



Research

The Effect of Product Attributes Toward Customer Satisfaction (Case Study of Telkom Speedy Bandung Area)

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Abstract: The Internet is growing very rapidly throughout the world, especially in Indonesia. TELKOM is one of the internet service provider in Indonesia. Telkom launched its Internet product named Speedy. Therefore, TELKOM very concerned about customer satisfaction. The way to maintain customer satisfaction Telkom Speedy is to measuring the level of customer satisfaction of speedy. Method of measuring the level of customer satisfaction is the Important Performance Analysis and Path Analysis. By using Path analysis will be able to see the relationship between variables. The results of Path Analysis will be seen how much influence directly or indirectly between variables. After that it will continue to Important Performance Analysis to determine about indicator that need to be improved as expected service and perceived service. Using the Service Quality model, this study aimed to examine the impacts of service reliability, service assurance, performance, responsiveness, extended service, customer empathy, appearance and reputation aspects on customer satisfaction. A total population of this study is subscriber of Speedy Bandung in year 2013 for this research 145,207 customers and out of that author took a sample of 100 respondents. The method used in this research are explanatory method and quantitative method as the basic foundation for doing research. In this research, the author aims to identify the relationship between X/cause variable (eight selected factors influencing Customer's Satisfaction with service quality) and Y/effect variable (Customer Satisfaction). Sample convenience is the way to use the sampling technique with 100 respondents separated to customers of Telkom Speedy Bandung who are the subscribers of it. Extended Service is the highest of classification assessment and categorized as good which is got 81.5% perceived by customers. Speedy should focus on maintaining service reliability, service assurance, performance, responsiveness, extended service, appearance, and reputation.

Keywords: Service Quality, Telkom Speedy, Customer Satisfaction.

I- Introduction

Telkom Group is the only state-owned telecommunications enterprise as well as telecommunications and network service providers in Indonesia. Telkom Group serves millions of

customers throughout Indonesia with a complete range of telecommunications services that includes fixed wireline and fixed wireless connections, mobile communications, networking and interconnection services and Internet and data communication services. Telkom Group also provides various services in the field of information, media and edutainment, including cloud-based and server-based managed services, e-Payment services and IT enabler, e-Commerce and other portal services the following are the description of Telkom's business portfolio: 1) Telecommunication, telecommunication is Telkom's legacy business. As an icon of the company's business, Telkom serves Plain Ordinary Telephone Service ("POTS") wireline connections, fixed wireless, data communication services, broadband, satellite, network and interconnection rental, as well as cell phone services through its subsidiary, Telkomsel. Telkom's telecommunications services reach all market segments ranging from individual customers to small and medium enterprises ("SME") as well as corporations.2.) Information, service information is the business model developed by Telkom in the New Economy Business ("NEB"). This service has characteristics of integrated services for facilitating business processes and transactions that include Value Added Services ("VAS") and Managed Application / IT Outsourcing ("ITO"), e-Payment and IT enabler Services ("ITES"). 3) Media, *media is one of Telkom's business models which were developed as a part of the NEB. The media service offers Free To Air ("FTA") and Pay TV for the modern digital lifestyle.* 4). Edutainment, edutainment is one of the mainstays services in Telkom's NEB business model and it is targeting the youth market segment. Telkom offers a variety of services including Ring Back Tone ("RBT"), SMS contents, portals and many more. 5) Services, services are Telkom's customers-oriented business model. This is in line with Telkom's Customer Portfolio for Personal, Consumer / Home, SME, Enterprise, Wholesale and International.

II- Review of Literature

Service Quality

A service firm can differentiate itself by delivering higher quality than its competitors provide. (Kotler and Armstrong, 2012), A service is any act or performance one party can offer to another that is essentially intangible and does not result in the ownership of anything. service can also be an important source of differentiation when it comes to positioning strategies (Biljana, 2011). Quality is the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs. Quality in a service organization is a measure of the extent to which the service delivered meets the customer's expectations. The purpose of such higher quality

is to provide greater customer satisfaction. In order to provide a clear picture of the meaning of the service quality, the author propose understanding of the service quality of several experts (Kotler and Amstrong, 2012).

