

Measurement of The Effectiveness of Priority Customer Service Quality on PT PLN (Persero) UP3 Medan Utara

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ABSTRACT

PT PLN (Persero) UP3 Medan Utara is still increasing the number of complaints from customers, so that the 2019 target is only reached 23.98 percent for SAIDI and 23.63 percent for SAIFI related to the quality of services provided to customers related to the relative power outage long and frequent power outages. The purpose of this study is to determine the factors that influence customer satisfaction priorities that are reflected in service quality. Data collected through interviews using a questionnaire to priority customers. The research method used in this study uses multiple linear regression analysis. Where able to explain the relationship between variables studied. Based on the results of the analysis on hypothesis testing using the F test (together or simultaneously) it can be explained that the three variables namely customer value, perceived price, employee competency together effect service quality dependent variable. This is indicated by the calculated F value of 179.214 with a significance value (p value) of $0.000 < 0.05$. The coefficient of determination (R^2) produced is 0.735. This means that 73.5 percent of the change in service quality variables can be explained by changes in customer value, perceived price, employee competency together, while the remaining 26.5 percent is explained by other variables not contained in this study, so it can be seen that the most influential on service quality variables are employee competency variables with a regression coefficient of 0.388. The customer value has a positive effect with a regression coefficient of 0.248. The perceived price has a positive effect with a regression coefficient of 0.309. The results of this study, so

that PLN prioritizes employee competency factors because this is the most influential factor on service quality. More stringent employee selection to get competent quality employees and provision of training to improve employee capabilities, and conduct a refreshment or upskilling program.

Keywords: Service Quality, Customer Value, Perceived Price, Employee Competency

INTRODUCTION

Electrical energy has become a basic need for the general public and industry. Demands for industrial needs and people's lifestyles that continue to evolve over time make the need for electricity continue to increase, this can be seen with an increase in the national electrification ratio in the last five years which rose 23% from 2017 with an average growth of 8.7% per year.

PT Perusahaan Listrik Negara (Persero), commonly known by the name PLN, is a state-owned enterprise (BUMN) entrusted by the government to be the operator of electricity supply in Indonesia. PT PLN (Persero) is responsible for providing electricity supply needed by all industries (upstream and downstream) and small, medium and large scale companies and the general public. Thus the duties and responsibilities of this company, starting from the making/construction of the generation electricity, operation, distribution through transmission lines from the generator to the consumer.

PT PLN (Persero) Customer Service Implementation Unit (UP3) Medan Utara is one of the work units in the Sumatera Utara region engaged in electricity distribution and sales services. Its mission is to run electricity business and other related fields, make electricity as a medium to improve the quality of people's lives, strive for electricity to be an economic activity driver, and run business activities that are environmentally sound.

Changes in the business world are increasingly fast requires companies to respond to changes that occur, the main problem faced by companies today is how the company attracts customers and maintain it so that the company can survive and develop. Changes in information technology are developing fast, requiring various companies to provide appropriate and fast solutions according to the needs/desires of customers, so that customers are satisfied and will survive the subscription. To answer this problem, marketing is one of the main activities carried out by companies to maintain its survival. In modern marketing, the marketing paradigm has shifted, not only creating transactions to achieve marketing success but companies must also establish relationships with customers over a long period of time.

Customer needs need to be clearly identified, as part of product development. The aim of this approach is to exceed customer expectations and not merely fulfill them. Therefore we need accurate information what the needs and desires of customers on the basis of goods or services produced by the company. Thus the company can better understand customer behavior in its targets, and can develop appropriate strategies and programs in order to take advantage of existing opportunities, establish relationships with each customer and be able to outperform its competitors (Mulyasa, 2002).

Companies that want to develop and gain competitive advantage must be able to provide products in the form of quality

goods or services at low prices, faster delivery, and good service to customers than competitors. To meet customer satisfaction in the service industry, service quality is very important managed by the company well (Sulistyo, 1999).

In creating customer satisfaction, companies must be able to increase customer value. Customer value can be created through the quality of service quality provided by the company to its customers. The better the quality of service, the higher the customer value for the company. The high quality of service is also inseparable from the company's internal support, especially support from human resources.

In increasing the value of the company's customers also cannot forget the type and quality of its products. Companies whose types of products are very innovative, high quality, competitive prices, so that they are able to compete with other similar products, will be able to attract more customers. The more innovative a product is, so that it can meet all customer needs, the higher the customer satisfaction (Song & Parry, 1997).

As a company that also provides products/services, PT PLN (Persero) must be able to provide excellent service quality, which is excellent service and exceed customer expectations so that it can better satisfy its customers, which in turn can foster customer loyalty, so that it occurs repurchase (Tjiptono, 2006).

In addition to providing excellent service, PT PLN (Persero) implements efforts to achieve quality customer value, customer satisfaction and customer loyalty to achieve company profits. One of the efforts so far has been to build a customer data base. With its customer database, the company develops customer relationship management (CRM). The CRM policy implemented by the company is directed at building close relationships with its customers to grow and gain customer trust in the company. Trust is seen as a central element in establishing successful

relationships. CRM becomes important for the company because if done correctly it will also be able to establish a good and pleasant relationship for customers (Sukoco, 2002).

In the current technological era, there is no single country that is not affected by globalization, even large and multinational and small companies also face global competition. Increased intensity and level of competition will usually be followed by higher quality competitors. Therefore, every company is required to pay attention to the needs and desires of customers and try to meet what is expected, so that it can be satisfied by the company compared to its competitors. The complexity of an industry's competition causes each company to always try to improve quality in all fields, so that customer satisfaction is realized. Quality is seen from the customer's perspective is important in developing a better system and management. Thus guaranteed quality will create customers which in turn increases the competitiveness of the company (Mulyasa, 2002).

