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The Significant Impact Of Service Quality On Customer Satisfaction Specifically Based On The Quality Dimensions Observed In Perum Pegadaian

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ARTICLE INFORMATION	ABSTRACT
Keywords: Service Quality, Satisfaction	This study aims to determine the effect of service quality on satisfaction, with the research focusing on Perum Pegadaian in Malang City, East Java. The sampling technique employed involves multiple sampling using accidental and purposive sampling methods, resulting in a sample size of 100 pawnshop customers. The analysis method utilized is multiple linear regression. The t-test results for each service quality dimension reveal the following outcomes: (1) Physical evidence (tangible) does not have a significant effect on satisfaction, (2) Reliability does not significantly impact satisfaction, (3) Responsiveness does not have a significant effect on satisfaction, (4) Assurance significantly influences satisfaction, and (5) Attention also has a significant effect on satisfaction. Based on the F-test, it is concluded that all dimensions of service quality significantly affect satisfaction.

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INTRODUCTION

Quality service delivery is essential for a company to succeed and survive. Companies that want to survive must provide customers with products that are of better quality, cheaper, faster service, and better than those of competitors. Like Perum Pegadaian, State-Owned Enterprises are non-bank financial institutions in the field of funding based on pawn law. Channeling loan funds to the community as a driving fund for national development. Therefore, *Pegadaian* (pawnshop) , as a business entity, must have the ability to utilize its various potentials to provide the best service to customers. Koesharijadi [1], in his research, stated that customers measure service quality by comparing (discrepancy) between previous expectations with the quality of service that has been received or on the performance (performance) of the actual service. Customer satisfaction (in the service field) is the main thing and a must for the company to remain successful. Through good utilization of its various potentials, it is hoped that pawnshops will be able to create effectiveness and efficiency, followed by a deep understanding of its customers.

Service quality is measured through the difference between customer expectations and customer perceptions of service performance [2]. Service quality involves a comparison (discrepancy) between customer expectations and services received for actual service performance (Parasuraman, 1988). Measurement of service quality by comparing expected service to service received, perceived service, or perceived service [3]. Customer perception of service quality is a comprehensive assessment of the excellence of a service. Parasuraman, Zeithaml, and Berry [4] identified 5 (five) dimensions of service quality (SERVQUAL) measures, namely reliability, responsiveness, assurance, tangibles, and empathy. Quality is a thorough assessment of good service. Gasperzs (2002), customer desire or expectation in obtaining satisfaction has the characteristics of faster, cheaper, and better. The three characteristics are related to the dimensions of time, cost, and dimension of quality. Ryan [5], a study on customer satisfaction of the service industry in America, found several reasons why there is often poor service quality: (1) work is not done well, (2) slow service, (3) expensive prices, (4) personnel are no different, (5) personnel are not qualified, (6) personnel are less friendly and polite. The study's results (Koesharijadi, 2017), based on a report from the Indonesian Ombudsman, show that the number of complaints indicates poor service quality.

LITERATURE REVIEW
Service Quality Dimension

Parasuraman (1985, 1988) suggests that a popular service quality dimension in marketing research is the SERVQUAL (Service Quality) model. This concept was revised in 1988 using the disconfirmation paradigm and supported the concept of Gronroos (1984). Based on this concept, service quality is the difference between the value received by customers and the expected value in 5 (five) dimensions of service quality: tangibles, reliability, responsiveness, assurance, and empathy. Tangibles (physical evidence) are dimensions that include the attractiveness and completeness of the physical aspect. Thwaites (1999), service elements tangible physical products as supporting facilities services (sports fields, shopping places, and equipment). The physical aspect shows the appearance of physical facilities (general appearance of the store and cleanliness of infrastructure) and convenience offered to customers with the layout of facilities [6]. The tangibility dimension relates to physical facilities, appearance, and personnel

equipment [7]. Service based on tangibles relates to physical product engagement with satisfaction (Lovelock, 1988).