Service quality can also be defined as the difference between customers' expectations for the service encounter and the perceptions of the service received (Zeithaml, et. al (2009). it consists of service reliability, service assurance, performance, responsiveness, extended services, customer empathy, appearance, and reputation (Petter, 2011), 1) Service Reliability, Reliability can refer to the consistency of performance from purchase to purchase or to a product's uptime, the percentage of time that it can perform satisfactorily over its life (Mullins et al., 2013:230), 2) Service Assurance, Service Assurance is employee competence with respect to knowledge and courtesy (Philip & Gray Amstrong, 2012), 3) Performance is able to outperform competitors and customer's service expectation (Li et al., 2012), 4) Responsiveness, Responsiveness can be measured by the tendency and willingness of company to help them and satisfy their needs, immediately reply to their inquiries, and solve their problems as quickly as possible (Mullins et al., 2013) Extended Services, extended services is extra customer services that enhance that ease of purchase (Best, 2013:264), 6) Customer Empathy, Empathy is caring, individualized attention the firm provides its customers (Mullins et al., 2012:230), 7) Appearance, appearance is the décor of facilities and the appearance of employees (Shaker, 2010), 8) Reputation, Reputation is important to those company that want to successfully differentiate their positioning in the market. Reputation play a critical role in selecting one company than the others by the customer's point of view (Davies et al,2003).

Customer Satisfaction

stated that satisfaction is a person's feelings of pleasure or disappointment that result from comparing a product's perceived performance (or outcome) to expectations. Customer satisfaction is a function of expectations and the performance. Satisfaction is a positive function of customer expectations and disconfirmation beliefs. Thus, the satisfaction or dissatisfaction of society is a response from a comparison between expectations and reality (Kotler and Keller, 2012:150)

States customers are the reason the organization exists, so their perceptions and actions are of vital important. Satisfaction can be measured with surveys or by the number of customer complaints it receives (Kerin and Rudelius, 2009). That satisfaction is an effective response to the experience of

doing specific consumption (Hansemark and Albinsson, 2004:57). Satisfaction is an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfillment of some need, goal or desire (Linder Pelz in Gotleb, Grewal and Brown, 2011). customer satisfaction is the individual's perception of the performance of the products or services in relation to his or her expectations. (Schiffman and Kanuk, 2004:14). The some of the methods used in measuring customer satisfaction, namely: 1) Complain and Suggestion System, 2) Lost Customer Analysis, 3) Customer Satisfaction Surveys (Kotler, 2011:55) customer satisfaction the extent to which a product's perceived performance matches a buyer's expectations. If the product's performance falls short of expectations, the customer is dissatisfied. If performance matches expectations, the customer is satisfied. If performance exceeds expectations, the customer is highly satisfied or delighted. (Kotler and Armstrong, 2012: 37)

III- Research Frame Work and Hypothesis Development

Reliability is a measure of the probability that a product will not malfunction or fail within specified time period. Reliability is a single most important dimension of service quality and must be a service priority. Customer expect reliability first and foremost as a measure of service quality. Reliability is just as important as a first hand impression because every customer want to know if their service provider is reliable and fulfill the set requirements between the company and the customer with satisfaction. So, the company must accurately achieve its services in the proper time and according to the promises it has made to its customers (Kotler and Keller, 2012). According to this theory the first hypothesis "*H₁: There is a significant effect of Service Reliability on the Customer's Satisfaction*"

Assurance is knowledge and courtesy of employees and their ability to convey trust and confidence. The inseparability of production and consumption and the co-production of services implies that the people providing the service play a significant role and therefore the perceptions of the assurance dimension will influence the overall perceived service quality (Jager and Plooy, 2007). According to this theory the second hypothesis is "*H₂ : There is a significant effect of Service Assurance on the Customer's Satisfaction*"

Service Performance measures the organization's ability to complete customer requests within agreed performance objectives. It indicates when a customer received a degraded experience from

the service and service provider, putting near-term revenue and long-term relationship at risk. For continuous services, this metric indicates the percentage of time, during expected hours of operation, that the service is usable by the customer. For discrete services, this metric indicates the percentage of incoming customer requests that are adequately responded to and completed (Kotler and Keller, 2012). According to this theory the third hypothesis is “*H₃: There is a significant effect of Performance on the Customer’s Satisfaction*”

Responsiveness can be measured by the tendency and willingness of company to help them and satisfy their needs, immediately reply to their inquiries, and solve their problems as quickly as possible. Customers always look for inclination and willingness of the employees to serve customers quickly and properly. Problem that always occur could result in a positive and negative way based on their responsiveness. The *responses* revealed the differing approaches to *handling complaints* across a range of public bodies which affects the company’s brand image. It is important because every customer feels more valued if they get the fastest possible quality in the service. According to this theory the fourth hypothesis is “*H₄: There is a significant effect of Responsiveness on the Customer’s Satisfaction*”