High service performance is fundamental to the survival of a company. A high-value service is a service that is able to satisfy customer needs or in other words be able to exceed customer expectations (Andersen, Eugene & Fornell, 1994). A satisfied customer means Retained Customer, while an unsatisfied customer means Lost Customer. In an environment of intense competition, surviving customers find a fundamental role for achieving high business performance. Thus the formulation of a service quality strategy that is able to increase the number of customers that remain is a focus in an era of intense business competition.

PT PLN (Persero) UP3 Medan Utara is still increasing the number of complaints from customers, so that the 2019 target is only reached 23.98 percent for SAIDI and 23.63 percent for SAIFI related to the quality of services provided to customers related to the relative power outage long and

frequent power outages. The purpose of this study is to determine the factors that influence customer satisfaction priorities that are reflected in service quality.

On the other hand the price perception that the ratio of realization to target is only reached 91 percent, this is the implication of the service quality that is not optimal, due to the ratio of SAIDI and SAIFI not reached.

RESEARCH METHODS

This type of research is descriptive research that is a type of research that aims to mencandra or describe systematically, factually and accurately about the facts and properties of a particular object or population (Sinulingga, 2015). This research is also called survey research because the data used are collected by interview.

In this study, researchers will use a descriptive research design using a single cross-sectional, which is only one sample taken from the entire target population and information taken only once in a period (Malhotra, 2007).

According to Sugiyono (1999), population is a generalization area consisting of objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions. The population in this study were customers of PT PLN (Persero) UP3 Medan Utara, specifically priority customers, which amounted to 4,101 customers. The researcher took an indicator size of 200 respondents.

The sampling technique used in this study was carried out by distributing questionnaires to customers of PT PLN (Persero) UP3 Medan Utara, totaling 200 customers, but a good and feasible questionnaire was processed with only 194 questionnaires. While the remaining questionnaires are damaged, incomplete, or the data are not suitable for processing. The considerations used in determining respondent characteristics are priority customers of PT PLN (Persero) UP3 Medan Utara.

Data collected through interviews using a questionnaire to priority customers. The research method used in this study uses

multiple linear regression analysis. Where able to explain the relationship between variables studied.

RESEARCH RESULTS

Table 1. Simultaneous Significance Test Results (F Test)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1685.017	3	561.672	179.214	.000 ^b
	Residual	595.478	190	3.134		
	Total	2280.495	193			
a. Dependent Variable: SQ						
b. Predictors: (Constant), EC, CV, PP						

Source: Primary Data Processed, 2020

Based on the results of the analysis on hypothesis testing using the F test (together or simultaneously) it can be explained that the three variables namely customer value, perceived price, employee competency together effect service quality dependent variable.

This is indicated by the calculated F value of 179.214 with a significance value (p value) of $0.000 < 0.05$.

Table 2. Regression Test Results (Coefficient of Determination)

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.860 ^a	.739	.735	1.770
a. Predictors: (Constant), EC, CV, PP				
b. Dependent Variable: SQ				

Source: Primary Data Processed, 2020

The coefficient of determination (R^2) produced is 0.735. This means that 73.5 percent of the change in service quality variables can be explained by changes in customer value, perceived price, employee competency together, while the remaining 26.5 percent is explained by other variables not contained in this study.

Table 3. Regression Test Results (Regression Coefficient)

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.147	.736		-.200	.841		
	CV	.264	.063	.248	4.182	.000	.392	2.550
	PP	.339	.066	.309	5.144	.000	.382	2.619
	EC	.397	.064	.388	6.197	.000	.350	2.855
a. Dependent Variable: SQ								

Source: Primary Data Processed, 2020

So it can be seen that the most influential on service quality variables are employee competency variables with a regression coefficient of 0.388. The first hypothesis statement that employee competency has a positive and significant effect on service quality is proven. This can be indicated by the significance value (p value) of 0.000 which is smaller than 0.05 and the regression coefficient value of 0.388. It can be concluded that the higher the customer perception of employee

competency, the higher the perception of service quality.

The customer value has a positive effect with a regression coefficient of 0.248. The first hypothesis statement that customer value has a positive and significant effect on service quality is proven. This can be indicated by the significance value (p value) of 0.000 which is smaller than 0.05 and the regression coefficient value of 0.248. It can be concluded that the higher the customer perception of customer value, the higher the perception of service quality.

The perceived price has a positive effect with a regression coefficient of 0.309. The first hypothesis statement that the perceived price has a positive and significant effect on service quality is proven. This can be indicated by the significance value (p value) of 0.000 which is smaller than 0.05 and the regression coefficient value of 0.309. It can be concluded that the higher the customer's perception of perceived price, the higher the perception of service quality.

CONCLUSION AND SUGGESTION

Conclusion

Based on the results of the analysis on hypothesis testing using the F test (together or simultaneously) it can be explained that the three variables namely customer value, perceived price, employee competency together effect the service quality dependent variable.

So it can be seen that the most influential on service quality variables are employee competency. The customer value has a positive effect the service quality. The perceived price has a positive effect the service quality.

Suggestion

The results of this study, so that PLN prioritizes employee competency factors because this is the most influential factor on service quality. More stringent employee selection to get competent quality employees and provision of training to

improve employee capabilities, and conduct a refreshment or upskilling program.

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