Prequal: Analyzing The Forming Factors Of Telkomsel's Prepaid Customer Service Quality In Bandung

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ABSTRACT

The development of communication technology has pushed fierce competition between each telecommunications service provider company in Indonesia. Therefore every company needs to understand services that can satisfy consumers to maintain it so that it does not move to compete for products. This research conducted to validate the scale of service quality measurement that can satisfy Telkomsel pre-consumer consumers in the city of Bandung. The study conducted using the EFA method with the Principle Axis Factoring (PAF) technique. Testing in this study conducted using Telkomsel prepaid consumers in Bandung as many as 237 respondents. The results showed that eight factors formed service quality, namely empathy, facilities, customer reliability and independence, employee attractiveness and facilities, employee competence, assurance, communication skills, and information quality. These factors are called prequal, which is the development of a validated instrument.

Keywords: service quality, prequal, prepaid consumers.

INTRODUCTION

Along with the development of telecommunications technology, competition conditions in the Indonesian telecommunications market have also increased with the enactment of Law number 36 of 1999 concerning Telecommunications, which makes the telecommunications market wide open for anyone who wants to compete in it. Quite several players in this industry demand conditions where competition becomes very tight as a result of the efforts of operators to attract the attention of consumers. The three largest cellular operators in Indonesia at the moment, namely Telkomsel, Indosat Ooredoo, and XL Axiata, control 80% of the market share in Indonesia based on the number of customers as of December 31, 2017 (Telkom Annual Report, 2017). From the comparison between the three companies, it can see that there is a very tight

competition in this industry. PT. Telkomsel, until 2017 continues to lead the market.

From various product units provided by PT Telkomsel, a prepaid product is one that attracts quite a lot of attention. Its products positioned as magnetic products; some are economically proven to have been in high demand by the public. Total customers of prepaid products are very high when compared to postpaid products. The average annual growth in the number of Telkomsel prepaid card customers in 2013-2017 reached 10%. But the problem of customer dissatisfaction was also found in the prepaid product unit of PT. Telkomsel.

Based on the Telkomsel Quality of Service (QoS) Report from January to March 2018 (Q1-2018), there are several indicators complained of, namely service performance and network performance. In-service performance indicators, some parameters are complaints about the accuracy of charging prepaid cards, fulfilling card activation requests within 24 hours, general customer complaints, service interruption complaints. While from the network performance indicators, some parameters dropped calls, blocked calls, failed text messages (SMS), network outages, and unstable internet quality. Although the number of prepaid card customers and revenue continues to increase, it does not guarantee the quality of service provided to consumers is entirely successful.

Based on this background of the phenomenon, the analysis related to the factors that shape the quality of service in cellular service provider products considered necessary to be developed and studied more deeply. Thus companies engaged in GSM service provider services, especially Telkomsel prepaid products, can optimize their efforts in providing the best service following consumer needs so that it can become a strength in the face of increasingly high market competition.

Efforts to improve service quality in achieving customer satisfaction are related to the scope of work of the marketing division. The company management needs to pay attention to marketing management to be able to retain its customers. Marketing is one of the essential functions of business related to customers. Marketing works to find out and fulfill customer desires.

Kotler and Armstrong (2010: 29) say that marketing is the process by which companies create value for customers and build strong relationships with customers to capture the benefit of customers in return. The work of marketing management involves getting customers, developing them, and protecting them so that they can become essential assets for the company. Marketing management also creates value that will be conveyed to customers so customers can receive the intended value well. The concept of marketing itself is the customer (Kotler and Keller, 2012: 27). This condition is as expressed by Tjiptono (2011: 7) that the focus of a marketing activity is the customer because the company will strive to satisfy customers by understanding the desires of consumers to be able to provide what is needed by consumers by integrating all functions in the company and making the company's work more optimal compared to competitors.