Service plans are seen mainly in office stores and electronics retailers, largely because of perceived fragility of electronics hardware and insecurity over the use of refurbished product. An extended service is worth the extra cost depends on the item and the perceived value by the consumer. For the most part, the bare essentials of why extended service plans are in existence is to supply basic coverage to additional items and products that are not typically protected or covered by the original manufacturer’s warranty or an extended warranty service plan (Zaithmal, 2009), According to this theory the fifth hypothesis is “*H₅: There is a significant effect of Extended Services on the Customer’s Satisfaction*”

Empathy to customer is trying to understand the customers' personal needs, taking care of them individually and showing them, all sorts of sympathy and affection, looking at them as close friends and distinguished clients. The company must care and gives individualized attention to their customers to make the customers feeling extra valued and special. If the customers feel they get individualized and quality attention, there is a big chance that they will return to the company and want to get that good experience again. (Walker et.al., 2012) According to this theory the sixth hypothesis is “*H₆: There is a significant effect of Customer Empathy on the Customer’s Satisfaction*”

The appearance of facilities and employees are often the only aspect of a service that can be viewed before purchase or consumption. Company must ensure these elements are consistent with the overall image of the service. Much research has focused on attempts by organizations to inculcate not only the right kind of attitude in their front-line employees, but also possessing aesthetic skills. More recently, research conclude that a relationship exists between a salesperson’s physical appearance, service quality expectation and customer’s store image perceptions (Semorviz, 2011) According to this theory the seventh hypothesis is “*H₇ There is a significant effect of Appearance on the Customer’s Satisfaction*”

Reputation is important to those company that want to successfully differentiate their positioning in the market. Reputation play a critical role in selecting one company than the others by the customer’s point of view. Reputation show an issue of attitudes, feeling, or beliefs toward the company. Company reputation can be considered as one of the most relevant strategic issues as it is regarded as a competitive advantage which other competitors cannot imitate easily in the long term (Davies et al,2003). According to this theory the eighth hypothesis is “*H₈: There is a significant effect of Reputation on the Customer’s Satisfaction*”.

The research model for this study is as following

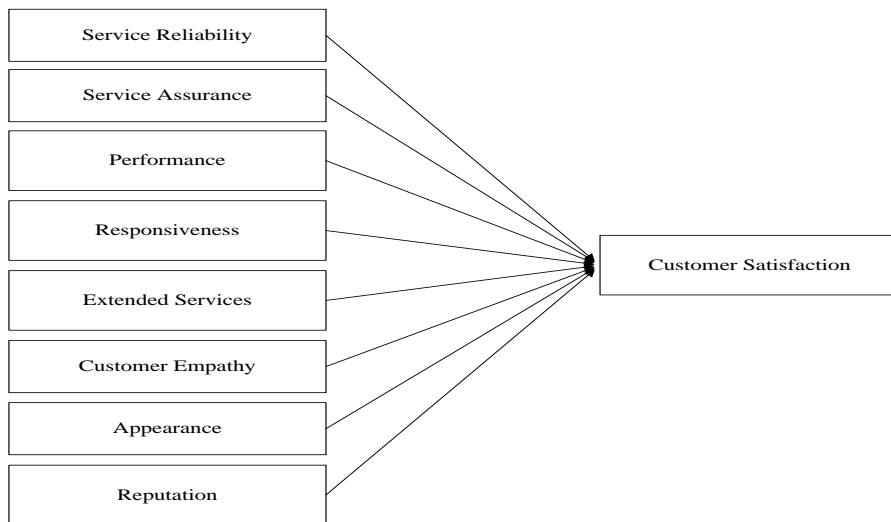


Figure1: Research Model

IV- Methodology

The amount of sample that used in this research was set to100. Research method that used by the researcher is quantitative descriptive analysis and the tool that used to process all the samples is

SPSS software. The tests that used by the researcher are validity test, reliability test, T test, and F test.

