

Influence of Service Quality and Price of House flat on customer satisfaction (Studies in Marunda flats of North Jakarta)

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ABSTRACT: Jakarta is a metropolitan city, places of interest both as a place of business or employment, or residence. With a population of 10,187,595 inhabitants, providing necessary city infrastructure including the provision of adequate housing. The main problems of Jakarta as a metropolitan city is the ever-expanding slums needs of the lower class. One alternative to solve the housing needs in urban areas is limited to developing a model of vertical residential building flats. Flats can be developed into. The research was conducted on a simple apartment owned and simple flats rent (Rusunawa) as an alternative to meet the housing needs consumers flats in Jakarta. Total sample 171 respondents. The independent variable was the perception of service quality of flats (X1) and the prices of flats, while the dependent variable is customer satisfaction of flats (Y1). Results of the study showed that service quality and price of flats influence on consumer satisfaction of flats. Multiple linear regression is obtained: $Y = 11.405 + 0.620 X1 + 0.229 X2$, the value of R Square adjusted of 0.729.

KEYWORDS: Service Quality, Price and Satisfaction

I. INTRODUCTION

Jakarta is a metropolitan city, is an interesting place both as a place of business or employment, or residence. Relatively high economic growth and the opening of the undertaking led to the growth of Jakarta metropolitan population increases significantly with consequences on the provision of facilities and infrastructure needs of urban areas. The main problem in Jakarta as a metropolitan city that is growing very rapidly, the face (1) the lack of adequate means of flood control, (2) the spread of slums, (3) increasing traffic congestion and the low level of public transport services, (4) lack of availability of urban utilities, (5) incomplete city planning instruments, and (6) the lack of adequate control utilization of urban space [22]. For embodies the city beautiful, healthy and comfortable, both as a center of economic activity and the residence, confronted the government on the ability to provide public facilities and infrastructure are adequate and equitable for all levels of society. In addition, a large population led to demands on the availability of facilities and infrastructure.

Urban development, such as Jakarta with its population increasing from year to year, while the amount of land is limited, so that housing needs are directed to the possession / use of the apartment or flats as an alternative, especially for the middle class. Population censuses of 2000 and 2010, showing the number of Jakarta residents increased 15% or more than 1.25 million people over the last 10 years. In 2010 the population of DKI Jakarta has reached 9,604,329 inhabitants, in the six areas of Jakarta, including the Thousand Islands region. Two areas that stand out as the most populous region is East Jakarta and West Jakarta [23]. Rapid increase in population has led to a variety of problems including growing slums. To overcome the problem of housing in the slum pockets, Jakarta City Government has adopted a policy to build flats either owned or rented [8] as a viable alternative housing for low income people and the development goals set out in the flats on the Law Republic of Indonesia No. 16/1985 [20], which meets the needs of adequate housing for the people, especially low-income groups.

To meet the ownership and rental flats, flats required performance of a professional manager. Professional performance will also improve customer satisfaction flats (residents). Customer satisfaction significantly influence the performance of the company's current and future [3][7][12]. Customer satisfaction in the housing sector may have social implications far beyond standard consumer product experience. Satisfaction in the housing sector is an important component of overall life satisfaction [13]. Amole [1] study on student housing satisfaction in Nigeria, and what factors that influences the housing satisfaction, showed that more than half (53%) of respondents are not satisfied with their place of residence and satisfaction are variables that explain the social quality of residence, especially, social density, kitchen, bathroom and storage facilities and several demographic characteristics of students. Tsemberis study [19] showed that housing satisfaction is influenced not only by the quality of the home itself, but also by the surrounding environment, social interaction, satisfaction with service management and tenant involvement. Nahmens and Ikuma [15] conducted an exploratory study on customer satisfaction and service quality, and obtain correlations between the various

factors home buyers expectations and their perceptions of service quality. Results of several studies have shown the influence of the above products, and the dimensions of service quality on customer satisfaction.

There is a relationship between the prices of flats with customer satisfaction. Research conducted Zadkarim and Emari [24] on consumers apartment in Iran get that price significantly influence consumer satisfaction in the low-income consumers, but has no effect on high-income consumers. Research Opoku and Muhmin [16] obtain important factor in the selection of homes on low-income consumers are price considerations, the availability of personal space and aesthetic aspects.

