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ANALYSIS OF SERVICE QUALITY AN EMPIRICAL STUDY OF CUSTOMER SATISFACTION IN INFORMATION AND TECHNOLOGY SERVICE COMPANIES

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Abstract: Internet nowadays is the main media to run business. HYP is internet providers for business to business (B2B) companies considers sales performance which plays a major role in company performance. Sales volume only reached around 50% of the target for less than 3 years. This study to analyze the effect of service quality on repurchase intention that represents sales performance through customer satisfaction as an important intermediate variable. The sample used in this study were 100 respondents. It used stratified sampling techniques and then the data is analyzed using path analysis and importance performance analysis (IPA). Based on the results found that indirectly the quality of service through customer satisfaction has a positive and significant effect on repurchase intention which is considered to represent sales performance. The improvement in service quality that must be done is to increase responsiveness to customer complaints and requests.

Keywords: Service quality, Customer satisfaction, Repurchase intention, Sales performance, Path analysis, Importance performance analysis

INTRODUCTION

Customer satisfaction has a positive and significant influence on the decision to use services and is a major factor in determining industry competitiveness and along with technological advances will also have an impact on increasingly fierce competition and provide a great opportunity for consumers to find quality products at relatively cheaper prices (Oktafiara S, Hidayat, & L, 2017). Quality can be improved by carrying out a product development and product development that is carried out is expected to reduce production costs (Azizah, Lestari, & Purba, 2018). Cerri (2012) Explains that customer loyalty is significantly influenced by customer satisfaction. Based on the proficiency level in this study, it was concluded that service quality has an effect on customer satisfaction that plays a role in

increasing customer loyalty. In another study explained that if the customer is satisfied with the service then the customer's repurchase intention (Khalifa & Liu, 2007).

Industry has a significant role in increasing the country's foreign exchange, this is supported by the development of the industrial revolution. The industrial world entered the Industrial 4.0 era, which developed in recent years. Indonesia is one of the countries that will apply the Industry 4.0 concept as an effort to increase competitiveness in the digital age. Industry 4.0 still carries the same goals as the previous industrial revolution which focuses on increasing revenue and saving operational costs. The difference in the concept of Industry 4.0 is in the revolution of the business model which was originally moved manually shifted to digital.

Nowadays in business process, the internet as a connectivity network that becomes a basic need plays an important role in helping to integrate a company's database into a system to run business processes. During the industrial revolution 4.0 millennial generation will take control of the wheels of development, especially in the economic field. Developing in the next generation, Generation Z, which grew up at a time when technology was developing rapidly. The mindset of the two generations tends to be instant. This is supported by time constraints, thus making everyone want to do something practical and fast, and making the internet inseparable in daily activities including business processes.

Along with this increase competition among internet service provider companies has become even bitter. One thing that affects the performance of internet hosting companies, one of which is HYP. Sales and sales performance is one part that is considered important in determining company performance, especially for business to business (B2B) companies such as HYP. In most B2B companies, the sales function is carried out by salespeople, working in contact with customers and colleagues, and trying to translate available products to meet customer needs (Kaario, Hanna, Mäkinen, & Kari, 2003). Changes of sales patterns for B2B companies from selling products that have shifted to the development of industry 4.0 to companies offering solution services. One part that must develop and develop with this change is the sales function, from product sales to knowledge sales, or sales consulting as noted by (Storbacka, 2009).

Based on overall HYP sales data in 2018-2019, on average each month sales only reach around 50% of the target. This shows that HYP's sales performance is still low. Achievement of the company's performance can be done through one of the company's functions, namely the operational function, among others: purchasing and production, sales, finance, and human resources (Fuad, Handayani, Nurlela, Sugiarto, & Paulus, 2006). It emphasizes more on the sales function because the sales function has an influence on company performance, one of which is sales performance.

Some literature states that in the process of selling a service company, customer satisfaction is the best thing that can generate profits in the future. In other respects a number of studies and empirical evidence there is a relationship between the era of good service quality and the success of a company's performance especially sales performance (Yuen & Thai, 2015). Based on these phenomena the main purpose of this research is to focus on studies of the satisfaction and loyalty of internet users (B2B companies), how service quality affects customer satisfaction and loyalty as well as its impact on sales performance through repurchase intention in the business-to-business technology service industry (B2B).

LITERATURE REVIEW

Based on the Indonesian Language Dictionary (Tim, 1990), that the notion of service is an attempt to serve the needs of others, while serving is to help prepare (help what someone needs). Services are also described as activities by someone (a group of people) on the basis of material factors through systems, procedures and methods in the context of efforts to meet the interests of others in accordance with their rights (Munir, 2006). Munir stated that service implementation can be measured, therefore standards can be set both in the time required and the results. The management standards created are expected to be able to plan, implement, monitor and evaluate service activities so that the final results are satisfactory to those who receive services.

