

CHAPTER II

LITERATUR REVIEW

In this chapter the writer will discuss some relates theories to the focus of this report, they are about customer both the definition and types, service, quality of service, customer satisfaction, the factors affecting customer satisfaction, and level of satisfaction.

2.1 Definition of Customer

According to Collins dictionary, (2012) customer is someone who buys products or services. Some experts also defined as follows. According to Greenberg, (2010: 08) customers are determined as individuals or groups who make purchases on products or services based on price decisions and offers relating to the company through letters, telephone calls, and e-mails that are routinely transferred. Kamus Besar Bahasa Indonesia, defines customers as people who buy fixed goods.

So, it can be concluded that the customer is a person who purchases products or services with price considerations through the media.

2.2 Service

According to Collins dictionary, (2012) a service is something that the public need, such as transport, communications facilities, hospitals, or energy supplies, which is provided in a planned and organized way by the government or an official body.

Some experts also defined *service* as follows. According to Rangkuti (2006, p. 26) service is the giving of a performance or invisible action from one party to another party Whereas according to Gronroos (2000) in Tjiptono and Candra (2007, p.11) service is process that consists of a series of intangible activities which usually (but not always) occurs in the interaction between customers and employees of physical services and resources or good and / or system service providers, as solution to customer problems. In general, service produced a consumed simultaneously, where

the interaction between service providers and service recipients influences the results of these services.

2.2.1 Service Characteristics

Service characteristics according to Kotler (2000) in Supranto (2006) can be described into four characteristics, namely:

a. Intangible

A service has an intangible nature, cannot be enjoyed before it is purchased by its customers.

b. Inseparability (cannot be separated)

In general, services produced and felt at same time and if desired by someone to be handed over to another party, then he will share to be part of the service.

c. Variability

The service always changes, depending on who the services is providers, the recipient of the service, and the conditions under which the service is provided.

d. Perishability (not durable)

The durability of a service depends on the situation created by various factors.

2.2.2 Services Quality

There are some definitions about the word *quality* and *service quality* either from some experts or from some dictionaries.

A. Quality

According to Oxford dictionary (2010), quality is the standard of something as measured against other things of a similar kind. Meanwhile, according to the American society for quality control (1994) cited in Lupiyoadi (2001, p. 144) quality is the overall characteristics of a product and service in term of its ability to meet the needs has been determined and latent.

B. Service Quality

According to Business dictionary (2009) in Rangkuti (2008, p. 28), service quality is an assessment of how well a delivered service conforms to the client's expectation. Meanwhile, service quality is defined as the delivery of services that will exceed the level of customer importance. However, according to Lewis and Booms (1983) in Tjiptono and Candra (2007, p.121), they defined service quality as a measure of how well the level of service provided is able to meet customer expectations.

Rangkuti (2006, p. 28-29) divides the types of quality used to assess the quality of qualification into 2 points:

1. Quality of Technique (outcome), namely the quality of work delivered by the service.
2. Quality of Service (process), is the quality of the way of delivering the service.

Services are invisible products and the quality of service techniques cannot always be evaluated accurately, therefore customers try to assess the quality of services based on what they feel, namely attributes that represent the quality of the process and service quality.

According to Parasuraman (1988), quoted in Tjiptono and Candra (2007, p. 121) there are two main factors that influence service quality, namely service that are expected (expected service) and service that are perceived (perceived service). If perceived service is in accordance with the expected service, then service quality is perceived as ideal quality, on the contrary if perceived service is worse than expected service, the quality of service is perceived as negative or bad. Therefore, the quality of service depends on the ability of the service provider to consistently meet the expectations of its customers.

2.3 Customer Satisfaction

Satisfaction and also customer satisfaction have been defined by some experts. There are also many methods to measure and monitor of customer satisfaction.

2.3.1 Satisfaction

According to Cambridge Dictionary (1995), Satisfaction is a pleasant feeling that you get when you receive something you wanted, or when you have done something you wanted to do. However, according to Oliver (1993) satisfaction is the level of one's feeling after comparing the performance or results perceived with their expectations (as cited in Supranto, 2006, p. 232). So, the level of satisfaction is a function of the difference between perceived performance and expectations, if the performance is below expectations, the customer will be disappointed, if the performance is in line with the expectations of the customer will be satisfied, while the performance exceeds customer expectations will feel very satisfied (Supranto, 2006).