II. LITERATURE REVIEW

Service Quality

Parasuraman et al. [17] stated that the service quality is the company's ability to meet and exceed customer expectations. Lehtinen in Tjiptono [18] states that service quality is produced in the interaction between the consumer and the elements in a service organization, the quality of the physical (physical quality), the quality of the company (corporate quality) and the quality of interactive (interactive quality) with respect to personal contract. Improving the quality of its services associated with social and commercial interests of the company and enhance greater customer satisfaction [14]. Nahmen and Ikoma [15] conducted an exploratory study on service quality and customer satisfaction, and obtain the relationship between factors home buyers expectations of service quality.

Price

Kotler and Armstrong [9] defines price as the amount of money charged for a product or service or the total value exchanged by consumers to benefit - benefit from goods purchased or used. Kotler [11] also stated that the price paid by the customer to cover the cost of production, distribution and sale of principal.

Doveliene and Virvilaite [4] states that the price element of the marketing mix is the most flexible and can change rapidly following changes in product and service quality. Pricing decisions are very effective when aligned with other marketing mix elements, namely the product or service, place and promotion.

Wirtz and Kimes [21] argues that there are two principles in terms of pricing is that consumers have a right to know the price and the company has the right to determine the basis of profit. So that the determination and fair price for customers and company, and the customer can customize his request with income.

Customer satisfaction

Customer satisfaction is the degree to which the needs, wants and expectations of customers are met which will result in repeat purchases or ongoing loyalty [2]. Product quality services have an important role to establish customer satisfaction [9]. The more quality products and services delivered, the customer satisfaction felt by the higher. The level of satisfaction is a function of the difference between perceived performance to expectations [10]. Kotler [11] argues that "satisfaction is a person's feeling of pleasure of disappointment resulting from comparing a product perceived (or came out) in relation to his or her expectation".

Engel et al. [5] defines customer satisfaction as an after-purchase evaluation of alternatives which are selected at the same or exceed customer expectations. Overall customer satisfaction has three antecedents, namely the perceived quality, perceived value and customer expectations. Perceived quality has a direct positive effect on customer satisfaction and overall will have negative effect on customer complaints and positive effect on customer loyalty [6].

III. METHOD

This study uses a quantitative approach with a survey method, samples were taken using a questionnaire as a data collection tool. Location of the study conducted in Marunda Flats of North Jakarta.

The study population was all consumers Marunda Flats of North Jakarta are 467 Head of Family. Of the total population of 171 respondents taken as the study sample and selected using simple random sampling technique. Research analysis using multiple linear regression and processed using SPSS.

The conceptual framework of research

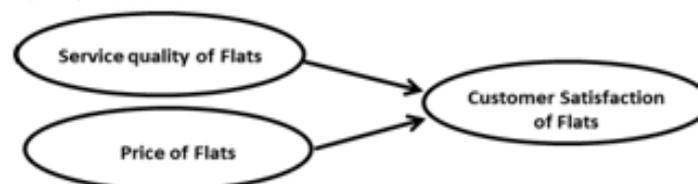


Figure 1. Research Framework Concept

Research Hypothesis

H1: Service Quality of Flats can be able to improve Consumer Satisfaction of Flats.

H2: Flats affordable prices can be able to increase Customer Satisfaction of Flats

Test Reliability Research Variables

1) Reliability Service Quality Variable

Reliability test using Cronbach's Alpha formula to get the value of 0.936 is greater than 0.60, then the variable service quality research has an excellent reliability.

Table 1. Reliability Statistics of Service quality

Cronbach's Alpha	N of Items
.936	15

2) Reliability Price Variable

Reliability test using Cronbach's Alpha formula obtained 0.926 values greater than 0.60, then the price variable has a value of reliability is very good.

Table 2. Reliability Statistics of Price

Cronbach's Alpha	N of Items
.926	15

3) Reliability Instrument Variable Consumer Satisfaction

Reliability test using Cronbach's Alpha formula to get the value of 0.933 is greater than 0.60, then the variable has a value Customer Satisfaction reability very good

Table 3. Reliability Statistics of Customer Satisfaction

Cronbach's Alpha	N of Items
.933	15

1. Result

Descriptive Statistics of Research Variables

Table 4. Descriptive Statistics

	Mean	Std. Deviation	N
Customer satisfaction	62.7953	9.10586	171
Service quality	60.6667	10.37304	171
Price	60.2690	9.50468	171

The average value of customer satisfaction have not been well flat consumer is 62.8 with a standard deviation of 9.106. While the average value of service quality is also not good flats (60.67 with a standard deviation of 10.37) and the average price of flats is quite in accordance with the wishes of residents (60.27 with a standard deviation of 9.50.)

