# Effect of Brand Image, Price Perception and Service Quality towards Customers Satisfaction of Expedition Services of PT. Pos Indonesia

(Case Study at PT. Pos Indonesia Bekasi City Branch)

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Abstract:- This research aimsed to analyze the effect of brand image, perception of price and service quality on customer satisfaction PT Pos Indonesia branch of Bekasi. Based on the pre survey, it can be seen that brand image, perception of price and service quality are important factors that influence of customer satisfaction at PT Pos Indonesia branch of Bekasi. Primary data was obtained through questionnaires distributed to 200 expedition service users customers at PT Pos Indonesia branch of Bekasi. This study was grouped into descriptive and associative study with quantitative analysis. The sampling technique used is non probability sampling using a purposive sampling system. Quantitative analysis in this study covers classical reliability, validity and assumption, determination coefficient R<sup>2</sup>, F test, t test and multiple regression analysis. The test results of the coefficient of determination  $R^2$  which is to 0.795 indicating that 79.5% of customer satisfaction achieved is indeed contributed by independent variables (brand image, perception of price and service quality) used in this research. The results of this research indicate that brand image, perception of price and service quality have a positive and significant effect on customer satisfaction at PT Pos Indonesia branch of Bekasi.

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**Keyword:-** Service Quality, Brand Image, Promotion, and Customer Satisfaction.

# I. INTRODUCTION

Post is an way of communication and information that has an important and strategic role to supporting the implementation of development, supporting unity and integrity, educating the life of the nation, supporting economic activities and enhancing relations between nations. Alongside with the development of science and technology (IPTEK), the organizers of postal services increasingly develop their service quality to meet customer needs and satisfaction with various forms of attractive offers. In the current competition, PT Pos Indonesia as one of the BUMNs in Indonesia still continue to carry out its duties and functions in the field of postal services to meet the needs of the community through service quality in accordance with technological advancements.

Based on ratings on the 2016, 2017 and 2018 Top Brand Awards in the courier services category. In 2016 and 2017, Pos Indonesia was ranked 3rd after JNE and Tiki, but in 2018, Pos Indonesia was ranked 4th after JNE, Tiki and in J&T. There has been a decreased in Pos Indonesia in the eyes of consumers so that PT Pos Indonesia has not been able to occupy the top rank it can be seen in Table 1 below.

Brand	2016	2017	2018
JNE	47.6%	49.4%	45.0%
Tiki	35.7%	34.7%	13.9%
Pos Indonesia	9.6%	8.4%	13.6%
DHL	1.3%	1.3%	11.6%

Table 1:- Top Brand Award for Courier Service Category Source: www.topbrand-award.com

Apart from the decline in the topbrand-award assessment results, production and package revenues in

2017 and 2018 also have decreased compared to 2016, can be seen in Table 2.

Month	2016		2017		2018		2019	
	Production	Income	Production	Income	Production	Income	Production	Income
January	77,864	1.777.864.521	45,834	1.452.936.647	41,943	1.362.841.136	34,874	1.312.519.516
February	70,825	1.706.783.073	40,346	1.245.142.553	34,732	1.228.578.333	27,863	1.123.860.891
March	83,567	1.913.479.253	44,298	1.367.885.423	38,606	1.334.905.760	30,091	1.198.193.338
April	67,933	1.739.340.157	37,215	1.161.286.495	34,713	1.250.495.030	28,981	1.231.651.802
May	58,107	1.677.458.297	37,869	1.360.301.774	36.750	1.648.833.416	29,647	1.412.174.247
June	53,895	1.963.263.387	28,547	1.152.115.465	22,631	1.042.692.643	-	-
July	56,231	1.354.298.885	45,362	1.290.581.518	43,705	1.492.868.627	-	-
August	59,315	1.595.455.429	49,865	1.454.747.721	36,743	1.347.067.477	-	-
September	48,384	1.441.613.098	41,942	1.225.926.207	33,701	1.189.292.511	-	-
October	47,316	1.391.719.676	45,766	1.358.698.957	41.260	1.381.955.640	-	_
November	45,492	1.378.416.320	38,914	1.253.661.350	31,899	1.132.047.902	-	-
December	39,533	1.307.037.342	34,422	1.243.339.826	29,247	1.204.978.553	-	_
TOTAL	708,462	34.606.729.438	490,380	16.792.371.657	347,920	15.616.557.028	151,456	6.278.3993794