Service quality refers to the quality of service offerings that are expected and felt. This is mainly by determining customer satisfaction or dissatisfaction. Many companies prioritize the quality of services expected and felt to enhance the quality of these services (Parasuraman, 1985). The best service of the customers and the level of quality can be achieved consistently by improving services and paying special attention to service performance standards both internal service standards and external service standards.

Quality of service is the expected level of excellence and control over the level of excellence to meet customer desires. In other words there are two main factors that affect service quality, namely expected service and perceived service (Tjiptono & Chandra, 2012). If the services received or felt are as expected, the service quality is perceived as good and satisfying. If the service received exceeds customer expectations, the service quality is perceived as the ideal quality.

In general, satisfaction is a feeling of pleasure or disappointment someone who arises due to comparing the performance of perceived perceptions of expectations (Kotler & Keller, 2009). A customer is satisfied if the company can provide products and services in accordance with customer expectations. But on the contrary, if the company cannot meet customer expectations, the customer feels dissatisfied. This is in accordance with the theory of customer satisfaction explained by (Kotler & Keller, 2009) that if performance fails to meet customer expectations, the customer is not satisfied. But if performance can meet expectations, the customer is satisfied.

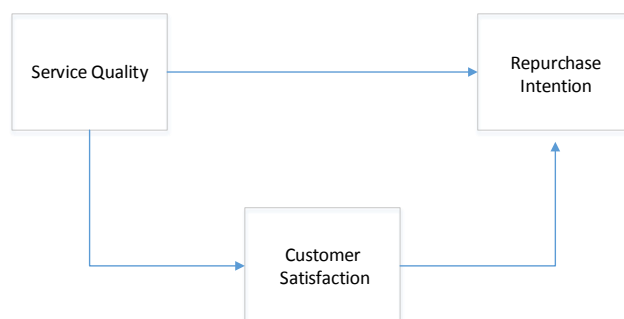
Customer satisfaction is important to be improved products and services that focus on customers, so as to increase customer trust that affects customer desires to buy company services (Norhermaya, 2016). In another study explained that trust also has a significant effect on customer satisfaction (Walter, 2012). Customer voice can be a valuable input for management in mapping which areas should be prioritized.

Repurchase intention is basically a customer's behavior where they respond positively to the quality of a company's services and intend to re-purchase services at that company (Cronin, Michael, & Thomas, 2000). Service quality can be defined as the difference between customer expectations of service and perceived service received (Munusamy, 2010). The problem of measurement service quality has increased due to the unique characteristics of this service: intangible, durable, and heterogeneous. Some previous research results reveal that service quality can increase repurchase intention (Astuti, 2013). In this research, repurchase intention is described as representing the sales performance that is expected to increase.

RESEARCH METHODS

The hypothesis in this study was formed based on the initial goal of measuring customer satisfaction with the quality of services analyzed using IPA, which can then be known to suggest improvements to the company in improving service quality. In the other hand there are steps that must be done to prove that one of the sales performance assumptions represented by repurchase intention activities can be influenced by customer satisfaction through good service quality.

The main hypothesis in this study is that there is an influence of service quality on customer repurchase intention through customer satisfaction as an intermediate variable. Based on the main hypothesis, a derivative hypothesis in the form of H1 is formed, there is an effect of service quality on customer satisfaction, H2 there is an influence between customer satisfaction on repurchase intention, H3 there is an influence of service quality on repurchase intention. The relationship model between the three variables (service quality, customer satisfaction and repurchase intention) compiled in this study are in Picture 1.

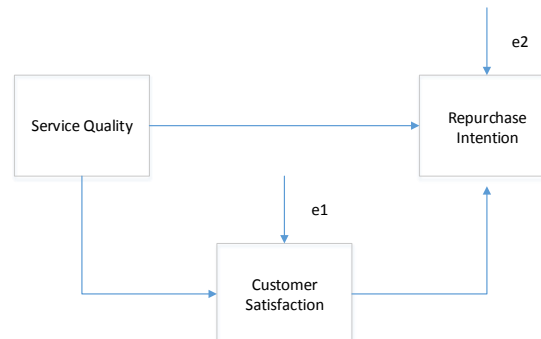


Picture 1. Relationship model.

Based on Picture 1 it can be concluded that in this study service quality acts as the dependent variable, repurchase intention as an independent variable and customer satisfaction becomes an intermediate variable. The questionnaire used in the path analysis is divided into three variables as illustrated in Picture 1. Service quality is the first variable and is divided into three indicators such as responsiveness, reliability and tangibility. The second variable is customer satisfaction in which there are three indicators of competence, consultative selling and price. The last variable is customer satisfaction, where there are indicators of accessibility, credibility and product offering.