Reliability is briefly defined as the ability to deliver promised services accurately, on time, and reliably. Customers are happy if other customers do not discriminate against them for any reason, and customers expect to be treated with respect and care by all service company staff. Responsiveness is employees' desire to help customers and provide services responsively. Prabhu [8], consumer expectations lie in cleanliness, expression of feeling or friendliness, accuracy, and speed of presentation time. Assurance includes knowledge, ability, courtesy, trustworthiness, and service free of danger, risk, or doubt. Components can mean credibility, security, and competence. There is a significant favorable influence of service quality from trust on consumer decisions in saving [9]. Empathy includes ease of connection, communication, personal attention, and understanding needs. It is defined as an effort to know and understand the needs of individual customers. Lovelock (1988), based on the level of contact, services are divided into high-contact services (universities, banks, pawnshops, doctors, hotels) and low-contact services (cinema, entertainment performances). Interpersonal skills must be considered and appropriately fostered for services with a high level of contact with customers.

Customer Satisfaction

In modern quality systems, the groups that must be satisfied are customers, shareholders, employees, and communities. Customer satisfaction and expectations are targets that constantly change according to the development of needs, so a clearer picture of what customer needs look like (Koesharijadi, 2016). Oliver (1997, in James G.

Barnes, 2001), satisfaction is the customer's response to fulfilling a desired need. Gaspersz (2002), customer satisfaction is a state in which needs, desires, and expectations can be met through products consumed. Kotler (1997) includes elements of performance, so customer satisfaction is the level of feeling after comparing perceived performance with expectations.

Understanding customer satisfaction as a process is an evaluation of goods or services received or perceived with what is expected [10]. Customer satisfaction is a process, and the correct definition of customer satisfaction is centered on the origins or things that evoke satisfaction rather than explaining satisfaction itself. This description arises from the theory of discrepancy. Positive disconfirmation increases satisfaction, while negative disconfirmation produces the opposite effect of decreasing satisfaction. This theory concludes that satisfaction is a result of inter-personal comparisons rather than the results of intra-personal comparisons.

Value-percept theory views satisfaction as an emotional response triggered by a cognitive evaluation process based on feelings. The customer's desires range between their values about their needs, wants, expectations, and the object of their evaluation. The development of this theory included the concept of desire congruency [10]. Another theory that explains satisfaction is equity theory. According to this theory, a person is satisfied when the ratio of the outcomes obtained compared to the inputs used is considered fair or fair. Satisfaction occurs when consumers feel the ratio of results to inputs issued is proportional, so satisfaction results from inter-personal comparisons rather than intra-personal comparisons [10]. The properties underlying satisfaction are emotion, fulfillment, and state. Oliver, 1981 (in Parker

& Mathews, 2001), from the point of view of the emotion of satisfaction as an element containing surprises derived from the experience of owning or consuming a product or service. Satisfaction influences the experience of consuming products, so customer satisfaction is a response to fulfilling customer needs (Rust & Oliver, 1994 in Parker & Mathews, 2001).

Four conditions will be obtained concerning satisfaction associated with arousal satisfaction and reinforcement (Oliver, 1989 in Parker & Mathews, 2001). The lowest degree of satisfaction generation is categorized as satisfaction-as-contentment due to getting the product/service right, so this category is seen as a passive feeling (Rust & Oliver, 1994 in Parker & Mathews, 2001). Higher degrees of satisfaction are called satisfaction-as-surprise or satisfaction as a surprising feeling, which is very cheerful (joyous) or negative (surprising). Reinforcement of positive feelings, satisfaction indicates satisfaction-as-pleasure or satisfaction as pleasure sought, where the product or service can create conditions that calm or please its users. Meanwhile, negative reinforcement produces satisfaction-as-relief or satisfaction as a reliever of unpleasant taste.