Table 2:- Production and Package Revenues in 2016, 2017, 2018 and 2019

Source: Secondary Data

# II. THEORITICAL REVIEW

### A. Brand Image

According to Kotler (2009:346) brand image is the perception and belief carried out by consumers, as reflected in the association that occurs in consumer memory. Brand image is generally defined in all matters related to the brand in the minds of consumers. Brand image is well represents the overall consumer perception of the brand that is formed due to information and consumer experience of a brand. According to Tjiptono (2011:112) brand image or brand description is a description of the association and consumer confidence in certain brands.

# B. Price Perception

Xia et al in Harjati and Venesia (2015), told that the price perception is the assessment of customers and associated emotional forms about the prices offered by sellers and prices compared to others are reasonable, acceptable or justified.

# C. Quality of Service

According to Tjiptono and Chandra (2016:125) the quality of service can be interpreted as a measure of how

well the level of service provided in accordance with customer expectations. Quality of service can be realized through meeting the needs and desires of customers and the accuracy of delivery to balance customer expectations. Quality of service must begin with customer needs and end with customer satisfaction and positive perceptions of service quality (Kotler and Keller, 2009).

# D. Customer Satisfaction

According to Kotler and Armstrong (2015:138) customer satisfaction is someone's happy or disappointed feelings that arise due to comparing the perceived performance of the product (or results) against their expectations. If performance fails to meet expectations, the customer will be dissatisfied. If the performance is in line with expectations, the customer will be satisfied. If performance exceeds expectations, the customer will be very satisfied or happy.

# E. Theoretical Framework

The theoretical framework in this research is as follows:

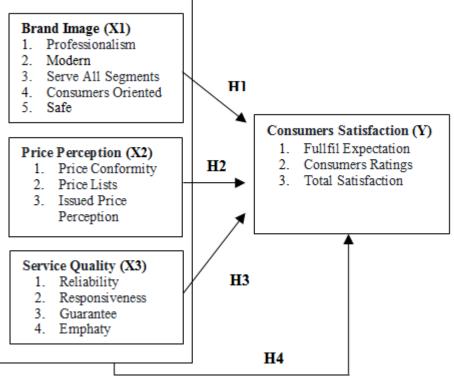


Fig 1:- Theoretical Framework Source: Theoretical Reviews

# F. Hypothesis

Based on the background of the problem, literature review and the mindset above, the hypotheses in this study are:

- H1: Brand Image (X1) was suspected to have a positive and significant effect on customer satisfaction for PT Pos Indonesia Bekasi City Branch expedition services.
- H2: Price Perception (X2) was thought to have a positive and significant effect on customer satisfaction for PT Pos Indonesia Bekasi City Branch expedition services.
- H3: Service Quality (X3) was thought to have a positive and significant effect on customer satisfaction of PT Pos Indonesia expedition services in Bekasi City Branch.
- H4: Brand Image (X1), Price Perception (X2), Service Quality (X3) were thought to have a positive and significant effect jointly on customer satisfaction of PT Pos Indonesia Bekasi City Branch expedition services.

# **III. METHODELOGY**

This research is quantitative by using explanatory analysis methods to to test a theory or hypothesis. The variables in this research consisted of 4 variables, namely: Brand Image (X1), Price Perception (X2), Service Quality (X3) and Customer Satisfaction (Y). The population in this research are customers or users of Indonesian postal expedition services who have made transactions more than three times. The sample in this research is the retail user of PT Pos Indonesia Bekasi city branch which is suitable as a respondent. Referring to (Hair, 2006) which states that determining the number of representative samples is dependent on the number of indicators multiplied by 5 until 10 so that a sample of 200 respondents is obtained.