The approach taken in this research is a quantitative approach. based on the collection of data and information, the data used in this study is divided into two primary and secondary. Primary data is obtained through a questionnaire survey, while secondary data is obtained from sources or studies conducted by other parties. in this study using 100 samples calculated based on the Slovin method where $n = N / (1 + (N \times e^2))$ with a population of 3000 existing customers with a margin error of 0.01, the resulting sample was 96.77 and rounded up to 100 the sample. In the process of sampling in a study using stratified systematic random sampling techniques, populations are first grouped into sub-populations with the same criteria. After that, from the sub-population, samples will be taken randomly and proportionally following the sample size. This random sampling is only carried out on the first element of the selected sample, while the next element is systematically chosen according to a certain pattern.

Based on a predetermined number of samples, the next stage of the research is the survey process in which the questionnaire is distributed to customers. The first stage of analysis in this study is path analysis which aims to prove that the assumptions explained in the main hypothesis are true. the relationship between variables using the path diagram is needed before continuing to the path analysis. Picture 2 is a path diagram in this study.



Picture 2. Path diagram.

FINDINGS AND DISCUSSION

Path analysis is done by regression using SPSS 25.0 software. The first regression analysis was performed on sub-structural 1 to see the effect of service quality on customer satisfaction. Continued second regression analysis of sub-structural 2 to see the effect of service quality and customer satisfaction on repurchase intention. Regression results are in Table 1, Table 2 and Table 3.

Table 1. Model summary

Model	R	R Square	Adjusted R Square	Std. Error of The Estimate
Sub-structural 1	.648	.420	.414	2.886
Sub-structural 2	.784	.614	.606	2.225

Table 2. Anova

Model	Sum of Square	df	Mean Square	F	Sig
Regression	764.053	2	382.026	77.170	.000
Residual	480.137	97	4.90		
Total	1.244.190	99			

Table 3. Output coefficient

Model	Unstandardized Coefficient		Standardized Coefficient		Sig
	b	Std. Error	B	t	
(Constant)	4.962	1.886		2.631	.010
Service Quality	.412	.073	.468	5.654	.000
Customer Satisfaction	.371	.078	.395	4.767	.000

Based on the data from the three tables above, it can be explained that the main hypothesis testing is performed using the F value with a limit greater than 3.07 (> 3.07) and a significance value with a limit less than 0.05 (< 0.05). Table 2 explains the calculated F value of $77,179 > 3.07$ and a significance value of $0,000 < 0.05$ which means H_0 is rejected and H_a is accepted. thus the assumption of the effect of service quality on repurchase intention through proven customer satisfaction (there is influence).

The next stage can be calculated sub-structural path coefficient and sub-structural 1 by referring to Table 3. The table explains the significance value of the two variables of service quality and customer satisfaction is $x = 0,000$ $y = 0,000$ less than 0.05 (< 0.05). these results prove that sub-structural regression 1 is the variable x influential on y with a large R square value in Table 1 of 0.420, it shows that the contribution of service quality affects customer satisfaction by 42% while the remaining 58% is the contribution of other variables that are not in research. Then the sub-structure path coefficient 1 (e_1) can be calculated with the formula $e_1 = \sqrt{(1-420)} = 0.761577$. thus the path model of sub-structure 1 is found in Picture 3.



Picture 3. Sub structure 1 path model.

The next step is to calculate the path coefficient for sub-structural 2 based on Table 3. The table explains the significance value of the two variables of service quality and customer satisfaction is $x = 0,000$ $y = 0,000$ less than 0.05 (< 0.05). these results prove that sub-structural regression 2 is the variable x , y influential on z of R square value in Table 1 of 0.784, it shows that the contribution of service quality, customer satisfaction affects repurchase intention by 78,4% while the remaining 22.6% is the contribution of other variables that are not in research. Then the sub-structure path coefficient 2 (e_2) can be calculated with the formula $e_2 = \sqrt{(1-784)} = 0,464758$. thus the path model of sub-structure 2 is found in Picture 4.



Picture 4. Sub structure 2 path model.

