International Academic Institute for Science and Technology

International Academic Journal of Economics
Vol. 1, No. 1, 2014, pp. 77-87.

ISSN 2454-2474

International Academic Journal of Economics

www.iaiest.com

The Impact of Service Quality Dimensions on Customer Satisfaction: Workshop Insurance Partner in Padang City, Indonesia

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Abstract

Workshop insurance partner move in the fields of services body repair the car of course should be able to win a competition more competitive. In high competition workshop not just rely on the product development services merely, but are required to establish good relationship with the customer insurance. In this research, used a technique of regression analysis worship of idols to test the influence of simultaneous used test f and to test the influence of partial used test 0.05 ton standard significance. The number of samples used to this analysis as much as 95 customers. The result showed that the coefficients determination that is visible on the value adjusted r square worth 0,715 which means that customer satisfaction can be explained by the fifth an independent variable in this research is a physical evidence, the reliability of, responsiveness, assurance and empathy. The remaining 28.5 % can be explained by the other variables outside the fifth variable used in this research for example of communication competent.

Keywords: Tangible, empathy, responsiveness, the reliability of, assurance, customer satisfaction**.**

Introduction

Competition in insurance business more rigorous, community awareness of insurance benefits increasingly high and the need for absence of the sense of comfortable make the customers to variously taken insurance companies to draw customers.In addition to introduce their products through various promotion, many companies had new products that people will be interested to invest the funds to insurance.Among the products are likely to a mainstay for insurance companies are insurance loss. Namely insurance motor vehicles, given that type of insurance it contributes the premium large enough for the company.Motor vehicles as a means transport most commonly used and the community needed at the moment. Density activity on highway demanding comfort in driving.For that vehicles used to be in good circumstances.That vehicles were in good condition and necessary repairs especially body repair in case of accidents.For it is needed services body repair workshop.The increased services body repair cars

from year to year concern each client.Due to the local competition and growing demand consumers in terms of service, hence firm need to do things to give the quality good service.Quality of services give an impulse to consumers to establish a bond a good relationship with service providers, besides conducting the quality of service.Service against the claim of life insurance whereby associated with the workshop partners, where the service provided by good affect on satisfaction customers who affect the loyalty customers in the insurance offered namely insurance vehicles .Thus not only insurance sides to offer a service that quality but the workshop partners also had to provide the best services also ,for when his services less so on that performance evaluation services workshop partners the possibility of insurance sides will reduce the quota of improvement vehicles to the insurance and even worse stop his involvement .Services like that is what can is expected to make the entry of new borrowers and was customers long to keep entrusted protection insurance .Competition that is more strict happened in the world automotive especially of motor vehicles because of this product is a ground transportation the most widely spoken and required by the community at the moment. The density of the activity on the road demanding comfort in driving .For that a vehicle that used to be in a good state. So that vehicles always in a state of good then required services body repair workshop. And the increase in the development of service body repair cars from year to year the centerof attention each client. Because the more competition and an increase in consumer demands in terms of service, then companies need to do a variety of things that is by providing improved service quality. The quality of services provide an impulse to consumers in order to build a bond a good relationship with service providers, besides conducting the quality of service.

With good service quality can give satisfaction to customers. So companies should know the wants and needs of customers. Because companies are required to improve the quality of his services or even offer a service that exceeds expectations and consumer advocacy so consumers would be satisfied. Hight competition the marked with the many workshop appearing in the city. Services offered is variegated, with so would become the characteristics and a unique advantage when for every workshop. It demanded parties the owner or manager of workshop to create strategy in order to compete and ahead than workshop competitor. The number of claims workshop insurance partner every year have been improving, the cause the high level of a vehicle accident motor. The workshop had the chance and challenges as workshops other in general. Subscribers will compare services and support provided workshop the services and support what they came there for. If customers are satisfied, then consumers will return to the shop although workshop they is determined by each insurance but customers can course want to his vehicle done in workshop what they want. But if customers do not satisfied so, subscribers will complained about dissatisfication it to insurance.