The relationship of service quality with satisfaction

Parasuraman (1988) conceptualizes perceived service quality as a long-term evaluation, while satisfaction is a transaction-specific evaluation. Bitner [11] developed a service evaluation model and empirically supported the effect of satisfaction on service quality. This empirical research supports that the perceived quality of service is the forerunner of satisfaction. Cronin and Taylor (1992) conducted a structural analysis of the causal relationship between satisfaction, service quality, and purchase intention. Based on the coefficient path resulting from service quality → satisfaction → purchase intention is all significant, while the coefficient path of satisfaction → service quality → purchase intention is not significant. However, there is a debate about the relationship pattern of the two. The quality of service satisfaction has attracted researchers to examine the relationship between the two. The debate revolves around whether a manager should (1) focus on providing quality services through its various components (technical, functional, and environmental factors) as a way of creating a behavioral intention or (2) better emphasize the importance of measuring emotional satisfaction [12]. There are empirical findings about consumer behavior theory underlying both questions.

First, some researchers offer theoretical assessments and empirical evidence that support the relationship between service quality → satisfactions. This relationship pattern shows the quality of service as the forerunner of satisfaction. If this relationship pattern is applied to service providers, then service quality evaluation will encourage the emergence of behavioral intention. This framework was proposed by Lazarus (1991, in Brady & Robertson, 2001) based on the results of Cronin & Taylor's (1992) research, and the same was proposed by Parasuraman (1988). Consumer satisfaction with services that have been enjoyed is related or oriented to 2 (two) things. (1) Consumer satisfaction related or oriented towards action or behavior (loyalty) and (2) consumer satisfaction related or oriented towards the attitude of an object [13]. This is what underlies the emergence of customer loyalty.

Second, a more recent perspective from Dabholkar (1996) indicates that satisfaction affects certain situations. In this case, there is a non-recursive direction between the construct of satisfaction and quality, so it can be said that it leads to the relationship of quality with satisfaction in certain service situations. Brady & Roberts

(2001) say Dabholkar's (1995) research shows that different customer types influence the relationship between quality and satisfaction. Cognitively oriented customers tend to evaluate the quality of the services they enjoy, followed by the development of satisfaction assessments. Customers who evaluate this way from causal relationships are expected to have quality as the forerunner of satisfaction, that is, have a pattern of quality → satisfaction relationships. Conversely, emotional customers, who are controlled by the tendency to assess effectiveness, the assessment of satisfaction will take precedence in the assessment of quality, and the pattern of the relationship is satisfaction → quality of service.