V- Result and Analysis

Validity Test: A questionnaire is said to be valid if all statements on a research instrument are able to reveal something that will be measured by research instruments or questionnaires. The validity test is done in SPSS version 16.0 by comparing the product moment pearson with precept: if $r_{count} > r_{table}$ the question is considered valid. However, if the if $r_{count} < r_{table}$ the question is considered invalid. The result of Expected Service of Validity test is valid due to the value of each $r_{count} > r_{table}$. The result can be seen in table 1 below:

Table 1 Expected Service Validity Test Results

Variable	Validity	r-table	Explanation
	Correlation		
Service Reliability (X ₁)	0.654	0.361	Valid
Service Assurance (X ₂)	0.589	0.361	Valid
Performance (X ₃)	0.589	0.361	Valid
Responsiveness (X ₄)	0.582	0.361	Valid
Extended Services (X ₅)	0.544	0.361	Valid
Customer Empathy (X ₆)	0.646	0.361	Valid
Appearance (X ₇)	0.564	0.361	Valid
Reputation (X ₈)	0.491	0.361	Valid

Sources: Processed data

Table 2 Perceived Service Validity Test Results

Variable	Validity	r-table	Explanation
	Correlation		
Service Reliability (X ₁)	0.637	0.361	Valid
Service Assurance (X ₂)	0.561	0.361	Valid
Performance (X ₃)	0.556	0.361	Valid
Responsiveness (X ₄)	0.648	0.361	Valid
Extended Services (X ₅)	0.567	0.361	Valid
Customer Empathy (X ₆)	0.561	0.361	Valid
Appearance (X ₇)	0.503	0.361	Valid
Reputation (X ₈)	0.548	0.361	Valid

Sources: Processed data

The reliability of a measure is established by testing for both consistency and stability. Consistency indicates how well the items measuring a concept hang together as a set. Cronbach's alpha is a reliability coefficient that indicates how well the items in a set are positively correlated to one another. Cronbach's alpha is computed in terms of the average inter-correlations among the items measuring the concept. Generally, an alpha coefficient of 0,60 are considered to be poor, those in the 0.70 range acceptable, and those over 0.80 are considered good. The variable is declared reliable if the Cronbach Alpha values greater than 0.70. Based on the obtaining result of the Cronbach's Alpha in table 3, the value of Cronbach's Alpha is 0.818 where the value is greater than 0.80, then the variables are considered good. While in table 3 the cronbach's Alpha is .810, then variable is acceptable. the results of reliability testing can be shown in Table 2

Table 3 The Reliability of Expected and Perceived Service Test Result

Variable	Alpha Cronbach	Explanation
Expected Service	0.898	Reliable
Perceived Service	0.899	Reliable

Sources: Processed data

Descriptive Analysis

Descriptive analysis is the elementary transformation of data in a way that describes the basic characteristic such as central tendency, distribution, and variability. (Zikmund et al, 2007: 486). From the result of expected service indicators below show that the costumer is satisfied with the service of Telkom Speedy. All the indicators score are more than 70 percent which is considered good. The least expected service is the appearance of the Telkom speedy which only score 70 percent and the highest expected service is the Service Assurance (X2) with the score of 80,75 percent. The service assurance score is high due to the influence of bandwidths data offered by Telkom Speedy.

Table 4 Expected Services

Variable	Total Score
Service Reliability (X ₁)	79,75

Service Assurance (X ₂)	80,75
Performance (X ₃)	78,63
Responsiveness (X ₄)	78,67
Extended Service (X ₅)	78,25
Customer Empathy (X ₆)	77,17
Appearance (X ₇)	70,00
Reputation (X ₈)	76,00

Source: Primary Data's Analysis

The result of the perceived Service that experienced by the customers can be seen below. The score of all indicators of Perceived Service are above 70 percent with the Extended Service (X₅) obtain the highest score of 79,88 percent and the Appearance (X₇) obtained the lowest score of 70.88 percent. Extended Service score is high due the Telkom Speedy offer user ID for additional service. The appearance indicator scores only 70.88 percent due appearance of frontline.

Table 5 Perceived Service

Variable	Total Score
Service Reliability (X ₁)	77,00
Service Assurance (X ₂)	75,92
Performance (X ₃)	75,63
Responsiveness (X ₄)	77,50
Extended Service (X ₅)	79,88
Customer Empathy (X ₆)	76,25
Appearance (X ₇)	70,88
Reputation (X ₈)	73,25

Source: Primary Data's Analysis

The result of the customer satisfaction can be seen in the table below. The customer empathy (X₆) received the highest score based on the sample obtained. The Service Assurance (X₂) is the least score of customer satisfaction indicator with the score of 94.09 percent.

