INTERNATIONAL SEMINAR ON INDUSTRIAL ENGINEERING AND MANAGEMENT

December 10 - 11th, 2009, Inna Kuta Beach Hotel
Bali - Indonesia

Theme:
Quality, Competitiveness, and Value-Added Services in Solving Predetermined Global Crisis
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DIMENSION QUALITY OF SERVICE
INFLUENCE CUSTOMER SATISFACTION IN THE HOTEL
(A Case study an examination of the transaction model in service industry)

J.E. Sutanto
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ABSTRACT
Design/ methodology – The paper used survey and choice data collection by interviews which used to built the model of customer satisfaction. A structured questionnaire was employed to gather data and tested of validity and also reliability first.
Findings – Regarding the regression model customer satisfaction was influenced most by dimension quality of service (e.g. technical or outcome dimension, functional or process related dimension, corporate image)
Practical implication – Full service hotels should focus on five dimensions and if customer satisfaction is to be treated as a strategic variable.
Originality/value – The all of data for study tests the transaction model and some the literature of service marketing.

Keywords Hotel industry, Customer satisfaction, Dimension quality of service, Customer service

1. INTRODUCTION
Customers’ expectations for value, in relation to price, also seem to be on the rise; people want more for their money. There findings have increasing theoretical and practical implications for the service literature, service establishment’s, and especially the hotel industry.
Customer satisfaction is at the heart of marketing. The ability to satisfy customer is vital for a number of reasons. For example, it has been shown that dissatisfied customers tend to complain to the establishment or seek redress from them more often to relieve cognitive dissonance and failed consumption experiences (Oliver, 1987); Nyer, 1999). If service providers do not properly address such behavior, it can have serious ramifications.
Customer satisfaction is defined here in Oliver’s (1997) terms: that it is the consumer’s fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provides a pleasurable level of consumption related fulfillment. In other words, it is the overall level of contentment with a service/product experience.
We used the transaction-specific model suggested by Teas (1993) and later expanded by Gronroos (1990) – to address our research question because this model suggests how overall customer satisfaction can be explained by evaluating experiences with dimension quality of service, technical or outcome dimension, functional or process related dimension, corporate image.

2. THEORETICAL BACKGROUND
2.1. Dimension Quality of Service (DQOS)
To evaluate or measuring service quality necessary comprehension hits service quality dimension. During of the 1980, a lot of evaluation hits factors that influence service quality. Many watchfulness is done by expert at management area to detect in detail service quality dimension that influence service quality. Belonging determine which dimension most determine in certain service quality follows Van Looy (et al.1988), a ideal service quality dimension model must criteria some conditions, as below:

- Dimension must has unit comprehensive, meaning can explain characteristics according to comprehensive hit perception towards quality caused by difference from each dimension that proposed.

and Valid to various service area spectrum
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...
Moment the happening of contact between service giver with service user of vital importance mean in course of service delivery, because at the time of, consumer holds interaction and evaluating service quality. Gronroos (1990) declares, that this contact is called as service encounter or called also moment of truth, of vital importance mean in consumer watchfulness towards service. Following Gronroos (1990), basically service quality from the aspect of customer watchfulness is discriminated on three dimensions as below:

2.2. Service Quality Dimensions.

Diagram 1
Service Quality Dimensions

- Total Quality
- Image Corporate
- Technical Quality of Outcome: What?
- Functional Quality of the Process: How?


2.3. Research Design

This research design is show below

Diagram 2
Research Design

- Technical or outcome dimension, that is related to what accepted consumer This dimension is same means by what called competence from Parasuraman (1995).
- Functional or process related dimension, that is related to service manner is submitted or presented.
- Image corporate, that is related to image companies at consumer eye. This dimension is same the explanation with credibility in Parasuraman's explanation (1995)

3. RESEARCH METHOD

The study uses primary data, that is collected through distributing questionnaires with closed questions. Secondary sources were explored first to assets past research conducted on customer satisfaction in the hotel industry. The next stage involved gathering information via qualitative methods from hotel goers. The process allowed us to identify and narrow down the key factors and the related items comprising the

was administered to a representative sample in hotel visitor that stay minimal 1 day or 12 hours.
3.1. Population and Sample

This watchfulness population entire incoming consumers to hotels and staying so that this watchfulness can make description for population. So sample that taken must enough representative. That is can represent population in meaning all features or characteristics exist in population can be reflected from sample that taken. Sample magnitude that taken as much as 130 respondents. Following Arikunto (1998), total enough representative in meaning all features or characteristics exist in population can represent. The samples of hotel are: Ciputra Hotel of Jakarta is 25 respondents, Somerset Hotel of Surabaya is 20 respondents, Mercure Hotel of Surabaya is 15 respondent, Ciputra Hotel of Semarang is 30 respondents; Arion Swiss-Belhotel, of Bandung is 30 respondent, and Ibis Hotel of Surabaya is 10 respondents.

3.2. Data Analysis.

The questionnaire asked respondents to evaluate the last full service hotel they had frequented. It included perceptual measures that were rated on five-point Likert scales. The design is consistent with prior studies on customer satisfaction and service quality.

Each scale item was anchored at the numeral 1 with the verbal statement "strongly disagree" and at the numeral 5 with the verbal statement "strongly agree". Multiple items were used to measure each construct so that their measurement properties could be evaluated on reliability and validity.

The study adopts a statistic method of SPSS program version 15.0 (Singgih, 2007) to find out the effect of free variable to dependent variable. The variable equation gained from the regression calculation should be statistically tested. The regression finding can be used to predict the dependent variable.