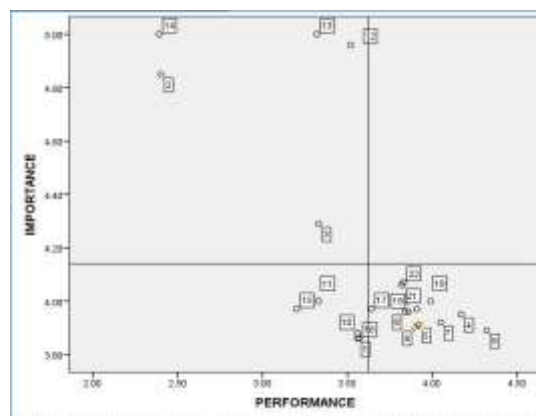
Analysis of the effect of x through y on z is known to be the direct influence of x on z of 0.468. while the indirect effect of x through y on z is the multiplication between the value of beta x with respect to y with the value of beta with respect to z is: $0.648 \times 0.395 = 0.256$. then the total effect given x on z is the direct effect plus the indirect effect is: $0.468 + 0.256 = 0.742$. based on the calculation results that the direct effect of 0.468 and the indirect effect of 0.648, which means the indirect effect is greater than the direct effect. these results indicate that indirectly x through y has a significant effect on z.

After proving the main hypothesis, the analysis continues to determine service quality indicators that need to be improved by using importance performance analysis. The first stage is the recapitulation of the results of the questionnaire distributed to 100 priority customer respondents with each question item having two answers on a Likert scale based on importance and performance and simple statistical tests of validity and reliability for all attributes have been carried out. Weighting of the results of the processing of the questionnaire carried out on the criteria of each item, then the average was searched to obtain the value of the level of importance (importance) and the level of performance (performance).

Based on the results of the level of importance (importance) and the level of performance (performance) can be determined the level of suitability between the level of importance and the level of performance quality of the attributes examined through the comparison of performance scores with importance scores. Thus it can be seen the value of service quality performance which can be grouped in the category of very good, good, good enough, not good, or very not good. The suitability level produced is 88.77 and can be categorized as a whole of the quality of service performance included in the excellent category.

After determining the value of overall service quality performance, the next step is to analyze the value of the suitability level for each attribute. Based on the analysis, there are 2 attributes of poor service quality performance, both of which are attributes of responsiveness in responding to complaints when service disruptions occur and the ability to provide solutions to problems quickly and accurately. Both of these things can be targeted for improvement to be carried out by company management.

The next stage is quadrant analysis, which calculates the average assessment of the importance and performance for each attribute item. This is done to be plotted into the Cartesian quadrant so that the attributes that will fill each quadrant can be determined. The Cartesian quadrant is created in SPSS software and the results are in Picture 5.



Picture 5. Cartesian quadrant of IPA.

Based on Picture 5 and determined the IPA method of decision making based on the Cartesian quadrant which is divided into 4 quadrants. Quadrant I has attribute number 2 (responsiveness in responding to complaints when service interruptions occur), 3 (responsiveness in responding to requests for needs), 12 (ability to answer your questions clearly), 13 (ability to direct customers to choose the right type of service according with needs), 14 (the ability to provide solutions to problems quickly and accurately). Quadrant III has attribute number 1 (responsiveness in providing clear information about the types of services provided), 10 (competence in giving clear product explanations), 11 (competence in providing appropriate solutions for handling disturbances), 15 (competitive prices according to services provided) given compared to competitors of the same type, 16 (give an estimated price quickly). Quadrant IV has attribute number 4 (responsiveness, number attribute), 5 (on-time reliability in submitting work administration (SPH, Survey Results, Job Report)), 6 (reliability of work implementation according to the agreed time), 7 (reliability timely meeting according to the agreed promise), 8 (physical evidence The quality of the results of the implementation of the work is satisfactory (neat)), 9 (physical evidence of wearing clothes that are polite and neat meeting and implementation of the work), 17 (providing a Letter of Offer Price (SPH) according to your budget and needs), 18 (ease of communication provides clear escalation of procedures (PIC, Contact Number)), 19 (ease of communication can be contacted easily if needed), 20 (Information flow and coordination from Hypernet to your company runs with good), 21 (the company has a good reputation in its field), 22 (the company is professional in responding to your requests and complaints), 23 (the company has products according to market information and technology needs).

CONCLUSION AND SUGESTION

Based on the results of the analysis with the Importance Performance Analysis (IPA) matrix method it can be visually depicted the level of customer satisfaction and priority improvements for service attributes. In the explanation of the results and discussion there are 2 attributes that have poor service performance and there are 5 attributes that become priority improvements because it is located in quadrant I where the attributes in the quadrant are considered very important by customers but the service is not satisfactory so the company must improve the quality of its services.

The priority improvement that must be done by HYP is to increase responsiveness to complaints and requests for customer needs as well as to increase the ability to provide a clarification and resolve complaints and customer needs quickly and accurately. thus customers will be more trusting so that customer satisfaction and loyalty increases, it is expected to be able to influence the increase in sales performance through repurchase intention on existing customers.

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