Research Framework
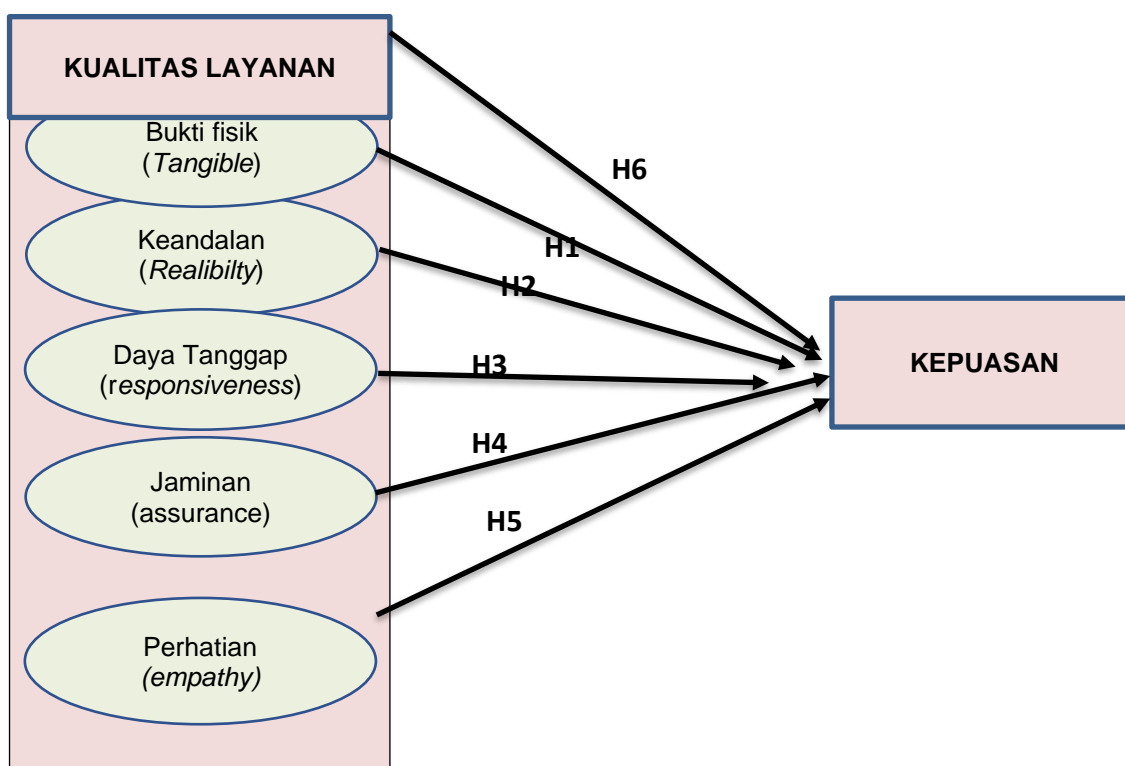
Research Hypothesis

1. Physical evidence (Tangible) affects customer satisfaction.
2. Reliability affects customer satisfaction.
3. Responsiveness affects customer satisfaction.
4. Assurance affects customer satisfaction.
5. Attention (empathy) affects customer satisfaction.
6. Service quality affects customer satisfaction

RESEARCH METHOD

Population and Sample

Research population of pawnshop customers in Malang city. The sampling technique used is multiple sampling with accidental sampling method and purposive

sampling method. Accidental sampling is a method of selecting the members of the population that are easiest to meet and ask for information. Purposive sampling is a method of selecting samples based on certain considerations (Cooper & Emory, 1995). The research sample was 100 pawnshop customers who had a frequency of visits more than 1 (one) time a year with the consideration that they were more familiar with pawnshop services.

Data Collection Techniques

Primary data were obtained by providing respondents with a closed question list containing items of service quality and satisfaction. Interviews were conducted for in-depth observation of research studies. Secondary data is research supporting information from relevant sources that have been published.

Research Instruments

The research questionnaire was guided by SERVQUAL (Parasuraman, Zeithaml & Berry, 1985) with a 24-item statement about the quality of service received compared to expected service. The item details of each dimension are tangibles 6 statements, reliability 4 statements, responsiveness 4 statements, assurance 5 statements, empathy 3 statement items and satisfaction with 2 statements. Guidelines Likert Scale

questionnaire with 5-point to measure perceptions of service quality.

Variable Operational Definition
1. Tangible is a dimension of service quality that contains the condition, completeness and attractiveness of the physical aspects provided.
2. Reliability, which is a dimension of service quality that explains the reliability shown by service provider officers in serving customers.
3. Responsibility, which is a dimension of service quality that explains the responsiveness of service providers to help customers in the event of wishes and complaints.
4. 4. Assurance, which is a dimension of service quality that explains that service providers have guaranteed knowledge, ability, courtesy and can be trusted.
5. 5. Empathy is a dimension of service quality that explains service providers have good personal attention to customers in understanding their needs.

Analysis Techniques

This research analysis tool multiple linear regression program SPSS version 25.