### IV. RESULTS AND DISCUSSION

### A. Characteristics of Respondents

Respondents who are customers of Pos Indonesia Bekasi City Branch expedition services. Characteristics of respondents by age, most respondents aged between 31-40 years were 113 people (56.50%), continued between 21-30 years as many as 48 people (24.0%), between 41-50 years as many as 38 people (19.0%), and for more than 60 years there were 1 person (0.5%). Based on employment, most respondents worked as Private Employees of 100 people (50.0%), continued to work as Civil Servants (PNS) as many as 72 people (36.0%), students as many as 23 people (11.5%), and other work as many as 5 people (2.5%). Characteristics of respondents based on their latest education, most had undergraduate education at 126 people (63.0%), S2 had 52 people (26.0%), had diplomas at 20 people (10.0%) and other education at 2 people (1.0%).

### B. Validity and Reliability Test

Research data for testing the validity and reliability were conducted on 200 people. From the results of testing the validity of the study obtained R table or critical value of 0.05 (two-tail) of 0.300. From the results of the research findings obtained for each item the greater R count value (>) r table 0.300, which means that the questionnaire statement items declared valid to measure the research variables.

No.	$\mathbf{X}_1$	Result	$\mathbf{X}_2$	Result	<b>X</b> 3	Result	<b>X</b> 4	Result	Y	Result
1	.686**	Valid	.586**	Valid	.692**	Valid	.844	Valid	.526**	Valid
2	.712**	Valid	.656**	Valid	.717**	Valid	.816	Valid	.548**	Valid
3	.695**	Valid	.670**	Valid	.728**	Valid	.795	Valid	.471**	Valid
4	.700**	Valid	.600**	Valid	.694**	Valid	.738	Valid	.600**	Valid
5	.769**	Valid	.710**	Valid	.530**	Valid	.802	Valid	.549**	Valid
6	.772**	Valid	.607**	Valid	.574**	Valid	.776	Valid	.484**	Valid
7	.654**	Valid			.715**	Valid	.779	Valid		
8	.664**	Valid			.713**	Valid	.763	Valid		
9	.751**	Valid					.827	Valid		
10	.699**	Valid								

Table 3:- Result of Validity Test Source: Analysis Result with SPSS version 24

Reliability is related to the consistency and predictability test of a measuring instrument. The test is done by comparing the Cronbach Alpha numbers where the Cronbach Alpha value is a minimum of 0.6 or  $\geq$  0.6. If the value generated from the SPSS calculation results is greater

than 0.6 then the questionnaire is reliable, whereas if the opposite is not reliable. Following are the results of the reliability test of the Brand Image variable (X1), Price Perception (X2), Service Quality (X3), and Customer Satisfaction Variable (Y)

Variable	Cronbach's Alpha	Information
Brand Image	0.770	Reliable
Perceive Price	0.753	Reliable
Service Quality	0.766	Reliable
Consumers Satisfaction	0.702	Reliable

Table 4:- Result of Reliability Test Source: Analysis Result with SPSS version 24

# C. Multicollinearity Test

The results of multicollinearity test in this study indicate that the value of Tolerance > 0.1 and VIF value <

10, this means the research does not matter multi-color data.

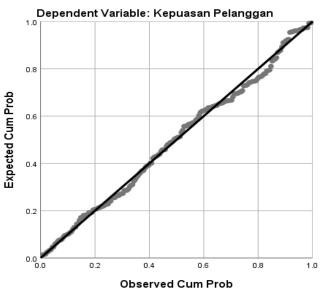
Variables	Tolerance	VIF
Brand Image (X <sub>1</sub> )	0,322917	2.149
Perceive Price (X <sub>2</sub> )	0,505556	1.374
Service Quality (X <sub>3</sub> )	0,331944	2.092

Table 5:- Result of Multicolinearity Test Source: Analysis Result with SPSS version 24

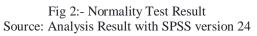
### D. Normality Test

The normality test aims to test whether in the regression model the dependent variable and the independent variable both have normal distributions or not. A good regression model is having a normal or near normal

distribution. The trick is to look at the Normal Probability Plot image. It can be said if the data points spread around the diagonal line and follow the direction of the diagonal line (Sugiyono, 2014: 295).