Customer is the key to winning the competition among other business practitioners. Service quality is one important element in the marketing mix that affects the customer other than demand, price, value and satisfaction. Service quality is a major factor that affects a customer in terms of increasing customer loyalty. The main purpose of this study is to examine how each dimension of service quality may influence customer satisfaction and customer loyalty workshop insurance. Service quality model developed by (Parasuraman & Zeithaml, 1988)is the most popular model and is widely used to measure the quality of service in the service industry.Moreover, the research of service quality, and customer satisfaction issues have dominated the service literature, but no new researches on retail banking setting have been performed toinvestigate the impact of the performance of service attributes on customer satisfaction in an integrated model.Based on this literature review, it can be concluded the need to investigate and assess the effect of tangiblity, reliability, responsiveness, empathy, and security on customer satisfaction. This research heavilydepends on previous research recommendations detailed by Azzam (2015), Caruana(2002), andQuddus (2014). Finally, the significance of service quality and customer satisfaction appear justified for survivalservices companies, including banking companies; several empirical researches in various industrial sectors suchas, banking service, hotels, insurance; long distance call companies, and other financial companies wasperformed to determine the factors that

determine the quality of service. More specifically, this study is limitedto service quality practices in workshop insurance in Padang.
This final project will be focusing on analyzing the influence of srevice quality and its impact on customer satisfaction.The influence of the dimensions of the quality of the service for customer satisfaction at workshop partnering with the insurance in Padang. The main problems which are tried to be answered in this reseach are :

1. How does the Realibity influence customer satisfactionat workshop partnering with the insurance in Padang.
2. How does the Responsiveness influence customer satisfactionat workshop partnering with the insurance in Padang.
3. How does the Emphaty influence customer satisfactionat workshop partnering with the insurance in Padang.
4. How does the Assurance influence customer satisfactionat workshop partnering with the insurance in Padang.
5. How does the Tangibles influence customer satisfactionat workshop partnering with the insurance in Padang.
6. How does the Realibity, Responsiveness, Emphaty, Assurance, Tangibles, influence customer satisfactionat workshop partnering with the insurance in Padang.

Literature Review

Some of experts providing different definisi about the service quality. Service quality defined as "it is a form of behavior that relates to satisfaction but not equivalent to it which results as a balance of prospect with performance" (Bolton & Drew, 1991). Service quality is the evaluation of overall excellence of services; it is the perception of customer, it is the whole judgment or attitude related to the superiority of the service, unlike satisfaction that is only related to specific transaction(Parasuraman & Zeithaml, 1988). (Lewis & Booms, 1983)defined service quality as measure service provider with customer expectations. Thus, the influence of service quality: expected service factor and perceived service factor.(Quddus & Hudrasyah, 2014)give a three dimensional view of service quality: interaction, physical and corporate quality. The other side, essentially from a customer's perspective consisting quality as being two dimensional: output and process quality. In the perceived service quality model developedare functional and technical quality dimensions. Technical quality dimensions are WHAT customer gets (outcome) while functional service related variable refers to HOW customer gets (Process). Deflationary and the quality of services can be defined as everything focused on efforts to meet the needs and consumer advocacy accompanied by exactness in its, that created conformity researchers in the hope of consumers.The quality of services likely to be an important role in like a service workshop.In addition tofactors traditional coloring assessment customers for services provided they received, there are also factorsother factors which are qualitative like a service against the claim of life insurance whereby associated with the workshop partners, where the service provided by good affect on satisfaction customers who affect the loyalty customers in the insurance offered namely insurance vehicles.Thus not only insurance sides to offer a service that quality but the workshop partners also had to provide the best services also, for when his services less so on when performance evaluation services workshop partners the possibility of insurance sides will reduce the quota of improvement vehicles to the insurance and even worse stop his involvement.Services like that is what can is expected to make in customers new and old customers to remain committed protection insurance.
Among the models for measuring service quality, the most acknowledged and applied model in diversity of industries is the SERVQUAL (service quality) model developed. The SERVQUAL model of (Parasuraman & Zeithaml, 1988)proposed a five dimensional construct of perceived service quality

tangibles, reliability, responsiveness, assurance and empathy as the instruments for measuring service quality (Parasuraman & Zeithaml, 1988).

Reliability depends on handling customers services problems; performing services right the first time; provide services at the promised time and maintaining error-free record. Furthermore, they stated reliability as the most important factor in conventional service (Parasuraman & Zeithaml, 1988). Reliability also consists of accurate order fulfillment; accurate record; accurate quote; accurate in billing; accurate calculation of commissions; keep services promise. He also mentioned that reliability is the most important factor in banking services(Yang & Fang, 2004).

Responsiveness defined as the willingness or readiness of employees to provide service. It involves timeliness of services (Parasuraman & Zeithaml, 1988). It is also involves understanding needs and wants of the customers, convenient operating hours, individual attention given by the staff, attention to problems and customers‟ safety in their transaction (Kumar & Manshor, 2009).

