The Impact of Service Quality Towards Customer Satisfaction at CV. Four Star Medan

Pengaruh Kualitas Pelayanan Terhadap Kepuasan Pelanggan Pada CV. Medan Bintang Empat

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Abstract: The need to satisfy customer for success in any commercial enterprises is very obvious. A business's main purpose is to create a customer because it is basically the consumer who essentially determines what a business is. Customers are the sole reason for the existence of commercial establishments. The writer will conduct research at CV. Four Star Medan. It is a cotton manufacturing company for bed Madison which is located at Jalan Veteran Gang Manunggal No. 7 Medan. The writer interviewed the employees of the company regarding the customers, recently the customer complain on the customer service on the delivery, when the delivery is not ontime, the customers asked for the confirmation, the employees do not act quickly to follow up the delivery, the employees sometimes do not give a complete explanation for the warranty time to customers which may lead to to misunderstanding about the products, this is some of their problem related to the service. The problem identifications of the company are how the service quality is implemented in CV. Four Star Medan? And how is the impact of service quality towards customer satisfaction in CV. Four Star Medan. The population of CV. Four Star Medan is the customers more than 3 years of CV. Four Star Medan which are 50 customers. The writer uses Arikunto Sampling theory. The sample size is 50 employees. The writer uses census sampling technique which the writer takes all population as sample. In analyzing data, the writer used some methods such as statistics, normality test, validity test, reliability test, correlation test, determination test, linier regression, and hypothesis test. According to the result calculation data through the answers of the respondents, the writer got the result of 0.83 means that service quality has a significantly strong and positive impact towards customer's satisfaction at CV. Four Star Medan. From the calculation of ztest hypothesis test, the writer got zcount= 5.87. The zcount > ztable (5.87> 1.96), this means the Null hypothesis (Ho) is rejected. The writer can conclude that service quality has impact towards customer satisfaction at CV. Four Star Medan.

Abstrak: Kebutuhan untuk memuaskan pelanggan agar sukses di perusahaan komersial mana pun sangat jelas. Tujuan utama bisnis adalah untuk menciptakan pelanggan karena pada dasarnya konsumen lah yang pada dasarnya menentukan apa itu bisnis. Pelanggan adalah satu-satunya alasan keberadaan perusahaan komersial. Penulis akan melakukan penelitian di CV. Medan Bintang Empat. Merupakan perusahaan manufaktur kapas untuk tempat tidur Madiun yang beralamat di Jalan Veteran Gang Manunggal No. 7 Medan. Penulis mewawancarai karyawan perusahaan mengenai pelanggan, baru-baru ini pelanggan mengeluh tentang layanan pelanggan pada pengiriman, ketika pengiriman tidak tepat waktu, pelanggan meminta konfirmasi, karyawan tidak bertindak cepat untuk menindaklanjuti pengiriman, karyawan terkadang tidak memberikan penjelasan yang lengkap tentang waktu garansi kepada pelanggan yang dapat menyebabkan kesalahpahaman tentang produk, ini adalah beberapa masalah mereka terkait dengan layanan. Identifikasi masalah perusahaan adalah bagaimana penerapan kualitas pelayanan di CV. Medan Bintang Empat? Dan bagaimana pengaruh kualitas pelayanan terhadap kepuasan pelanggan di CV. Medan Bintang Empat. Populasi CV. Bintang Empat Medan adalah pelanggan lebih dari 3 tahun CV. Bintang Empat Medan yang berjumlah 50 pelanggan. Penulis menggunakan teori Arikunto Sampling. Besar sampel adalah 50 karyawan. Penulis menggunakan teknik sampling sensus dimana penulis mengambil semua populasi sebagai sampel. Dalam menganalisis data, penulis menggunakan beberapa metode antara lain statistik, uji normalitas, uji validitas, uji reliabilitas, uji korelasi, uji determinasi, regresi linier, dan uji hipotesis. Berdasarkan data hasil perhitungan melalui jawaban responden, penulis mendapatkan hasil 0,83 artinya kualitas pelayanan berpengaruh signifikan kuat dan positif terhadap kepuasan pelanggan di CV. Medan Bintang Empat. Dari hasil perhitungan uji hipotesis ztest diperoleh zhitung= 5,87. Zhitung > ztabel (5,87 > 1,96), hal ini berarti hipotesis nol (Ho) ditolak. Penulis dapat menyimpulkan bahwa kualitas pelayanan berpengaruh terhadap kepuasan pelanggan di CV. Medan Bintang Empat.

