# MEASUREMENT OF SERVICE QUALITY AND CUSTOMER SATISFACTION

# (APPLICATION MODEL ON SERVICE COMPANY)

# Mohammad Machrus STIE Satu Nusa Lampung Jl. Cut Mutiah No. 19 A Bandar Lampung

e-mail: mohammadmachrus25@yahoo.co.id

#### **ABSTRACT**

Success of a company in marketing service, is determined by service quality that must be satisfy the customers. Management should commit to maintain service quality to keep customer satisfaction, because service quality and customer service is dependant each other. So it is necessary to measure them periodically. Dimensions that have positive correlation with service quality and customer satisfaction are summarized in TERRA, i.e.: Tangible, Empathy, Reliability, Responsiveness, and Assurance. Beside that, there five gaps that caused service quality cannot fulfill the customer satisfaction, those gaps are: 1) Gap between Customer Expectation and Management Perception, 2) Gap between Management Perception and Servqual Specification, 3) Gap Between Servqual Specification and Service Delivery, 4) Gap between Service Delivery and External Communication, 5) Gap between Expected Service and Perceived Service. Service quality can be measured by Performance and Important Ratio (PIP) model. Meanwhile, customer satisfaction can be measured by model function : S = fs (E,P), where : S =

Customer Satisfaction, E= Customer Expectation, and P = Perceived Performance.

**KEY WORDS**: Servqual, Customer satisfaction, Tangible, Empaty, Reliability, Responsiveness, Assurance.

#### 1. Introduction

Success of a company in marketing services, is determined by service quality that must be satisfy the customers. Management should commit to maintain service quality to keep customer satisfaction, because service quality and customer service is dependent each other. So it is necessary to measure them periodically. Service marketing as a system, is combination of operating system and service presentation, by media in purpose to communicate the services to the customers (Lovelock: 1991).

In order to do a service to satisfy the customer perfectly, so the operating system should be supported by service marketing mix, which is a service marketing tool that can be controlled by management to serve aimed market segment. According to Zaithami (1990), service marketing mix consist of 7P, i.e.: Product, Place, Price,

Promotion, Physical Evidence, Ppeople, Participant, and Promise. According to Zaithami (1990), service marketing mix terdiri dari "7 P", yaitu : product, place, price, promotion, physical evidence, people, participant, promise.

### 2. Service Marketing Dimension

There are cohesiveness between process and system in service marketing that is resulted by three inputs, i.e. : a) People as customer; b) material as service marketing support; c) information as a system. Service business is a combination of operating system and service delivery system. Service marketing emphasize at service delivery system, that has to concern at 4 service characteristics, i.e.: uncorporeal, cannot be saved, cannot be separated, and changeable. In correlation with those four characteristics, service quality is relative and the success of service marketing is determined by service quality (Servqual). Service quality that customer receive, fundamentally is customer satisfaction level. So that, customer satisfaction is a dimension to measure service quality that company offer. Service quality can be divided through service quality dimension, i.e.: Tangible, Empathy, Reliability, Responsiveness, and Assurance (TERRA).

- 1. Tangible is the availability of physical supporting infrastructure, e.g.: building, the area, machine, office equipment, etc.
- Empathy is an impression in offering service, e.g.: attention, clear and accessible information, adequacy of customer needs, etc.
- Reliability is the level of trust from management to the customers in correlation of service, e.g.: service suitability, punctuality, keeping promises, etc.

- 4. Responsiveness is attention to respond the customer in case of giving service, e.g.: readiness, friendliness, and skilled officers.
- Assurance is guarantee from management to customer, in correlation of giving service, e.g.: security and safety.

Customer satisfaction is function and closeness of customer expectation and perceived performance. Based on that closeness, customer satisfaction can be formulated as follows.

S = fs (E, P)

where:

S = Customer satisfaction;

E = Customer expectation;

P = Perceived performance.

Customer satisfaction (S) will be achieved if the service that customer experience (P) beyond the expectation (E). In short, service quality can be found by comparing the customer expectation and perceived performance. Process of gap and the correlation with servqual dimension can be seen at figure 2 (Rust T. Roland: 1996).