Many things will be done by the company to be able to attract the attention of its customers to get satisfaction, which will then have an impact on their loyalty to the company. This condition is called relationship marketing. As expressed by Tjiptono (2011: 14) that relationship marketing concentrates more on mutually beneficial cooperation with customers in the long run. An important aspect that influences the formation of this relationship is the quality of service. According to Wyckof (Tjiptono, 2011: 331), service quality is a level of excellence and

control over it to fulfill customer desires. Then Parasuraman et al. (Tjiptono, 2011: 331) revealed that two factors affect quality, namely expected service, and perceived service, as expressed by Tjiptono (2011: 333) that a positive perception of quality created if the quality enjoyed has fulfilled the expectations of the customer concerned. So this raises the main task for service companies to be able to pursue customer expectations, giving rise to positive values that arise from customers. Service quality is an evaluation that reflects customer perceptions of aspects of tangibility, empathy, responsiveness, reliability, and assurance (Zeithaml et al., 2009: 103).

According to Sinambela (2010) in Zainuddin (2018), service functions include serving customers in a friendly, precise and fast manner; create an atmosphere so that customers feel important; placing customers as business partners; creating a good market share for products or services; win market competition; satisfying customers to want to do business again with the company and provide benefits for the company. Based on the results of Zainuddin's research (2018), two factors are able to explain the quality of service, namely the ability to help visitors and the servant factor, which has a strict nature consisting of a firm attitude. The factor most capable of explaining service is the ability to help visitors, which includes physical facilities, responsive data, being able to help, friendly, and polite.

Zeithaml et al. (2009: 111) revealed that to assess a service quality cannot be done by only considering from one dimension but instead based on several factors that are relevant to the context. Tjiptono (2011: 346) also explained that the measurement of service quality based on a multi-item scale designed to measure customer expectations and perceptions. So to measure, it determined five dimensions based on previous studies have been able to measure the quality of service in various sectors. Dimensions to measure the quality of the service are tangible, empathy, responsiveness, reliability, and assurance dimensions.

The results of the empirical study stated by Hamari et al. (2017), while it expected that different aspects of service quality (assurance, empathy, reliability, and responsiveness) positively predict intention to continue using services. They indirectly predict why people will be willing to spend more money as a result of the perceived quality of services previously obtained. The improvement in service quality has a slight effect on the demand for direct assistance. Whereas in the research conducted by Meesala & Paul (2018), reliability and responsiveness (not empathy, physical evidence, and guarantees) have an impact on customer satisfaction. Customer satisfaction is directly related to customer loyalty.

In addition to the dimensions of service quality, other literature references show how service quality formed. Essex, Magal & Masteller (1998) revealed that there is a service quality instrument called the IS Success (Magal's Instrument). This instrument explains that service quality formed on three factors, namely the quality of service provided by staff (Staff Service Quality), quality of information (Information Quality), and independence of service users (User Self-Sufficiency). Meanwhile, Dabholkar, Thorpe & Rentz (1996) revealed that service quality formed on five factors, namely physical aspects, reliability, personal interaction, problem-solving, and policy.

RESEARCH METHODS

The method in this study uses a survey approach with a sample of prepaid card users in

Bandung. The research location is in Bandung with the object of the study population is the service provider of prepaid card providers in the city of Bandung. The research process carried out for six months, from April to October 2019. The study used an exploration method to find out what factors shaped the quality of prepaid card services in Bandung.

Based on the study of concepts, theories, and the results of previous studies, the operational variables by determining the indicators determining the quality of prepaid card service providers in table 1 as follows:

Table 1. Indicators of service quality

Indicators of service quality
1. facilities with modern equipment
2. attractive facilities
3. neat and professional employees
4. interesting communication material
5. comfort of the facility
6. service as promised
7. employees can be relied on to solve user problems
8. provide services as promised
9. inform the user related services to be performed
10. speed of service
11. desire to serve users
12. ready to respond to user requests
13. employee politeness
14. employees provide confidence for the user
15. employees give a sense of security when users make transactions
16. Employees have answers to user questions
17. employees pay individual attention to users
18. employees pay attention to user interests
19. employee care
20. employees understand user needs
21. employees maintain good relations with users
22. employees maintain excellent communication with users
23. technically competent employees
24. employees are cooperative
25. facilities that facilitate access
26. support facilities that suit your needs
27. Information received is accurate
28. complete information is received
29. Information received is relevant
30. information received actually
31. users feel they are part of the service
32. users understand how to use facilities
33. there is training in how to use the facility
34. users can use the facilities independently
35. users feel they have control when using facilities
36. has a comfortable, attractive and clean public area
37. layout space that allows users to find things that are needed
38. layout space that makes it easy for users to move
39. timeliness of service
40. services provided right from the start
41. offer free services to wrong transactions or records
42. employees know to answer customer questions
43. employee decency when serving by telephone
44. has a desire to solve consumer problems
45. able to handle customer complaints directly and immediately
46. provides a comfortable parking space
47. convenient operating time for customers
48. accept credit card transactions

The sampling method based on purposive sampling with an accidental sampling technique. The objectives of the study were divided based on purposive sampling, where determined the provider that has the most consumers in the city of Bandung. Then accidental sampling is done to prepaid card provider users. Quantitative data collection for the trial of the instrument uses a minimum of 30 subjects to measure all items of statements produced in the preparation of the questionnaire. In this study, the sample used was 237 samples, which were active users of Telkomsel prepaid cards in the city of Bandung. Data analysis techniques using factor analysis or Exploratory Factor Analysis (EFA) with SPSS tools.

In conducting research using the factor analysis method, researchers first do an instrument recapitulation in the form of a validity and reliability test. Then proceed with a factor analysis that refers to the correlation matrix and the Kaiser-Meyer-Olkin test with a recommended value of 0.6 and a significance level <0.05. Then the value of Communalities is compared on items that have extracted with a reference value according to the recommendation of 0.3 and non-redundant residuals with absolute values> 0.05 and less than 50%. The number of factors that can explain is seen based on the value of eigenvalues> 1. Then it can be seen in the pattern matrix to determine the factors formed as well as the interrelationships between factors (Field, 2009). In the preliminary test on the validity and reliability shows that there is one item that does not meet the requirements where the value of the internal correlation validity is less than 0.361, that is item 1 with a value of 0.153. The reliability value obtained was 0.983, so that there are 47 items tested on the instrument.

RESULTS AND DISCUSSION

To conduct a factor analysis using the EFA method, it is necessary to determine the extraction method beforehand. In this study, the extraction method uses the PAF method because there are correlations between items that show a correlation value above 0.3 with a reliability level of 0.983. The EFA results show the KMO test value is 0.933, with a significance level of 0.000. These results are interpreted very well and deserve to continue in the factorial analysis process. Meanwhile, the results of Communalities showed values above 0.3 with eight factors, which cumulatively valued 56.58%. Referring to Field (2009), with a total variance value above 50%, the total variance explained in

this study is sufficient in factor analysis. EFA results can see in table 2 in the appendix.

From table 2, it can see that all items measured can be explained by eight factors. This condition explains that it is necessary to make adjustments to the instruments used for each industry with its area. Because these characteristics will have different measuring items. EFA results show that eight factors measure consumer contextual factors, with 56.58% of the variation of factors formed. All factors also correlate significantly with the value of .0000. Based on the results of the analysis, a service quality instrument with eight factors called Prequal recommended as follow.

Empathy
1. responds to consumer demand whenever needed
2. provides information that makes users confident when using the product
3. polite to serve users
4. gives individual attention to users

Facility
1. support facility that suits your needs
2. Information received is accurate
3. complete information received
4. information collected is relevant
5. room layouts that make it easy for users to find what they need
6. room layouts that make it easy for users to move

Consumer self-sufficiency
1. user can use the facility independently
2. employees can be counted on to solve user problems
3. provide services as promised
4. services as promised

The attraction of employees and facilities
1. neat and professional employee
2. interesting communication material
3. inform the user about the service to perform
4. convenience facilities
5. employee care