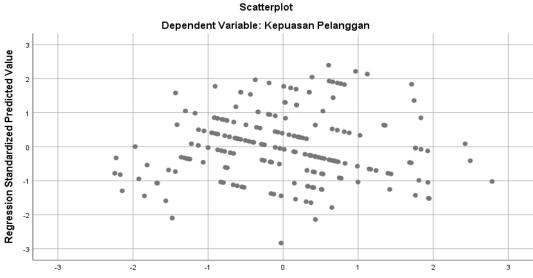
Normal P-P Plot of Regression Standardized Residual



#### *E. Heteroscedasticity Test*

The test results in Figure 3 show the points appear to spread randomly and do not form a certain pattern that is

clear, and spread both above and below the number 0 on the Y axis, this means that there is no heterokedasticity, so that the regression model is feasible to use.



#### **Regression Standardized Residual**

Fig 3:- Heteroscedasticity Test by Scatterplot Source: Analysis Result with SPSS version 24

#### F. Hypothesis Test

From the results of hypothesis testing using multiple linear regression analysis, it is known that the regression equation in this research is as follows:

# Y = 0.286 (X1) + 0.029 (X2) + 0.423 (X3)

Hypothesis results show that H1 is accepted and it is concluded that Brand Image has positive and significant effect on Customer Satisfaction, which means that the better Brand Image owned will increase the Customer Satisfaction of PT Pos Indonesia expedition services in Bekasi City branch.

Hypothesis results show that H2 is accepted and concluded that Price Perception has a positive and significant effect on customer satisfaction, which means that the better Price Perception offered to customers will increase Customer Satisfaction of PT Pos Indonesia expedition services in Bekasi City branch.

- Hypothesis results show that H3 is accepted and concluded that Service Quality has a positive and significant effect on Customer Satisfaction, which means that the better the Quality of Services provided to customers will increase the Customer Satisfaction of PT Pos Indonesia Bekasi City expedition services.
- Hypothesis results show that H4 is accepted and concluded that Brand Image, Price Perception, and

Service Quality have a significant effect altogether on Customer Satisfaction, meaning that the better Brand Image, Price Perception, and Service quality offered to customers will increase customer service satisfaction PT Pos Indonesia expedition Bekasi City branch. This result means that brand image, service quality and price perception variables together are contribute to customer satisfaction

Coefficients <sup>a</sup>							
	Unstandardiz	ed Coefficients	Standardized Coefficients				
Model	В	Std. Error	Beta	t	Sig.		
(Constant)	1.317	.084		15.603	.000		
Brand Image	.168	.028	.286	6.071	.000		
Perceive Price	.272	.029	.354	9.390	.000		
Service Quality	.256	.028	.423	9.112	.000		
F				257.765	.000		
$\mathbb{R}^2$			.795				

Table 6:- Result of Hypothesis Test

Source: Analysis Result with SPSS version 24

# G. Interdimensional Correlation

Correlation analysis is a statistical analysis that measures the degree of relationship involving more than one independent variable (X1, X2, X3) and one dependent variable (Y). Dimension correlation analysis is used to determine the relationship between dimensions of Brand Image, Price Perception, and Service Quality on Customer Satisfaction.