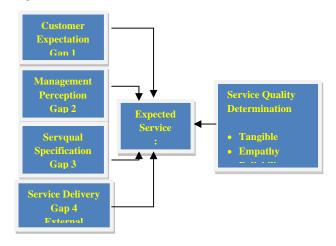


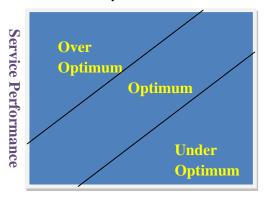
Figure 2: Model Service Quality

#### 3. Service Quality Measurement

A good service quality is able to increase company's image, thus company ought to measure the service whether it can satisfy the customer or not. Service quality measurement can be done by TERRA variables or by models as follow.

- Function model
   Service quality (S) = Service performance
   (P) Customer Expectation (E).
   If the result is positive, then service quality good rated and customer satisfaction is reached. In reverse, if the result is negative, the service quality bad rated. It means customer satisfaction is not reached yet.
- 2. Performance and Importance Ratio ( PIR )
  Model

This model measures the service quality by TERRA variables. Diagram below illustrates the measurement by the model.



# **Customer Importance**

Figure 3: Measurement of Service Quality

Based on measurement of service quality by TERRA dimensions using PIR model, three result alternatives are obtained as follow.

 If the measurement result is in the area of Over Optimum, the service performance is far above the customer expectation. It means customer satisfaction is over fulfilled. In this

- case, company pays too much servqual cost.

  This is not very efficient.
- If the measurement result is in the area of optimum, service performance and customer importance are equal. It means, service quality has reached the optimality, and company has meet the customer satisfaction.
- If the measurement result is in the area of under optimum, service performance has not meet the customer satisfaction. It means service quality is not optimum yet.

#### 4. Measurement of Customer Satisfaction

Customer satisfaction can be measure by TERRA dimension, by comparing the values of service performance (P) and customer expectation, as follows.

Service Performance (P)
Customer Expectation(E)

= Customer Satisfaction

If:

- Measurement result < 1, it means the service performance cannot fulfill the customer satisfaction.
- Measurement result = 1, it means the service performance fulfill the customer satisfaction. The customer expectation equals to service performance.
- Measurement result > 1, it means the service performance beyond the customer expectation. Customer gets extremely perfect service.

# 5. Conclusion

Based on analysis and theoretical studies, the conclusions are:

- Service marketing mix has 8 P, i.e.: Product, Price, Place, Promotion, Physical Evidence, Process, People, and Promise.
- The concern variable to measure the service quality is TERRA dimension, that are: Tangible, Empathy, Reliability, Responsiveness, and Assurance.
- Service quality (servqual), is an important aspect to reach the success of service marketing, and service quality affects customer satisfaction and loyalty. So that management should measure the service quality periodically by several models as follow.
  - a. Function model: S = fs (P : E).
  - PIR scheme model, that is comparing service performance and customer importance by TERRA dimension.

#### Reference

- Fandi Ciptono : 1996. *Manajemen Jasa*. Penerbit Andi, Yogyakarta
- Kotler Philip. 1994. *Marketing Management. Eight edition*. Prentice Hill International, USA.
- Lovelock Christhoper, H. 1991. *Service Marketing*, Harper Collins College Publisher, USA.
- Fredy, Rangkuti, 1997. *Riset Pemasaran*, Gramedia, Jakarta.
- Rust T, Roland. 1996. *Service Marketing*. Prentice Hill International, USA.
- Sucherly. 1998. Faktor-faktor yang berpengaruh Terhadap Pemasaran Jasa. Desertasi, PPS UNPAD, Bandung.
- J. Supranto. 1997. Pengukuran Tingkat Kepuasan Pelanggan Untuk Menaikkan Pangsa Pasar. Rineka Cipta, Jakarta.

Zaithaml, Valerry, A. 1990. Delivery Quality Service, Balancing Customer Perception and Expectation. Free Press, New York.