Employee competence

1. employee has answers to user questions
2. technically competent employees
3. employees provide a sense of security when users make transactions
4. users feel part of the service

assurance
1. courtesy employee when serving by telephone
2. has a desire to solve consumer problems
3. provide free services for incorrect transactions or records
4. services provided right from the start
5. employees know to answer customer questions
6. can handle customer complaints directly and immediately
7. provides convenient parking

Communication skills
1. employee understands user needs
2. employees maintain good relations with users

Information quality
1. user feels in control when using the facility
2. has a comfortable, attractive and clean public area
3. users understand how to use the facility
4. actual information received
5. there is training on how to use the facility
6. speed of service

The difference in service quality instruments shown in the results of the study indicates that basically, the industry of prepaid telecommunications service providers has different characteristics. Companies in this industry will be assessed based on all aspects. Its products in the form of services do not make attention to the physical elements that contribute low to the creation of quality services that produce customer satisfaction. In the context of the prepaid telecommunications industry, factors that need to consider include empathy, facilities, customer reliability and independence, employee attractiveness and facilities, employee competence, assurance, communication skills to the quality of the information provided to consumers.

The results of this study produce eight factors from the merging of models carried out by Parasuraman, Magal and Dabholkar, Thorpe & Rentz, and offer a new model with the name prequal, which is a measure of service quality in the provider sector, especially for prepaid consumers.

CONCLUSIONS

This research contributes to the development of factors that shape service quality to achieve consumer satisfaction, especially in the prepaid telecommunications provider industry, by using a factor analysis called Prequal. It hoped that this research could reveal specific aspects that shape the quality of service in the sector concerned. EFA procedures have carried out to answer this research with the results known that eight factors make up the quality of service. These factors can also explain 56.58%, which is generally sufficient. However, further testing needed by using confirmatory factor analysis.

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APPENDIX

Table 2. Exploratory Factor Analysis Result									
Variables	**Factors**								**Commu nalities**
	1	2	3	4	5	6	7	8	
look neat and attractive				.663					.522
attractive communication materials				.554					.536
provides convenient facilities				.419					.620
provide services as promised			.319						.529
can be counted on to solve user problems			.761						.674
can provide services according to the guaranteed time			.480						.626
firstly informs users about the services				.447					.460
offers fast service to users								.328	.567
ready to respond to consumer demand	.555								.497
are polite in serving users	.488								.663
can provide information that makes users confident	.536								.581
delivers a sense of security when users make transactions directly					.358				.556
have answers to every user question					.613				.530
can give individual attention	.451								.550
can pay attention to user interests									.473
have a concern for users				.312					.574
understand user needs							.733		.594
maintain good relations with users							.665		.553
have competent technical abilities					.384				.378
has facilities that suit user needs		-.657							.659
accurate information		-.631							.689
complete information		-.598							.569
relevant information		-.483							.587
actual information								.390	.554
Users feel part of the process					.324				.497
users understand how to use the facilities								.422	.575
includes guidance on how to use the facilities								.336	.529
can use the facilities									.493
Users feel control when using the facilities								.552	.625
facility has a comfortable, attractive and clean public area								.497	.665
space layout makes it easy for users to find the services needed		-.431							.645
space layout makes it easy for users to move		-.411	.317						.647
provide the right services from the start						.580			.485
willing to provide free / no-cost services when a system error occurs						.603			.612
have sufficient knowledge						.566			.544
polite in providing indirect services						.761			.623
have a desire to solve user problems						.674			.541
handle customer complaints directly and immediately						.523			.585
provides a convenient parking						.410			.524
provides convenient operating times for users									.524
accepts payments using credit cards									.494
Factor	1	2	3	4	5	6	7	8	
1	1.000								
2	-.183	1.000							
3	.291	-.233	1.000						
4	.293	-.286	.240	1.000					
5	.267	-.266	.135	.329	1000				
6	.454	-.369	.189	.372	.367	1.000			
7	.314	-.332	.308	.225	.317	.297	1.000		
8	.268	-.448	.209	.290	.258	.389	.291	1.000	