Correlation coefficient

Table 5. Correlation coefficeint

R Square	Adjusted R Square	Std. Error of the Estimate
.732	.729	4.73878

a. Predictors: (Constant), Price, Service_Quality

b. Dependent Variable: Customer_Satisfaction

This table provides the Multiple Correlation ($R = .732$), the Multiple Correlation squared ($R^2 = .732$), the adjusted Multiple Correlation squared ($\text{adj.}R^2 = .729$), and the Standard Error of the Estimate. The multiple correlations refer to the combined correlation of each predictor with the outcome. The multiple correlations squared represent the amount of variance in the outcome which is accounted for by the predictors; here, 72.9% of the variance in overall customer satisfaction is accounted for by all reasons. Therefore, the adjusted R^2 is more appropriate.

Hypothesis Testing Results

Table 6. ANOVA^b

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	10323.218	2	5161.609	229.854	.000 ^a
Residual	3772.618	168	22.456		
Total	14095.836	170			

- a. Predictors: (Constant), Price, Service_Quality
- b. Dependent Variable: Customer_Satisfaction

The ANOVA summary table, which indicates that our model's R^2 is significantly different from zero, $F(2, 168) = 229.854, p < 0.000$.

Table 7. Correlations

		Customer_Satisfaction	Service_Quality	Price
Pearson Correlation	Customer_Satisfaction	1.000	.831	.609
	Service_Quality	.831	1.000	.524
	Price	.609	.524	1.000
Sig. (1-tailed)	Customer_Satisfaction	.	.000	.000
	Service_Quality	.000	.	.000
	Price	.000	.000	.
N	Customer_Satisfaction	171	171	171
	Service_Quality	171	171	171
	Price	171	171	171

Correlation of test results using the Pearson correlation test scores variable correlation with variable Service Quality and Customer Satisfaction is high at 0.831. Correlation between the Price Variable and Variable Consumer Satisfaction score is 0.609.

Table 8. Coefficients^a

Unstandardized Coefficients		Standardized Coefficients	t	Sig.
B	Std. Error	Beta		
11.405	2.570		4.438	.000
.620	.041	.706	15.068	.000
.229	.045	.239	5.093	.000

Dependent Variable: Customer_Satisfaction

Multiple linear regression model based on the results of the above test is

$$Y = 0.620 + 0.229 + 11.405 X.$$

The results in Table 8 can be interpreted as follows:

- 1) Variable Service Quality in a positive and significant effect on customer satisfaction with a significance value ($0.000 > 0.05$), and improved Service Quality when the unit then customer satisfaction will be increased 0.620 points.
- 2) Variable Price a positive and significant effect on Customer Satisfaction with a significance value ($0.000 > 0.05$), and increased the price of the unit when it will bind Customer Satisfaction 0.229 points.

IV. DISCUSSION

Effect of Service Quality on Customer Satisfaction

Service Quality impact on customer satisfaction flats. This study shows a strong correlation between Service Quality with Customer Satisfaction, Service Quality with the tying Flats will increase Customer Satisfaction Flats. These results support the research Amole [1], Tsemberis [19], and Nahmen and Ikoma [15], where one of the important factors to establish satisfaction by improving Service Quality to consumers. Service Quality is formed by the good performance [2] and have an impact on increasing the commercial value of the company [14]. Empirical results demonstrate Service Quality is not good value in that Flats, so the impact on the satisfaction of the residents of the apartment not good too.

Effect of Price on Consumer Satisfaction

Flats prices affect customer satisfaction Flats. Correlation between the price the customer satisfaction obtained strong enough, with the increasing price of the Flats, consumers will expect better service from the manager and ultimately to increase customer satisfaction Flats. Pricing is closely related with factors, namely products (goods and services), place and promotion [4]. The size of the price charged to the customer depending on the size of benefits perceived by consumers [9]. These results support research Zadkarim and Emari [24] that the pricing is in accordance with customer expectations resulting in their satisfaction.

V. CONSLUSION

This study also found that the biggest factor is the influence on Customer Satisfaction is Service Quality. Suggestion for it, managers of flats should pay attention to and improve Service Quality to the consumers and potential consumers Flats.

Pricing also influence on Consumer Satisfaction, where prices are in line with expectations and benefits that managers can improve customer satisfaction.

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