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INTRODUCTION

The service quality offered is always become consideration for a customer. Service quality has been referred as the extent to which a service meets customer needs or expectations. Service quality is defined as a form of attitude representing a long run, overall evaluation of the service received. When the service quality meets the customer expectations then it will lead to the customer satisfaction in which is a business term measurement of how products and services supplied by a company meet or surpass customer expectation.

The need to satisfy customer for success in any commercial enterprises is very obvious. A business's main purpose is to create a customer because it is basically the consumer who essentially determines what a business is. Customers are the sole reason for the existence of commercial establishments.

According to Hossain in the Journal of Research in Finance and Marketing (2012:2):"Measurement of service quality allows comparing before and after changes, identifying the quality-related problems, and establishing clear standards for service delivery. It is claimed that high service quality enhances customer satisfaction, increases market share, and enhances profitability of organizations". The writer will conduct research at CV. Four Star Medan. It is a cotton manufacturing company for bed Madison which is located at Jalan Veteran Gang Manunggal No. 7 Medan. The writer interviewed the employees of the company regarding the customers, recently the customer complain on the customer service on the delivery, when the delivery is not ontime, the customers asked for the confirmation, the employees do not act quickly to follow up the delivery, the employees sometimes do not give a complete explanation for the warranty time to customers which may lead to misunderstanding about the products, this is some of their problem related to the service.

The customers also commented that the employees do not so friendly and remember the customers well. The manager of CV. Four Star agreed that the company is having the problem with the service that company offers does not always meet customer wants and needs.

LITERATURE REVIEW

Service Quality. Put in the simplest terms, services are deeds, processes, and performance. Services are acts, efforts or performances exchanged from producer to user without ownership rights. Like other intangibles, a service satisfies needs by providing pleasure, information, or convenience.

According to Kotler (2007: 464), *"A service is any act or performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. It's production may or may not be tied to physical product."*Services are those separately identifiable, essentially intangible activities, which provide want satisfaction and that is not necessarily tied to the sales of a require the use of tangible goods.

According to Kotler (2007:2), characteristics of services can be divided into:

Intangibility. Services intangible means that customers can't see, touch, or smell good service. Unlike the purchase of a good, services cannot be inspected or handled before the purchase is made.

Inseparability. Although a firm can manufacture goods prior to sale, a service can only take place at the time the service provider performs an act on either the customer or the customer's possession.

Variability. Because services are performances, frequently produced by humans, no two services will be precisely alike. The employees delivering the services frequently are the service in the customer's eyes, and people may differ may differ in their performance from day to day or even hour to hour.

Perishability. Perishability refers to the fact that services cannot be saved, stored, resold, or returned.

Service Quality Dimensions. Research suggest that customers do not perceived quality in a undimensional way, but rather judge quality based on multiple factors relevant to the context. For example, quality of automobile is judge by such factors as reliability, serviceability, prestige, durability,

functionality, and ease of use, whereas quality of food products might be assessed on other dimension. Similarly, specific dimension of service have been identified through the pioneering research of Parasuraman, Zeithaml, and Berry (2007: 240). Their research identified five specific dimensions of service quality that apply across a variety of service contexts. The five dimensions defined as criteria by which interaction, physical environment, and outcome quality may be judged.

Tangible: appearance of physical facilities and equipment. Representing the service physically. Tangibles are defined as the appearance of physical facilities, equipment, personnel and communication materials. All of these provide physical representation or images of the service that customer, particularly new customers, will use to evaluate quality. Service industries that emphasize tangibles in their strategies include hospitality services where the customer visits the establishment to receive the service, such as restaurants and hotels, retail stores and entertainment companies. Although tangible are often used by service companies to enhance their image, provide continuity and signal quality to customers, most companies combine tangibles with other dimension to create a service quality strategy for the firm. In contrast, firms that don't pay attention to the tangibles dimension of the service strategy can confuse and even destroy an otherwise good strategy.

