

THE INFLUENCE OF SERVICE QUALITY AND DELIVERY PRICES ON CUSTOMER SATISFACTION IN BANDAR JAYA

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Abstract: *One of the factors that underlie the success and development of shipping service companies is the quality of service and also the shipping rates set by the company. These two factors have a major impact on customer interest and satisfaction in using the delivery service. This study aims to determine whether the quality of service and freight rates affect customer satisfaction. And from the research conducted, it can be concluded that the quality of service and freight rates affect customer satisfaction. This study uses a sample of 50 customers, the data processing method uses the Smart Pls 3 application.*

Keywords: *Quality of service, shipping rates and customer satisfaction*

1. INTRODUCTION

In modern times, the process of shipping goods is very frequent and very much needed by the wider community and the process is very fast. In this increasingly modern era, people can shop and transact online and even more so for conditions like this, where people are prohibited or restricted from leaving their homes and even shopping directly due to the COVID-19 pandemic and with this, delivery services are increasingly needed. Companies engaged in the freight forwarding industry are increasing. So that

consumers have many choices in using a reliable shipping service with good service quality. The existence of the provision of goods delivery services has a strategic role to improve the performance of the flow of goods from the region and to a region. The main role of the delivery service provider is as a means of transporting goods from the place of origin to the destination.

With the increase in online shopping, there are more opportunities for someone or an entrepreneur who wants to open a delivery service business and continues to grow and compete with

other shipping services to seize the market. One of them is ID Express, a company engaged in the delivery of goods and logistics which was only established on February 14, 2019. The high demand for shipping goods in Indonesia cannot be separated from the intervention of several delivery service providers so that goods delivery service providers must have a strategy specifically to compete with other shipping services. Therefore, the service industry is required to be more creative in terms of service production and also marketing to be able to maintain its existence from increasingly strong competition (Setyaningrum A, 2019).

Delivery services that emphasize service quality and shipping rates are more preferred by the public than delivery services that do not have these. So that service companies must be extra in creating effective and efficient services supported by unstable economic conditions.

And the most basic problem arises is how delivery service companies are able to improve the quality of services and services in the midst of increasingly strong competition. Based on the results of research conducted at ID Express that

customers who come to send packages a day can be 50-100 customers and while at PT. Sicepat 50-150 customers who arrive. And it can be seen that PT. Sicepat is superior in the number of customers from PT. ID Express. Based on this analysis, the authors are interested in conducting research with the title: "The influence of service quality and shipping rates on ID Express customer satisfaction"

1. STUDY THEORY

1.1 Service Delivery

According to (Bisnis et al., 2016), Service marketing is part of the overall service system where the company has a form of contact with its customers, from advertising to billing, it includes contacts made at the time of service delivery.

Meanwhile, companies that provide service operations are those that provide customers with service products, both tangible and intangible. From these various definitions, it appears that in services there is always an interaction aspect between the customer and the service provider, although the parties involved are not always aware of it.

Service is a process or the activities are intangible.

1.2 Service Quality

According to Philip Kotler, quality is the totality of characteristics and characteristics of a product or service that affect its ability to satisfy stated or implied needs.

To find out the quality of service that is really felt by customers, Zeithaml-Parasuraman-Berry provides a measure of customer satisfaction that lies in the five dimensions of service quality according to what customers say.

- 1) Tangible (quality of service in the form of office physical facilities, computerized administration, waiting room, information area and so on).
- 2) Reliability (ability and reliability to provide reliable services).
- 3) Responsiveness (the ability to help provide services quickly and accurately and responsive to customer desires).
- 4) Assurance (the ability and friendliness of employees in ensuring customer trust)
- 5) Empathy (firm attitude but attention from employees towards customers).

1.3 Shipping Rates

According to Kotler & Keller, (2013) said that the shipping rate is the amount of money that must be paid by the customer to get the product. Meanwhile, according to Tjiptono, (2014) tariff is the only element of the marketing mix that provides income or income for the company, while the other three elements (product, place and promotion) cause costs/expenditures to arise. Product quality is an important thing that every company must strive for if they want their products to compete in the market. Nowadays, due to the economic capacity and level of education of the people tend to increase, so that some people are increasingly critical in consuming a product.