Validity Test

A valid instrument is called valid if it is able to measure what is required. The low or high validity of an instrument will indicate how far the collected data deviates from the illustrated variables. In validity analysis questionnaire test to 130 samples used as shown in the table below.

Table 1: Validity Test

<table>
<thead>
<tr>
<th>Research Variables</th>
<th>Questions Numbers</th>
<th>Valid</th>
<th>Not Valid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical or Outcome Dimensions</td>
<td>10</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Functional or Process Related</td>
<td>10</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>Corporate Image</td>
<td>5</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>7</td>
<td>7</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: SPSS version 15.0

Reliability Test

Reliability refers to a concept that an instrument is quite trustworthy to be used for data collection (Arikunto, 1998). A good instrument shall not be tendentious or directing the respondents to choose certain answers. If the data really represents the fact, regardless how many times it is taken, it will give the same result. To measure a reliability rate of an instrument, a consistent internal method is adopted, namely coefficient alpha or known as Cronbach's Alpha that is counted to estimate the.
reliability of each scale (variable or item) is that the result of reliability test using Cronbach's Alpha coefficient of each item and the observed result of reliability test using Kuder-Richardson 20 formula. An instrument is said reliable if the observed reliability of each scale (variable or item) is 0.60 (Malhotra, 1999). An instrument is said reliable if the following table shows the result of SPSS version 15.0 (Singh, 2007). An instrument is said reliable if the following table shows the result of SPSS version 15.0 (Singh, 2007). An instrument is said reliable if the following table shows the result of SPSS version 15.0 (Singh, 2007). The reliability is observed using the following table.

Table 3: The influence of independent variables

<table>
<thead>
<tr>
<th>Customer Satisfaction</th>
<th>Technical or Outcome Dimension</th>
<th>Functional or Process Related Dimension</th>
<th>Corporate Image</th>
</tr>
</thead>
<tbody>
<tr>
<td>R Square: 0.781</td>
<td>0.114</td>
<td>0.252</td>
<td>0.146</td>
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The multiple linear regression model can be adopted to predict customer satisfaction.

The above equation can be interpreted as:

0.252 X3 + 1

4. RESULT AND DISCUSSION

4.1. Reliability Test

Table 2: Reliability Test

<table>
<thead>
<tr>
<th>Customer Satisfaction</th>
<th>Technical or Outcome Dimension</th>
<th>Functional or Process Related Dimension</th>
<th>Corporate Image</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.781</td>
<td>0.114</td>
<td>0.252</td>
<td>0.146</td>
</tr>
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</table>
From the table 4, it is indicated that the determination coefficient $R^2 = 14.9\%$, meaning that the customer satisfaction capability in describing the service quality dimension of customer satisfaction of the mode is 14.9% and other unobserved factors that may influence the customer satisfaction is 85.1%

<table>
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<th>Table 5</th>
<th>t-test</th>
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<td></td>
<td>Coefficient</td>
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<tr>
<td>Model</td>
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<tr>
<td>Constant</td>
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<tr>
<td>Technical or Outcome Dimension</td>
<td>543</td>
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<td>Functional or Process Dimension</td>
<td>192</td>
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<td>Process related Dimension</td>
<td>252</td>
</tr>
<tr>
<td>Corporate image</td>
<td>252</td>
</tr>
</tbody>
</table>

1. Between technical or outcome dimension (X1) and customer satisfaction (Y), indicates t value = 3.771 on significance of 0.042 or p = 0.042 < 0.05. It means that technical or outcome dimension (X1) can be used for the basis customer satisfaction (Y).

2. From the analysis it is indicated that there is significant effect between functional or process related dimension (X2) and customer satisfaction (Y). It is proven from t = 2.592 on significance of 0.033 or p = 0.033 > 0.05. It means that functional or process related dimension (X2) can be used for the basis to customer satisfaction (Y).

3. From the analysis it is indicated that there is significant effect between corporate image (X3) and customer satisfaction (Y). It is proven from t = 1.071 on significance of 0.046 or p = 0.046 > 0.05. It means that corporate image (X3) can be used for the basis to predict corporate image (Y).

From the table 5, it is figured out that:

1. Between technical or outcome dimension (X1) and customer satisfaction (Y) indicates t value = 3.771 on significance of 0.042 or p = 0.042 < 0.05. It means that technical or outcome dimension (X1) can be used for the basis customer satisfaction (Y).

5. CONCLUSION AND SUGGESTION

5.1. Conclusion
This study tested a model of customer satisfaction for the hotel industry using the transaction-specific framework. The result suggest that our model satisfaction explains customer satisfaction and that full service hotel owners and managers should focus on three major elements-service quality, technical or outcome dimension, functional or process related dimension, corporate image.

From the result, it was determined that the variable technical or outcome dimension of service quality was most important to customers.

We believe our model for assessing customer satisfaction in the full service hotel industry is a useful one. We also believe that if hotel owners truly want to gain a competitive edge, they must continually strive to increase the levels of customer satisfaction by emphasizing the three significant factor discerned in this study and as suggested by the transaction-specific model.

5.2. Suggestion
From the above conclusion, it is suggested to have further study as follows:
To conduct a more profound study, by involving other factors that may affect customer satisfaction. It needs more detailed description and test of the same perception of the surveyors in relation to the meaning of questions in the questionnaire and to ensure that the respondents really understand the questions.
6. REFERENCES


Jasfar, (2005), Manajemen Jasa, Ghalia Indonesia, Bogor.


Singgih Santoso, (2007), SPSS versi 15.0, PT. Elex Media Komputindo, Jakarta.