

The Effect of Service Quality and Customer Satisfaction Towards Customer Perception of Telkomsel's Kartu AS

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Abstract - The purpose of this paper is to find out the determinants that are significantly influencing Telkomsel's customer's perception. The study surveyed 100 Telkomsel users to determine the key influential factors that significantly influence on their perception. The data analyses were conducted by exploratory factor analysis, confirmatory factor analysis and structural equation modeling to test the hypothesis. The results of the statistical analysis reflected that most of the Telkomsel's customers are highly concerned about service quality. The researcher hoped that the findings may assist the mobile phone operators in production of their services and promotion of their services.

Keywords: Consumer perception, service quality, , customer's satisfaction, Telkomsel

I. Introduction

Mobile phone has been one of the most indispensable communication devices nowadays in almost every part of the world, including Indonesia. With population of 238 (<http://www.tribunnews.com/2011/05/31/pengguna-ponsel-naik-menjadi-53-persen>) million people, Indonesia can be a fascinating market for mobile phone companies. Hence, Mobile phone companies are at war one against another in order to make people grab their products, such as blackberry, iPhone, Samsung, and many others. However, not only mobile phone companies are at war, but also mobile phones provider.

The big three mobile phones operator (MPO), which are XL, Telkomsel, and Indosat (orders are not determined by rank) have the most customers among the other providers. According to Association of Cellular telecommunication of Indonesia (ATSI), of all 180 million mobile phone users in Indonesia, Telkomsel, until June 2010, has reached 88 million numbers, while XL has reached 35 million numbers and Indosat has reached approximately 39.1 million numbers. CEO of PT Telkomsel, Sarwoto, said that the revenue from all cellular providers has reached 100 trillion rupiah. According to Nielsen's

survey, compared to other countries in south East Asian, the percentage of cell phone users in Indonesia has the most significant increase, which is from 23% to 53% in the last four years. Although the increasing trend is significant, telecommunication penetration in Indonesia is still not as much as other south east Asian countries: cell phone users in Singapore are 91% of total population, while Malaysia has 76%, Thailand has 72%, and Philippines has 57% cell phone users of their total population (Nielsen, 2011). In fact, Indonesia's population is 238 million people, thus, the cell phone users are around 125 million people. Hence, it can be concluded that a person might own a several numbers.

There are still 53% Indonesian people who have not used hand phones yet, there is still a huge potential for the cellular operators. Moreover, according to the CEO of Telkomsel, Sarwoto, cell phones provided in Indonesia are varied for different segments; hence many classes can use cell phones without any serious economical barrier. Indonesian cellular operators will not miss this chance. They spend enormous amount of advertisement budgets to retain customers or and attract potential customers. Managing Director of Nielsen Audience Measurement Irawati Pratignyo said that telecommunication advertisements in media rose to 43% or as much as 5, 55 trillion Rupiah in 2010, compared to previous year. Irawati said that it is the largest advertisement category in 2010. According to the data acquired by Nielsen, advertisement spender in media is XL axiata's product; it spent approximately 593 billion Rupiah, which is 66% more than it did last year. The second place is followed by Telkomsel (all SIM cards) with 538 billion Rupiah advertisement in media spending.

In an age that is very competitive, it requires thing that distinguishes one another. This also applies to the culinary industry. According to the study of Phusavat and Kanchana (2008), quality

of service is the most important competitive advantage in service industries. Crosby et al (2003) said the importance of service quality in the service industry can determine its success or failure of a business. With a good quality service, will give a satisfied customer. According to Lin and Chen (2006), the satisfaction derived from the direct incidence in the past. This is in line with Fazio and Sanna (1981), which says that the evaluation of the service is very important in predicting consumer behavior. With the above facts it is necessary to conduct a study of the variables above. In conclusion, this study aims to gather primary data from users of Telkomsel from multi age respondents which will focuses on consumer's perception towards mobile phone and its antecedents, which are service quality and consumer satisfaction respectively. Furthermore, similar study has never been done in Indonesia, so there exist a research gap.

II. Review of Related Literature

2.1 Definition of Service Quality

According to Kenzelmann (2008), service quality can be defined as term used to describe achievement in service industry. Lewis and Booms coined out the importance of service quality is it will meet customer needs whilst remaining economically competitive, hence it will lead to improved service quality which may lead to increase competitiveness. According to Schneider *et al* (2008), service quality can be related to various factors such as service potential (worker's qualification) service process, (the quickness of process), and service result (consumer satisfaction).

So this study create the following hypothesis:

H1: Service quality has significant influence on consumer perception

2.1.2 Dimension of Service Quality

According to Sabir (2012), there are four dimensions of service quality, which are:

1. Courtesy: politeness, respect and friendliness of personnel.
2. Access: approachability and ease of contact.
3. Communication: informing customers in language they are able to understand.
4. Reliability: the ability to perform in the promised service.
5. Responsiveness: willingness to help customer and provide timely service.

2.2 Definition of Consumer Satisfaction

According to Farris (2010) consumer satisfaction can be defined as a measure of how products and services supplied by a company meet or exceed customer expectation. According to Gitman and McDaniel (2005), consumer satisfaction is seen as key differentiator and key element of business strategy in competitive marketplace. Farris (2012) also added that consumer satisfaction is the most frequently used indicators of perceptions.