1.4 Service Quality

According to Tjiptono, (2014) satisfaction comes from the Latin "Satis" which means quite good, adequate and "Facto" which means doing or making. According to Kotler & Keller, (2013) customer satisfaction is a person's feeling of satisfaction or disappointment resulting from the comparison of product performance or results with expectations. If the performance is less than expectations,

the consumer will be disappointed and if it is in line with expectations, the consumer will feel satisfied, which is defined as an effort to fulfill something or make something adequate.

1.5 Relationship of Service Quality and Rates to Customer Satisfaction

According to juwandi (2004:37; Fatimah, F 2021) the factors that influence customer satisfaction are as follows:

1. Product quality, customers are satisfied after buying and using the product, it turns out that the quality of the product is good.
2. Price, for sensitive customers, usually low prices are an important source of satisfaction because customers will get high value for money.
3. Service quality or service quality, satisfaction with service quality is usually difficult to imitate, service quality is a control that has many dimensions, one of which is popular is SERVQUAL
4. Emotional factors, customers will feel satisfied (proud) because of the emotional value provided by the brand from the product. Cost and convenience, customers will be more satisfied if it is relatively easy,

comfortable and efficient in getting a product or service.

RESEARCH METHODS

This study uses a quantitative method with a simple correlation and regression approach. The simple correlation is intended to determine the relationship between the service quality variable, the shipping rate variable and the service quality variable. while the simple regression is intended to determine the effect of Service Quality and Shipping Rates on Customer Satisfaction. The analytical tool used in this research is Smart PLS 3. This research was conducted at ID Express Bandar Jaya branch with a sample of 50 customers.

RESULT AND DISCUSSION

Validity test

| N | VARIABLE | STANDARD | OUTLIER | VARIATION | DECISION |
|---|-----------------|----------|---------|-----------|----------|
| 1 | Service Quality | KL.1 | 0.862 | 0.60 | VALID |
| | | KL.3 | 0.71 | 0.60 | VALID |

| | | | | | |
|---|--|------|------|------|--------|
| | | | 1 | | ID |
| | | KL.4 | 0.88 | 0.60 | VAL ID |
| | | | 2 | | |
| | | KL.5 | 0.86 | 0.60 | VAL ID |
| | | | 9 | | |
| 2 | Delive ry Prices | KP.1 | 0.72 | 0.60 | VAL ID |
| | | | 4 | | |
| | | KP.3 | 0.78 | 0.60 | VAL ID |
| | | | 5 | | |
| | | KP.4 | 0.80 | 0.60 | VAL ID |
| | | | 2 | | |
| | | KP.5 | 0.82 | 0.60 | VAL ID |
| | | | 9 | | |
| 3 | CUST OME R SATIS FACT ION | TP.2 | 0.81 | 0.60 | VAL ID |
| | | | 8 | | |
| | | TP.3 | 0.88 | 0.60 | VAL ID |
| | | | 3 | | |
| | | TP.4 | 0.86 | 0.60 | VAL ID |
| | | | 6 | | |

Data source: Smart PLS 3 Test Results
 Based on the table, test the validity of the product quality variable, there are 2 indicators that are not valid so they must be discarded

Reability Test

Reability Test Results

| Variable | Cronba ch's Alpha | Relia ble Crite ria | Decrip tion |
|--------------------------------------|-------------------------|------------------------------|----------------|
| Service Quality (XI) | 0,795 | 0.811 | Reliabl e |
| Delivery Prices (X2) | 0.817 | 0.818 | Reliabl e |
| CUSTOME R SATISFAC TION (Y) | 0.855 | 0.901 | Reliabl e |

Data source: Smart PLS 3 Test Results
 Based on the table, test the reliability of each variable, obtained Cronbach's alpha value > 0.70 so that it can be concluded that all statement instruments in this study are reliable.