RESULT AND DISCUSSION

Table 1. Partial test results

	Coefficients[a]					
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.276	1.555		.821	.414
	Physical Evidence	.007	.045	.013	.148	.883
	Reliability	.005	.059	.009	.093	.926
	Responsiveness	.074	.065	.121	1.140	.257

Guarantee	.175	.053	.324	3.274	.001
Attention	.185	.080	.237	2.315	.023
a. Dependent Variable: Satisfaction					

Source: Data processed

Physical evidence (Tangible) affects customer satisfaction

The partial test shows a probability value of 0.883 > 0.05, meaning that physical evidence has no significant effect on satisfaction. The initial hypothesis was rejected. This suggests that pawnshop customers should have paid more for physical services provided or embodied by the pawnshop. This physical service, such as a strategic location, clean room, clean and comfortable environment, comfortable waiting room, and neat and professional-looking officers, is not crucial for customers when visiting the pawnshop office. Maybe because customers want service that is by the problems faced immediately, the findings of this study are inconsistent with Cronin's (1992) research, which states that physical aspects significantly positively affect customer satisfaction.

Reliability affects customer satisfaction

Based on partial tests, it shows a probability value of 0.926 > 0.05, meaning that reliability does not significantly affect satisfaction. The initial hypothesis was rejected. This suggests that pawnshop customers need to pay attention to the reliability of pawnshop personnel when customers get service. This reliability statement item includes timely service, meticulous service, and officers always provide customer information about service. The findings of this study are inconsistent with the research of Cronin (1992); Dabholkar (2000); and Cronin (2000), which states that reliability has a significant positive effect on customer satisfaction.

Responsiveness affects customer satisfaction

In partial tests, responsiveness has no significant effect on satisfaction. It is evident from the probability value of 0.257 > 0.05. The initial hypothesis was rejected. This shows that pawnshop customers need employees' responsiveness when services are provided. These responsiveness service items include employees who always respond quickly to patient complaints, assist patients when experiencing service difficulties/problems, and respond to customer requests quickly, precisely, and efficiently.

Assurance affects customer satisfaction

Partial testing shows that assurance has a significant effect on satisfaction. This can be seen from the probability value of 0.001 < 0.05, this proves that the research hypothesis is accepted, this shows that customers pay attention and assess well the service items that have been provided and can provide service guarantees that are by what customers feel or want.

Attention (empathy) affects customer satisfaction

The partial test results show probability values of 0.023 < 0.05, meaning that hypotheses that state attention significantly affects satisfaction are accepted and proven. The proof of the hypothesis indicates that pawnshop services have given good attention to individual customers. Among others, employees have prioritized the interests of all customers to get the same service.

Service quality affects customer satisfaction

Table 2. F test results

		Sum of Squares	df	Mean Square	F	Sig.
	ANOVA[a]					
Model						
1	Regression	22.882	5	4.576	8.255	.000[b]
	Residual	52.108	94	.554		
	Total	74.990	99			
a. Dependent Variable: satisfaction						
b. Predictors: (Constant), Physical evidence, Assurance, Reliability, Empathy, Responsiveness						

Source: Data processed

The results of simultaneous testing with probability values of $0.000 < 0.05$ indicate that the hypothesis that states the service quality dimension affects satisfaction is acceptable. This indicates that the pawnshop has provided good quality service and has been felt by its customers. The results of this hypothesis test are supported by Cronin and Taylor's research (1992), which found a positive relationship between service quality and customer satisfaction. Dabholkar (2000) developed a model that examines the relationship between service quality and customer satisfaction and states that service quality and customer satisfaction have a direct relationship independently.

CONCLUSION

This study's results reject and support the six hypotheses proposed. First, the three dimensions of service quality, tangible, reliability, and responsiveness, do not significantly affect satisfaction. Second, the test results support the hypotheses proposed: service quality dimensions, such as assurance and attention (empathy), significantly affect satisfaction. Overall, the dimension of service quality significantly affects customer satisfaction, and the six test results are the findings of this study.

Suggestion

Pawnshop management needs to improve and differentiate the quality of services such as improving cleanliness, increasing the completeness of service product types, increasing the ability and knowledge of employees about the importance of quality in order to serve better, adding online transaction option facilities for all types of credit cards to make it easier in the transaction process. Researchers related to this research topic can adjust or modify questions on each dimension of service quality. They can use different sampling techniques and samples (heterogeneous) to corroborate the findings in this study further.

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