		Consumers Satisfaction (Y)					
Variable	Dimension	Fullfil Expectation	Consumers Ratings	Total Satisfaction			
		(Y1)	(Y2)	(Y3)			
	X1.1 Professionalism	.356**	.358**	.461**			
D 1	X1.2 Modern	.482**	.398**	.412**			
Brand	X1.3 Serve All Segments	.483**	.332**	.449**			
Image (X1)	X1.4 Consumers Oriented	.433**	.613**	.431**			
	X1.5 Safe	.526**	.430**	.446**			
Drice Demonstion	X2.1 Price Conformity	.297**	.244**	.626**			
Price Perception	X2.2 Price Lists	.388**	.344**	.345**			
(X2)	X2.3 Issued Price Perception	.397**	.335**	.339**			
	X3.1 Reliability	.513**	.456**	.396**			
Service Quality (X3)	X3.2 Responsiveness	.456**	.425**	.524**			
	X3.3 Guarantee	.238**	.731**	.338**			
	X3.4 Emphaty	.503**	.374**	.441**			

Table7:- Interdimensional Correlation Source: Analysis Result with SPSS version 24

### V. CONCLUSION AND SUGGESTION

#### A. Conclusion

Based on the results of research and discussion of brand image, price perceptions and service quality on customer satisfaction of Pos Indonesia expedition services in the Bekasi branch city, some conclusions can be obtained as follows:

Brand Image (X1) has a positive and significant effect on customer satisfaction at PT. Pos Indonesia Bekasi City Branch. The greatest interdimensional correlations between brand image dimensions and customer satisfaction is customer oriented and comes into the strongest level. Customer-oriented means the brand image of expedition-oriented and customer-care services is indispensable for any increase in customer satisfaction, especially from the customer valuation dimension.

Price Perception (X2) has a positive and significant effect on customer satisfaction at PT. Pos Indonesia Bekasi City Branch. The greatest correlation between dimensions is the price conformity with the dimension of total satisfaction, and this correlation goes into the strongest level. Price conformity means a price that is in accordance with the quality of customer service is

indispensable for any increase in customer satisfaction, especially from the dimension of total satisfaction.

- Service Quality (X3) has a positive and significant effect on customer satisfaction at PT Pos Indonesia Bekasi City Branch. The greatest correlation between dimensions is a guarantee with the customer valuation dimension, and this correlation goes into a strong correlation. This explains that the guarantee of expedition and employee skills is needed for any increase in customer satisfaction, especially in the dimensions of customer assessment.
- Brand Image, Price Perception and Service Quality have a significant effect together on customer satisfaction of PT. Pos Indonesia Bekasi City Branch. Hypothesis results show that H4 is accepted. This concludes that brand image, perceived price and quality of services offered to customers will increase customer satisfaction of PT. Pos Indonesia expedition services in Bekasi City Branch.

# B. Suggestions

The author also provides suggestions and advics to PT Pos Indonesia Bekasi City Branch in order to improve in terms of brand image, price perception and service quality to be considered by the company management as follows:

- Brand Image influence on customer satisfaction PT.Pos Indonesia Bekasi City Branch, especially in the customer oriented sector, because by paying attention to the brand image it is able to be a benchmark for consumers to use the postal expedition service repeatedly. Pos Indonesia is expected to be able to give a positive impression so that the brand will be remembered by customers by providing advantages possessed by companies which is not found in other similar companies.
- Price perception is second rank after brand image that affects customer satisfaction. Therefore, it is recommended to managers to provide low prices to customers of PT Pos Indonesia Bekasi City Branch.
- Service Quality, from the results of sector research, the strongest link is guarantee. Therefore, it is suggested for the management to be able to provide guarantees to customers of PT Pos Indonesia Bekasi City Branch if there are obstacles or problems in using the services of the Indonesian Pos Expedition.
- The author provides suggestions and advices for further research, namely:
- For next further research it is recommended to added other variables such as promotion, product quality and customer loyalty.
- Further research is recommended to conduct research it is not only limited to PT. Pos Indonesia Bekasi City Branch, but can be at the head office or at other branch offices. So that it can be a general advices that can be used widely and thoroughly by PT Pos Indonesia.

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