So this study creates the following hypothesis:

H2: Consumer satisfaction has significant influence on consumer perception

2.2.1 Dimension of Consumer satisfaction

According to Sabir (2012), there are four dimensions of service quality, which are:

1. Credibility: Trustworthiness, believability and honesty.
2. Knowing the customer: making an effort to understand customer's individual needs.
3. Competence: possession of skills and knowledge to perform services.
4. Security: customer's freedom from danger or risk or doubt.

III. Research Methodology

The researcher used a closed scale questionnaire, taken from Sabir (2012). (Using 5-point Likert scale)

Part I – Service quality

The researcher used a closed scale questionnaire, taken from Sabir (2012). Sabir (2012) used four questions to measure service quality.

1. Genuine interest in solving customers' problem.
2. Performs service right for the first time
3. Error-free service
4. Prompt service

This part of questionnaire uses 5-point Likert scale with 1 as strongly disagree and 5 strongly agree.

Part 2 – Consumer satisfacton

The researcher used closed scale questionnaire taken from Sabir (2012). Sabir (2012) use four questions to measure consumer satisfaction

1. Operator's customer representative have tendency of willingness to help customers.
2. Trust with the operator.
3. Trust customer services staff of my operators.

4. Experience with my current operator is important.

3.2 Sample and Data

The study was conducted among users of Telkomsel. In total there are 100 respondents 65% of them are male and the rest are female. This survey included high school students, university students and also professionals alike.

3.3 Data Source

Data used in conducting this study is primary data, in which they were obtained directly from object of study. Primary data was collected directly by researchers to answer research problem of the study. Primary data can be obtained through distributing questionnaire to all users of Telkomsel. Method of survey, questionnaire will be given directly in controlled environment.

3.4 Hypothesis testing and data analysis

Component Matrix^a

	Component
	1
x1.1	.833
x1.2	.837
x1.3	.827
x1.4	.799
x2.1	.773
x2.2	.836
x2.3	.803
x2.4	.878
y1.1	.801
y1.2	.756
y1.3	.817
y1.4	.762

Validity will be used as well to measure if the indicators of the research will be able to measure the concept. The author will use SPSS 16.00 as the software to analyze the research data, technique that will be use is Bivariate Pearson. Bivariate Pearson will analyze by correlating each item score with total score it will show that the items are able to support in measuring the concept. Bivariate Pearson will compare the r-table and r-statistic number, thus a data will be called valid if r-statistic is bigger than r-table and in positive value (Sunyoto, 2011).

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.952	.943	12

Reliability test is a test of consistency in data acquired and whether it is dependable which means it can be used for further testing. In measuring reliability test, is to use Cronbach's Alpha. If the data has Cronbach's Alpha on standardize items greater than 0.06 then it can be considered as reliable (Hair *et al*, 2006). The table above shows value of standardized Cronbach's Alpha greater than 0.06, hence it is reliable.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.855 ^a	.731	.725	.34295

a. Predictors: (Constant), x2, x1

b. Dependent Variable: y

Table above shows the model summary. In regression, the R² coefficient of determination is a statistical measure of how well the regression line approximates the real data points. Adjusted R² is a modification of R² that adjusts for the number of explanatory terms in a model. From Table 6, 28% variance of purchasing intention is influence by other variable beside system quality and information quality 72% variance of purchasing intention is influence by service quality and consumer satisfaction.

Table ANOVA shows the result of the correlation test and table descriptive statistics explain the priority ranking of different variable in UPHS

According to table coefficients, we found the following results in terms of our research hypotheses at a significant level of 5 percent

- There is a significant relationship between service quality towards consumer perception
- There is significant relationship between consumer satisfaction towards consumer perception

ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	30.939	2	15.469	131.527	.000 ^a
	Residual	11.409	97	.118		
	Total	42.348	99			

a. Predictors: (Constant), x2, x1

b. Dependent Variable: y

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.493	.226		2.185	.031
	x1	.309	.095	.330	3.258	.002
	x2	.555	.101	.555	5.475	.000

a. Dependent Variable: y

IV. Conclusion

This study aim is to examined the relationships between service quality and consumer satisfaction toward consumer perception toward mobile operator. We found that there is a significant relationship between service quality towards consumer perception. This finding is supported with previous studies by Sabir (2012) which was conducted in similar industry in Bangladesh. This study also found that there is significant relationship of consumer satisfaction towards consumer perception. This finding is also supported by previous studies by Sabir (2012). The reason behind similarities of finding is because both studies use same object and the gap between Indonesia and Bangladesh is not that huge. The finding suggests that Telkomsel should improve their service quality and satisfied customer This study has its own implication both theoretical and managerial. Theoretical implications of this study confirm previous study regarding the effect of service quality and consumer satisfaction towards consumer perception. This study also helps manager to achieve organizational goals by utilizing service quality and consumer satisfaction to create positive customer perception which will enable firm to achieve organizational goals Managerial implication of this study is it can be useful for

managers to enhance customer perception. For further research, researcher can use different object in different industry to further test the reliability and whether it can be replicated or not. Researcher can also add new variable (such as leadership) to further study relationship of OCB towards other variables.

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