2.3.2 Customer Satisfaction

Customer satisfaction is a level customer feeling after comparing the performance or the result that he/she feel with Compare with expectations (Tjiptono, 2004: 147). According to Colin Dictionary (2012), Customer satisfaction is a feeling of satisfaction felt by a customer with product or service obtained from business. In other definition, customer satisfaction is a feeling of pleasure or disappointment someone as a result of a comparison between achievement or product that is felt and expected (Kotler, 2000, in Rangkuti, 2006, p. 23). So, the definition of customer satisfaction includes the difference between the level of importance and performance or perceived results.

2.3.3 Customer Satisfaction Measurement Techniques

There are several methods commonly used to measure and monitor customer satisfaction. According Kotler (1996) as cited in Tjiptono and Chandra (2007, p. 210-214) identified four methods used to measure customer satisfaction, they are Complaints and Suggestions, Ghost Shopping (Mystery Shopping), Lost Customer Analysis, Customer Satisfaction Survey.

a. Complaints and suggestions

Every customer-oriented organization needs to provide opportunities, easy and convenient access for its customers to convey their suggestions, criticisms, opinions

and complaints. Usually they are suggestion boxes, comment cards, toll-free special telephone line, websites, etc.

b. Ghost Shopping (Mystery Shopping)

The company employs several ghost shoppers to act as potential customers for the company's products and competitors. They are asked to interact with staff of service providers and use product/service companies to report find regarding the strengths and weaknesses of company product and competitors.

c. Lost Customer Analysis

The company contacts customers who stop buying or who have moved supplier to understand why it happened and can take corrective policies.

d. Customer Satisfaction Survey

Measurement of customer satisfaction through this method can be done in a variety of ways, including;

1. Directly reported satisfactions

Measurement is done using specific items that ask directly the level of satisfaction felt by the customers.

2. Derived satisfaction

The questions asked are two main things, namely: a) the level of customer satisfaction for the performance of the product or company on the relevant attributes, b) the customer's perception of actual performance of the product or company concerned.

3. Problem Analysis

Respondents were asked to reveal the problems they faced relating to the company's product or service and their improvements.

4. Importance-Performance Analysis

This technique was first put forward by Martilla and James (1977), in this technique respondents were asked to assess and the level of company performance on each of these attributes. Then the average value of the importance of the attributes and performance of the company will be analyzed in Importance-Performance matrix.

2.3.4 The Factors Affecting Customer Satisfaction

Customer Satisfaction is defined as the customer's response to nonconformity between the level of prior importance and the actual performance it feels after use, (Rangkuti, 2002: 30). One of the influencing factors customer satisfaction is the customer's perception of service quality. And Customer satisfaction in addition to being influenced by service quality is also determined by product quality, value, price and other personal and personal factors which is a momentary situation, (Irawan, 2008: 37). In the other hand, related to customer satisfaction, Sabarguna, (2004) states that there are 4 aspects consumer satisfaction, they are:

- a. Comfort aspects, including business location, cleanliness and comfort
- b. Aspects of service, including employee friendliness, employee-provided information, communicative, responsive, supportive, and deft in serving consumers.
- c. Aspects of facilities, including parking area, toilet, place for pray, and canteen.
- d. Cost aspects, including product prices, affordable or not by consumers.

Based on the aspects of customer satisfaction offered above, then the aspects that will be used to measure the level of satisfaction of visitors to TWA Punti Kayu in this research are aspects of comfort, aspects consumer relations with employees, aspects of facilities, and aspects of costs, which are described by indicators: 1) convenience, 2) consumer relations with employees, 3) facilities, 4) costs (entry rates).

2.4 Level of Satisfaction

Based on Natzir (2005), The interval (distance range) of likert scale and interpretation of percent to find out the assessment using the method to find the percent score interval (I).

Interval formula of Likert scale:

$I = 100 / \text{the number of score likert}$

$I = 100 / 5$

$I = 20$

(this is the distance range from the lowest 0% until the highest 100%)

So, for the score of Level of Satisfaction based on Interval as follows:

- Number 0% - 19,99% = Very Unsatisfied/Disagree
- Number 20% - 39,99% = Unsatisfied/Disagree
- Number 40% - 59,99% = Neutral/Enough
- Number 60% - 79,99% = Satisfied/Agree
- Number 80% - 100% = Very Satisfied/Agree