(Parasuraman & Zeithaml, 1988)defined empathy as the caring and individual attention the firm provides its customers. It involves giving customers individual attention and employees who understand the needs of their customers and convenience business hours. (Ananth, Ramesh, & Prabaharan, 2011)referred to empathy in their study on private sector banks as giving individual attention; convenient operating hours; giving personal attention; best interest in heart and understand customers specific needs.

(Parasuraman & Zeithaml, 1988)defined assurance as knowledge and courtesy of employees and their ability to inspire trust and confidence. According to Sadek et al. (2010), in British banks assurance means the polite and friendly staff, provision of financial advice, interior comfort, eases of access to account information and knowledgeable and experienced management team(Saghier & Nathan, 2013).

(Parasuraman & Zeithaml, 1988)defined tangibility as the appearance of physical facilities, equipment, personnel, and written materials. (Ananth, Ramesh, & Prabaharan, 2011)refered to tangibility in their study of private sector banks as modern looking equipment, physical facility, employees are well dressed and materials are visually appealing.Service quality has been derived from the field of marketing which values human interaction between a business and its customers. It focuses on the relationship between customer expectation of a service and their perception of the quality of provision. This relationship was introduced in 1982 by Gronroos and is known as the perceived service quality(Gronroos, 2007).According to (Saghier &Nathan, 2013)service quality is an important concept in the service industry and is more important for financial serviceproviders who have difficulty in showing their customers product differentiation. Moreover, several studies havebeen pursuing quality of service, and a number of theories and models have been developed to address this issueand highlight the importance of implementation and different dimensions. Furthermore, there are numerousdefinitions and measures of service quality, but there is no consensus on a single definition.The definition of service quality was further developed as “the overall evaluation of a specific servicefirm that results from comparing that firm’s performance with the customer’s general expectations of how firmsin that industry should perform (Chidambaram & Ramachandran, 2012)

Generally the customers may be satisfied or dissatisfied after the purchase and consumption of a good or service. Satisfaction is a positive feeling in the customer which will be created after purchasing the good or receiving the service. The above mentioned feeling will be established by the interaction of the customer's expectations and the supplier's performance. If the purchased goods or services by the customer are measured at the same level of his expectations, he will be satisfied. If the level of the purchased goods or services is higher than his level of expectations, he will be very happy. If this level is lower than the expectations, the customer will be dissatisfied (Molaee, Maysam; Ansari, Reza; Teimuori, Hadi, 2013)

The literature shows that customer satisfaction is important to get longterm business success (Zeithaml, Berry, & Parasuramman, 1996). To protect market share / profit, organizations need to overcome competitors through offering high quality products or services to ensure customer satisfaction(Tsoukatos

& Rand, 2006).Customer satisfaction is the full meeting of one's expectation can be described as the feeling or attitude of a customer towards a product or service after it has been used. In the traditional sense, satisfaction was considered to be transaction specific construct which resulted from immediate post purchase judgment or affective reaction. Customer satisfaction is also considered from a cumulative satisfaction perspective and is defined as customers overall experience to date with a product or service provider. Most of the customer satisfaction studies are now using this cumulative satisfaction concept (Molaee, Ansari, & Teimuori, 2013).

Fundamental Theory

Most studies confirm that there is a relationship between service quality and customer satisfaction. For instance (Parasuraman & Zeithaml, 1988)and (Caruana, 2002) found apositive relationship between service quality and customer satisfaction. (Al-Azzam, 2015)also found that perceived service quality influences customer satisfaction. Similarly, assured that service quality has a positive effect on customer satisfaction which means that the higher quality of service attracts more customers who have bought back the desire and intention to recommend. Finally, this theoretical framework guiding the evaluation is depicted in figure 1 below, adapted from (Caruana, 2002). Also, this study will investigate five variables of service quality namely: tangibles, reliability, responsiveness, empathy, security and customer satisfaction. Based on the foregoing, the following framework was developed