Reliability: ability to perform the promised service dependably. Delivering on of the has been consistently shown to be the most important determinant of perception of service quality among customers. Reliability is defined as the ability to perform the promised service dependably and accurately. In its broadest sense, reliability means that the company delivers on its promises – promises about delivery, service provision, problem resolutions and pricing. Customers want do business with companies that keep promises, particularly their promises about the service outcomes and core service attributes. One company that effectively communicates and delivers on the reliability dimension is Federal Express (FedEx). The reliability message of FedEx – when it "absolutely, positive has to get there" – reflects the company's service positioning. But even when the firms do not choose to position themselves explicitly on reliability as FedEx has, this dimension is extremely important to customers. All firms need to be aware of customer expectations of reliability. Firms that do not provide the core service that customers think they are buying fail their customers in the most direct way.

Responsiveness: willingness to help customers and provide prompt service. Responsiveness is the willingness to help customers and to provide prompt service. This dimension emphasized attentiveness and promptness in dealing with customer's requests, questions, complaints and problems. Responsiveness also captures the notion of the flexibility and ability to customize the service to customer needs. To excel on the dimension of responsiveness, a company must be certain to view the process of service delivery and the handling of requests from customers' point of view rather than from the company point of view. Standards for speed and promptness that reflects the company view of internal process requirement may be very different from the customer's requirement for speed and promptness. To truly distinguish themselves on responsiveness, companies need well-staffed customer service departments as well as responsiveness front- line people in all contact positions. Responsiveness perception diminish when customers wait to get through to a company by telephone, are put on hold, are put through to a phone mail system or have trouble accessing the firm's website.

Assurance: inspiring trust and confidence. Assurance is defined as employee's knowledge and courtesy and the ability of the firm and its employees to inspire trust and confidence. This dimension is likely to be particularly important for services that the customers perceives as involving high risk and or about which they feel uncertain about their ability to evaluate outcome – for examples, banking, insurance, brokerage, medical and legal service. Trust and confidence may be embodied in the person who links the customers to the company, such as securities brokers, insurance agents, lawyers or counselor. In such service contexts the company seeks to build trust and loyalty between key contact people and individual customers. The personal banker concept captures this idea: customers are assigned to a banker who will get to know individually and who will coordinate all of their banking services. In other situations, trust and confidence are embodied in the organizations itself. Insurance companies such as Allstate (you are in good hands with Allstate) and prudential (own a piece of the rock) illustrate efforts

to create trusting relationships between customers and the company as a whole. In the early stages of a relationship, the customer may use tangible evidence to assess the assurance dimension. Visible evidence of degrees, honors and awards and special certifications may give a new customers confidence in a professional service provider.

Empathy: treating customers as individuals. Empathy is defined as the caring, individualized attention the firm provides to its customers. The essence of empathy is conveying, through personalized or customized service, that the customers are unique and special. Customers want to feel understood by and important to firms that provide service to them. Personnel at small service firms often know customers by name and build relationships that reflect their personal knowledge of customer's requirement and preferences. When such a small firms competes with larger firms, the ability to the empathetic may give the small firm a clear advantage.

These dimensions represent how consumers organized information about service quality in their minds. On the basis of exploratory and quantitative research, these five dimensions were found relevant for banking, insurance, appliance repair and maintenance, securities brokerage, long-distance telephone service, automobile repair service, transportation service and others.

Customer Satisfaction. Everyone knows what satisfaction is, until asked to give a definition. Then it seems nobody knows. This quote from Oliver (2008: 63), "Respected expert and longtime writer and researcher on the topic of customer satisfaction, expresses the challenge of defining this most basic of customer concepts." Building from previous definitions, Oliver offers his own formal definition:

Satisfaction is the consumer's fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provide a pleasurable level of consumption-related fulfillment.