Hypothesis Testing

| VARIABLE | ORIGINA L SAMPLE O | DESCRIPTI ON |
|----------|-----------------------------|-----------------------|
| XI -> Y | 0.455 | Positive Influence |
| X2-> Y | 0.414 | Positive Influence |

P Values . Hypothesis Test Results

| VARIABLE | P. VALUES | Significance Level | Description |
|----------|-----------|--------------------|-------------|
| X1 -> Y | 0.000 | 0.05 | Significant |
| X2 -> Y | 0.000 | 0.05 | Significant |

Data source: Smart PLS 3 Test Results based on a table, hypothesis testing, each variable X1 and X2 has a significant positive effect on Y, so it can be concluded, Service Quality and Product Quality have a significant.

DISCUSSION

The problem to be answered in this research is about whether the quality and service rates affect customer satisfaction at the ID EXPRESS delivery service at the Bandar Jaya branch. Hypothesis testing is carried out aiming at a conclusion if the quality of service and service tariffs increases it will cause customer satisfaction to increase as well and if on the contrary the quality of service and service tariffs decreases then customer satisfaction will also decrease. In the description of the characteristics of the respondents, it can be seen that the majority of the respondents are female, the respondents are 20-30 years old, and the respondents with the latest education are

Bachelor/S1 are the respondents with the most number.

From the research that has been done and the results of data processing with SPSS using the principle of correlating or connecting each item score with the total score obtained in the study.

The validity test shows that all statements on the existing questionnaire are valid data because the probability (sig) value is greater than (alpha) and all rcount coefficient values are greater than rtable. Thus, all questionnaire items were declared valid so that they could be used as research instruments. Likewise, the reliability test in this study shows that the Cronbach's alpha value of the service quality variable and shipping rates is higher than 0.5, so the data from the service quality variable and service tariff and customer satisfaction variable are data whose reliability status is even included in a good reliability position. .

Based on the results of the correlation coefficient in the correlation analysis shows that there is a relationship between the variables of service quality and shipping rates with customer satisfaction.

From the analysis of research results and discussions that have been carried out, it can be seen that the variable quality of service and shipping rates affect the variable of customer satisfaction. This is evidenced by the t test showing a significance level of 0.02. This study means that it supports the proposed hypothesis that "Service Quality and Shipping Rates have a positive and significant impact on customer satisfaction at the Bandar Jaya branch ID EXPRESS delivery service."

Therefore, the results of this study, which was conducted using the t-test and also in accordance with the answers of the respondents who are customers of the Bandar Jaya branch of the Bandar Jaya Express ID Delivery Service, show that there is an influence between service quality and shipping rates on customer satisfaction. In this case the effect is positive and significant. This positive and significant effect means that the increasing quality of service and shipping rates will have an effect on increasing customer satisfaction.

From the results of the regression analysis, it is explained that the increase or decrease in the satisfaction of a customer is not completely played by

the service quality variable and also the delivery rate, but there are other variables that affect employee performance, namely variables not examined in this study.

CONCLUSIONS AND SUGGESTIONS

CONCLUSION

Based on the results of the study, the results obtained that service quality and shipping rates have a positive and significant effect on customer satisfaction at ID EXPRESS Bandar Jaya branch. This explains that if the quality of service and shipping rates increase it will increase customer satisfaction, on the contrary if the level of service quality and shipping rates decreases, customer satisfaction will also decrease. The two variables of service quality and shipping rates have an effect of 75.0% on customer satisfaction and there are other variables that are not examined in the study which have a large enough effect on customer satisfaction at ID EXPRESS Bandar Jaya branch.

SUGGESTION

Because the results of service quality and shipping rates have a positive and

significant effect on customer satisfaction, therefore the suggestions from researchers for those who will conduct further research are:

FOR COMPANIES

1. The customer satisfaction variable is related to the average value of other answers from the customer satisfaction variable with a fairly high average value. Therefore the company is advised to maintain and improve its performance.

2. There are other variables that are quite large that cause customer dissatisfaction with the company's services, so that it can be taken into consideration for the company to improve its performance system.

FOR NEXT RESEARCHERS

1. Examine more references used by determining and adding variables in similar research.

2. It is expected to use a wider sample such as in cities or districts to maximize research results.

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