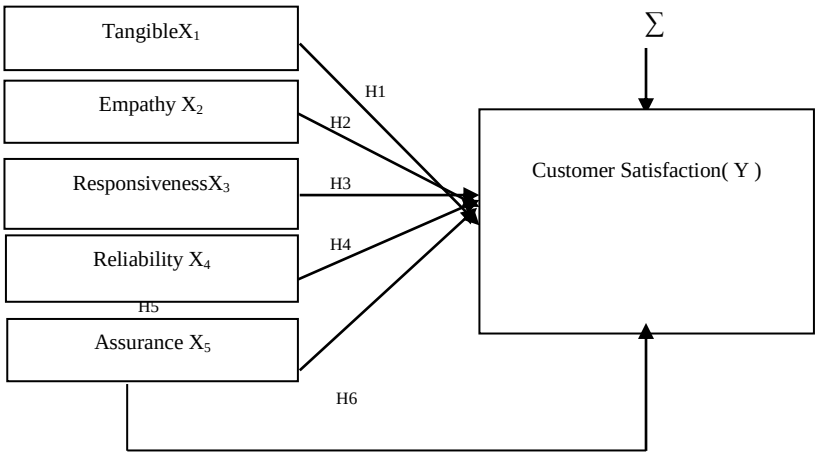


Figure 1: Conseptual framework

Research hypotheses
H1. Tangibles dimension of service quality has direct positive effect on customer satisfaction.
H2. Empathy dimension of service quality has direct positive effect on customer satisfaction.
H3. Responsiveness dimension of service quality has direct positive effect on customer satisfaction.
H4. Reliability dimension of service quality has direct positive effect on customer satisfaction.
H5. Assurance dimension of service quality has direct positive effect on customer satisfaction.
H6. Customer satisfaction dimension of service quality has direct positive effect on customer satisfaction.

Methodology

A survey reseach was conducted to examine the relathionship among independent variables (dimension of service quality) and dependent custumer satisfaction.
In this study, data collection techniques used, including :

1. Literature study
   This study aims to get secondary data, literature study done by reference through books, journal, and other literature that serve as the theoretical basis.
2. Questionnaire
   The questionnaire has been adopted from questions of previous studies. It measures the quality of services by implementing the five dimensions "SERVQUAL" instrument: each dimension is followed by questions. The 5-point Likert scale is used for all responses with (1 = strongly disagree, 2 = disagree, 3 = less agree, 4 = agree, 5 = strongly agree). The questionnaire was designed and distributed to the respondents at random targets.
   Population for this reseach is the custumer of workshop insurance partner at Padang. The total target population is 23.119 customer.

   The sampling sixe is determined by using the following Slovin's (1960) formula

$$n = \frac{N}{1 + Ne^2}$$

n = number of sample
N = population
Ne = margin of error max,

Based on the data obtained, the number of sample with the margin of error by 10 percent is:

$$n = \frac{23.119}{1 + 23.119(10\%)^2}$$
$$n = 95{,}85$$

therefore, based on the calculation above, the sampling size that will be use in this reseach is 95 custumer.Analysis was conductbydoing method validity test, reliability on thequestionnaire that has been distributed. Then the results from these questionnaires generate datathat will be analyzed with the correlation analysis method, regression analysis methods. Data processing is performed using SPSS 15.0 (Statistical Package for theSocial Science).

1. **Statistical Analysis**

The analysis contains five service quality dimensions (independent variables): tangibles,reliability, responsiveness, empathy, and assurance. The study contains one dependent variable: customersatisfaction.

1. Validity and Reliability Analysis

Table 1: Validity and Reliability Test

Variable	Question	Corrected Item Total Correlation	Critical point	Information	Croanbach's Alpha	General Standard	Information
Tangible	P1	,322	,3	Valid	,745	,6	**Reliable**
	P2	,448	,3	Valid			
	P3	,684	,3	Valid			
	P4	,460	,3	Valid			
	P5	,455	,3	Valid			
	P6	,548	,3	Valid			
Emphaty	P7	,776	,3	Valid	,879	,6	**Reliable**
	P8	,768	,3	Valid			
	P9	,717	,3	Valid			
	P10	,701	,3	Valid			
Responsive	P11	,579	,3	Valid	,832	,6	**Reliable**
	P12	,577	,3	Valid			
nnes	P13	,720	,3	Valid			
	P14	,662	,3	Valid			
	P15	,597	,3	Valid			
Reliability	P16	,502	,3	Valid	,766	,6	**Reliable**
	P17	,593	,3	Valid			
	P18	,732	,3	Valid			
	P19	,467	,3	Valid			
Assurance	P20	,602	,3	Valid	,814	,6	**Reliable**
	P21	,677	,3	Valid			
	P22	,655	,3	Valid			
	P23	,600	,3	Valid			
Customer	P24	,703	,3	Valid	,852	,6	**Reliable**
Satisfaction	P25	,754	,3	Valid			
	P26	,692	,3	Valid			

A validity test result shows that every question of the Service Quality, Customer satisfaction variables is valid, because of the Pearson Correlation value is more than 0.300. Areliability test result with using 0.600 as general standards value shows that every question of theService Quality, Customer Satisfaction variables is reliable, because theCronbach's Alpha value is bigger than general standards value.