Table 6 Customer Satisfaction

Variable	Total Score
Service Reliability (X ₁)	96,57
Service Assurance (X ₂)	94,09
Performance (X ₃)	96,18
Responsiveness (X ₄)	98,58
Extended Service (X ₅)	96,57
Customer Empathy (X ₆)	98,81
Appearance (X ₇)	98,62

Reputation (X ₈)	96,38
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Source: Primary Data's Analysis

Table 7 show partially hypothesis testing result. We could see that the service assurance has sig. in amount 0,000. Because of the probability/sig. (0,000) < 0,05 then H₀ is rejected and H₁ accepted, meaning significantly. Based on partially hypothesis testing result, we can conclude that there is a significant effect of Service Assurance on the Customer's Satisfaction.

Table 7 T Test

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig
	B	Standar Error	Beta		
Constant	0.892	0.010		91.036	0.000
Pyx ₁	0.070	0.013	0.185	5.482	0.000
Pyx ₂	0.144	0.010	0.490	14.889	0.000
Pyx ₃	0.076	0.009	0.287	8.173	0.000
Pyx ₄	0.075	0.011	0.232	6.930	0.000
Pyx ₅	0.059	0.010	0.203	6.005	0.000
Pyx ₇	0.053	0.007	0.241	7.233	0.000
Pyx ₈	0.060	0.008	0.249	7.221	0.000

Source: Primary Data's Analysis

Table 8 show simultaneous hypothesis testing result. We could see that the model has sig. in amount 0,000. Because of the probability/sig. (0,000) < 0,05 then H₀ is rejected and H₁ accepted, meaning significantly. Based on simultaneous hypothesis testing result, we can conclude that there is influence between Service Reliability, Service Assurance, Performance, Responsiveness, Extended Services, Appearance, and Reputation on Customer's Satisfaction.

Table 8 F Test

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig
	B	Standar Error	Beta		
Constant	0.892	0.010		91.036	0.000
Pyx ₁	0.070	0.013	0.185	5.482	0.000
Pyx ₂	0.144	0.010	0.490	14.889	0.000
Pyx ₃	0.076	0.009	0.287	8.173	0.000
Pyx ₄	0.075	0.011	0.232	6.930	0.000
Pyx ₅	0.059	0.010	0.203	6.005	0.000
Pyx ₇	0.053	0.007	0.241	7.233	0.000

Pyx ₈	0.060	0.008	0.249	7.221	0.000
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Source: Primary Data's Analysis

VI- CONCLUSION AND RECOMMENDATION

Conclusion

The result of data analysis could be made into some conclusion:

- a. Service quality of Speedy has shown that extended service is the highest perceived service that received by speed's customer with 79,88%. Service assurance is the highest perceived service that received by speed's customer with 80,75%. We can conclude that service quality of speedy categorized as good.
- b. Customer satisfaction of speed's customer has shown that it is at good level. The highest customer satisfaction level is in extended service of speed's service which beyond customer expectation with customer satisfaction index is 102,07%.
- c. Based on simultaneous hypothesis testing result, we can conclude that there is influence between Service Reliability, Service Assurance, Performance, Responsiveness, Extended Services, Appearance, and Reputation on Customer's Satisfaction. Based on partially hypothesis testing result, we can conclude that there is influence between Service Reliability, Service Assurance, Performance, Responsiveness, Extended Services, Appearance, and Reputation partially on Customer's Satisfaction. We could see that the total effect from direct and indirect effect of service reliability, service assurance, performance, responsiveness, extended services, appearance, and reputation to customer satisfaction is 90,61%. The rest of 9,39% is affected by another variable outside the model.

Recommendation

Based on the result, there are some recommendation for future:

- a. Speedy must do their best about service reliability, service assurance, performance, responsiveness, extended services, appearance, and reputation because these factors cause high customer satisfaction of speed's customer.
- b. Service reliability, service assurance, performance, responsiveness, extended service and customer empathy must be top priority because of the customer think these factors more important than the other factors. Speedy has delivered good service. But the maintaining process in service delivery must be concerned by the management.

- c. Customer empathy is important, but not significant factor toward customer satisfaction in Speedy Bandung. Speedy Bandung must allocate their resource to other service quality dimension to make sure that the other important factor for customer could delivered properly by Speedy Bandung.

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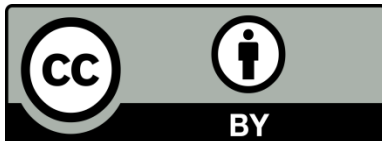


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Conflicts of Interest

There are no conflicts to declare.



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