According to Oliver (2008: 64):" Customer satisfaction is a well-known and established concept in several areas like marketing, consumer research, economic psychology, welfare-economics, and economics*".* In addition to sense of fulfillment in the knowledge that one's need have been met, satisfaction can also be related to other types of feelings, depending on the particular context or type of service. For example, satisfaction can be viewed as contentment – more of a passive response that consumers may associate with service they don't think a lot about service that they receive routinely over time. Satisfaction may also be associated with feelings of pleasure for services that make the consumer feel good or are associated with sense of happiness. For those services that really surprise the consumer in a positive way, satisfaction may mean delight. And in some situation, where the removal of a negative leads to satisfaction, the consumers may associate a sense of relief with satisfaction. The most common interpretation obtained from various authors reflect the notion that satisfaction is a feeling which results from a process of evaluating what has been received against what was expected, including the purchase decision itself and the needs and wants associated with the purchase. Satisfaction is the customers' evaluation of a product or service in terms of whether that product or service has met their needs and expectations. The conceptual logic of relationships within the customer satisfaction chain: by improving product and service quality attributes, customer satisfaction should increase. The increase in customer satisfaction should lead to greater customer retention and loyalty. Then, the improvement in customer retention and loyalty will lead to greater profitability.

Dimensions of Customer Satisfaction

Customer satisfaction is influenced by specific product or services features and perceptions of quality. Satisfaction is also influences by customers' emotional responses, their attributions, and their perception of equity. According to Oliver (2008: 65):The dimensions of customer satisfaction are as follows:

Repurchases means the act of purchasing back something previously sold, buyback, and buy what had previously bought. The customer who is happy and loyal will do repurchases repeatedly with the company they deal with.

Additional purchases means the more purchases made by the consumers or customers. The more business made by the customers with the company.

Customer loyalty refer to the previous customers to continue to buy from a specific organization. Great attention is given to marketing and customer service to retain current customers by increasing their customer loyalty. The term customer loyalty is used to describe the behavior of repeat customers. Customer loyalty includes much more, however; it is a process, a program, or a group of programs geared toward keeping a client happy so he or she will provide more business.

Referral. A referral is the activity of promote to others of product or service". A referral is an act of referring someone or something for review. It is an act of directing someone to a different place or person for information, helps and action.

METHODOLOGY

Research Design. Research design is all process in planning and doing the research. A good research design is those that can result in a logical and systematic conclusion. The writer will apply descriptive research design and Correlation Research Design with high concentration on causal relationship to know how one variable affects, or is responsible for the changes in another variable.

The descriptive research method and correlation research are defined as follows:

Descriptive research is an analysis with the aim to determine, collect, classify, the obtained data so the writer can describe the results in the thesis. The purpose of using this method is to test the hypothesis or to answer the question that is relevant with the current status or subject that being examined. In this research, the writer will use questionnaire and interview for collecting data.

Correlation research is a form of research or analysis in which we can correlate one variable with another variable in order to determine if there is any relationship between those variables. Correlation research also allows testing of the expected relationships between and among those variables and the making of predictions.

In order to obtain the data, the writer is using sampling of population of potential respondents to generalize conclusions more widely. The data are obtained by direct interview, and written questionnaire.

Research Object. Population is the whole research object as the source of data with certain characteristics in the research. The population that the writer uses in this research is the customers who have been as customers more than 3 years of CV. Four Star Medan which are 50 customers.

Sample is the selection of a fraction of the total amount of units of interest to decision makers, for the ultimate purpose of being able to draw general conclusions about the entire body of units.

According to Arikunto (2006), (If the sample of the research is less than 100 people, it is better to apply the entire sample so that the research is a sample research. Then, if the sample is large, the sample used is 10% - 15% or 20% - 25% or more). For this research, because the population is not more than 100 which are 50 customers, the writer takes 100% of population which are 50 customers become the sample. This sampling technique is called as census sampling. Census sampling method is method which takes all the population as the sample.

RESULT

The Correlation Test. In order to count the product moment correlation, the writer prepares arrange the table as follows:

Correlations

		Service Quality	Satisfaction
Service Quality	Pearson Correlation	1	.830[**]
	Sig. (2-tailed)		.000
	N	50	100
Satisfaction	Pearson Correlation	.830[**]	1
	Sig. (2-tailed)	.000	
	N	50	50

**. Correlation is significant at the 0.01 level (2-tailed).

From the calculation of correlation coefficient between Variable X (Service Quality) and Variable Y (Customer Satisfaction), the writer got the result of 0.83. In the table of scale of correlation test, the value of is indicated as significantly strong. This means that service quality has a significantly strong and positive impact towards customers' satisfaction at CV. Four Star Medan.