2. Multiple Regressions

Regression tests shown in equation: $Y = a + b\ x$, where Y is the dependent variable, as is the Y intercept, that is the value of Y when $x = 0$, b is the regression coefficient which indicates the amount of change in Y given a unit change in x, and finally x is the value for the independent variable.

The results were as follows:

Table 2: Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.(P-value)
		B	Std. Error	Beta	Tolerance	VIF
1	(Constant)	-,466	,774		-,602	,548
	X1	,054	,047	,095	1,153	,252
	X2	,003	,075	,004	,045	,964
	X3	,158	,064	,241	2,451	,016
	X4	,128	,079	,154	1,623	,108
	X5	,374	,080	,458	4,656	,000

aDependent Variable: Y
the result are as follow :

$$Y = -0{,}466 + 0{,}054X_{1(\text{tangible})} + 0{,}003X_{2(\text{emphaty})} + 0{,}158X_{3(\text{responsivennes})} + 0{,}128X_{4(\text{reliability})} + 0{,}374X_{5(\text{assurance}).}$$

Table 3: Anova(b)

Model		Sum ofSquares	Df	Mean Square	F	Sig.
1	Regression	367,089	5	73,418	44,618	,000(a)
	Residual	146,447	89	1,645		
	Total	513,537	94			

a Predictors: (Constant), X5, X3, X1, X4, X2
b Dependent Variable: Y

Based on the F test obtained 44,618 with the significance of 0,000 that means that bysimultaneous variable tangible(x1), empathy (x2), responsiveness (x3), the reliability of (x4), assurance (x5) simultaneously had a positive impact and significant have on customer satisfaction.

Hypothesis Test

1. The influence of tangible to customer satisfaction. Test carried out results show for variables tangible obtained value significance 0,252>0.05 it means variable tangible influential butnot significant impact on customer satisfaction .The conclusion of the probe is hypothesis 1 unproved.

2. The influence of emphaty to customer satisfaction. Test carried out results show for variablesemphaty obtained value significance 0,964>0.05 it means variable emphaty influential butnot significant impact on customer satisfaction .The conclusion of the probe is hypothesis 2unproved.

3. The influence of responsiveness to customer satisfaction. Test carried out result show for variables responsiveness ontained value significance 0,016< 0,05, it means variable responsiveness positive influential and significance to customer satisfaction. The conclusion of the probe is hypotesis 3 proved.
4. The influence of reliability to customer satisfaction. Test carried out results show for variables reliability obtained value significance 0,108>0.05 it means variable reliability influential butnot significant impact on customer satisfaction.The conclusion of the probe is hypothesis 4 unproved.
5. The influence of assurance to customer satisfaction. Test carried out result show for variables assurance ontained value significance 0,000<0,05, it means variable assurance positive influential and significance to customer satisfaction. The conclusion of the probe is hypotesis 5 proved.

Coefficient Determination

The coefficients determination used to know variableability independent in clarifying dependent variable. The results of the coefficients determination tangible, empathy, responsiveness, reliabilityand assurance toward customer satisfaction workshop insurance partner can be seen in the table below this:

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,845(a)	,715	,699	1,28276

a Predictors: (Constant), X5, X3, X1, X4, X2

From the table above obtained value a correlation coefficient (r) by 0,845 show the relation which is very strong between quality services with customer satisfaction, now the magnitude influence (contributions influence) to five variables such against customer satisfaction is worth value coefficients determination namely R^2 = 0,715 while the rest of 28.5 % influenced by other variables that are not included in this research for example the communication, access, and competent.

Conclusion

Based on the result research, the tree it can be concluded as follows :

1. The results of testing in partial show dimensions tangible, emphaty, reliability influential but not significantly to customer satisfaction. (table2).
2. The results of testing partial evaluation shows dimensions responsiveness, assurance it has some positive effects and significantly to customer satisfaction. (table2).
3. The quality of services consisting of the dimensions of tangible, empathy, responsiveness,reliability, assurance simultaneously influential that the high significant impact on customer satisfaction which means the higher the quality of services the higher customer satisfaction in workshop insurance partner in the city. (table3).

Responsiveness have had a positive impact and significant impact on customer satisfaction.Indicators responsiveness of the most dominant is at speed employees and mechanics in handling customer complaints.For it, should employees and mechanics faster respond to complaints customers like need of the customer service to overcome complaints or the problems faced by customers and have good

communication. This insurance the workshop must be able to maintain the quality of security customers in claim

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