alleged existence of a significant positive effect between price variable (X_3) of customer satisfaction (Y) can be accepted. The description above, can be described as follows



Coefficient of determination (R^2)

The purpose and goal is to measure the coefficient of determination of the scale of regression model (independent variables) in explaining the dependent variable.

Table 3:
Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.919 ^a	.844	.837	1277
a. Predictors: (Constant), Price, Quality Products, Quality Service				
b. Dependent Variable: Customer Satisfaction				

Results of regression calculation shows that the value determination coefficient shown by the Adjusted R square value of 0.844 which indicates that the magnitude of a variable percentage of customer satisfaction is able to be explained by the variable quality of service, product quality and price by 84.4%. While the remaining 16.3% (100% - 84.4%) is explained by other variables that are not observed in this study.

CLOSING

Conclusion

Based on the research that has been done. Then it can be obtained the following conclusions:

1. Based on the results of hypothesis testing, service quality variables positively and significantly to the customer satisfaction PT Asuransi Tri Pakarta Semarang branch. The quality of service is better; it can improve customer satisfaction.
2. Based on the results of hypothesis testing, variable product quality and significant positive effect on customer satisfaction PT Asuransi Tri Pakarta Semarang branch. Product quality is better; it can improve customer satisfaction.
3. Based on the results of hypothesis testing, the price variable positive and significant impact on customer satisfaction PT Asuransi Tri Pakarta Semarang branch. Appropriate pricing and accordingly will increase customer satisfaction.

Suggestion

Based on the analysis and conclusions on the company expected this research can be used as input or as consideration for the permanent increase customer satisfaction, by increasing

customer satisfaction, the company's goals can be achieved as expected. From the results of this study can be obtained a few suggestions that can be expressed by the author, namely:

1. At the variable quality of service, the employee indicator always helping customers there are still some respondents who expressed a lack of quality of service, and therefore the leadership of PT Asuransi Tri Pakarta Semarang branch employees need to pay attention in helping the customer for all purposes related to customer satisfaction.
2. In the variable product quality, perceived quality indicators are some of the respondents who expressed a lack of quality of the products provided by the insurer, and therefore the management of PT Asuransi Tri Pakarta Semarang branch should be able to provide a variety of quality products that are expected to all customers.
3. At variable rates, an indicator of the suitability of price and quality of products are some of the respondents who expressed a lack of conformity of the price of the products supplied insurers, and therefore leadership PT Asuransi Tri Pakarta Semarang branch will provide more provision right price for all insurance products.
4. In the variable customer satisfaction, and price indicators there are still some respondents expressed a lack of conformity price, therefore leadership related company can improve customer satisfaction by providing provisions appropriate price so customers should not hesitate in returning to want to use insurance products of PT Asuransi Tri Pakarta Semarang branch.

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