Determination Test. Next, the writer will calculate the impact percentage of service quality towards customer satisfaction by the determination of correlative coefficient

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.840[a]	.7056	.698	1.538

a. Predictors: (Constant), Service Quality

The percentage impact of service quality towards customer satisfaction is 70.56% and the remaining of 29.44% was impacted by others which were not discussed in this research.

Linear Regression Equation

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	12.64	.670		2.483	.018
	Total_X	.783	.061	.80	9.295	.000

a. Dependent Variable: Service Quality

$Y = a + b X$
$Y = 12.64 + 0.80 X$
$X = 0 \longrightarrow Y = 12.64 + 0.80(0) = 12.64$
$X = 1 \longrightarrow Y = 12.64 + 0.80 (1) = 13.44$

X= 2 $\longrightarrow$ Y = 12.64 +0.80 (2) = 14.24
X=3 $\longrightarrow$ Y = 12.64 +0.80 (3) = 15.04

After the calculation, the writer concludes that when service quality is zero, the Y (Customers' Satisfaction) is 12.64. When service quality (X=1), the customer satisfaction is 13.44 (increases 0.80). This means, the service quality has a strong impact towards customer satisfaction at CV. Four Star Medan.

Hypothesis Test. Here, the writer used the z-test to test the hypothesis, whether to be accepted or to be rejected. The calculation is as follows:

$$z = \frac{r}{1/\sqrt{n-1}}$$
$$z = \frac{0.84}{0.143}$$
$$z = 5.87$$

The confidence level of hypothesis test is 95% or 0.95, since use the two-tailed hypothesis test, 0.95/2=0.4750. the z_{table} is 1.96. From the calculation above, the writer got z_{count}= 5.87. The $z_{count} > z_{table}$ (5.87>1.96), this means the Null hypothesis (Ho) is rejected and the alternative (Ha) is accepted. So, Service quality has impact towards customers' satisfaction at Four Star Medan.

DISCUSSION

From the results of the customers' answers to the questionnaires regarding the service quality of CV. Four Star Medan are:

Ontime: The schedule of product delivery is not on time. Sometimes, the product is delivered after one week.

Procedure: the procedure of product transaction are not easy. The company has several requirements to fill in and pay when customers buy the products.

Quick Respond: the company responds slow at customers' demands.

Prompt Service: the company does not give good suggestions on product delivery.

Credibility: the customers are not always reconfirmed of the product ordered from telephone or else.

Courtesy: the employees in the company do not talk and explain politely to customers. They explain short and not in low tone to customers.

Warranty: the products of the company have convincing warranty for certain years.

Individual attention: the company does not give special attention such as give souvenirs to customers or build relationships.

Building: the company has a clean and quite good building.

Furnishings: the furnishing is quite complete in the company.

From the calculation of correlation coefficient between variable X and Variable Y, the writer got the result of 0.840 which means service quality has a significantly strong impact towards customers' satisfaction at CV. Four Star Medan.

The determination test shows the percentage impact of service quality towards customer's satisfaction is 70.56% and the remaining of 29.44% was impacted by others which were not discussed in this research.

The linear equation means that the each one increase in the variable x (Service Quality), the values of variable Y (Customers' satisfaction) will increase by 0.80. The linear regression shows a positive relationship between service quality and customers' satisfaction.

From the result of hypothesis test, got zcount > z table, which z table is 1.96, this means the Null hypothesis (Ho) is rejected and the alternative (Ha) is accepted. The writer can conclude that service quality has impact towards customer satisfaction at Four Star Medan.

CONCLUSIONS

The writer makes conclusions after evaluating and analyzing which Based on the research done, the writer will answer the problem identifications which are:

Based on the result of the customers' answers of the questionnaires, CV. Four Star Medan has not implemented a good service quality to meet their satisfaction.

Based on the result of the calculation of correlation test and linier regression, the service quality has a significantly strong and positive relationship with customers' satisfaction at CV. Four Star Medan.

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