

## SERVICE QUALITY ON THE CUSTOMER SATISFACTION AT PEGADAIAN UPC ANDI TONRO DURING PANDEMIC COVID-19

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### **Keywords**

Service Quality;  
Customer  
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### **Abstract**

This research aims to know Service Quality On The Customer Satisfaction at Pegadaian UPC Andi Tonro During Pandemic Covid-19. The sampling was determined insidental technique, the sample in this research was 100 respondents. The method data collection was observation, questionnaires and interview. The data analysis were, realibility, simple linear regression, and hypothesis testing. The results show that the service quality has a positive and significant impact on the Customer Satisfaction at Pegadaian UPC Andi Tonro During Pandemic Covid-19. Based on T value obtained  $2,322 > 1,984$  and significant value obtained  $0,02 < 0,05$  and the value of R square (R<sup>2</sup>) of 0,052 obtained 5,2 %. The indicator of service quality with the most dominant influence is the indicator of tangible and assurance, while the indicator of customer satisfaction with the most overall customer satisfaction

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### **INTRODUCTION**

In the current era of the COVID-19 pandemic, people need to reduce outdoor activities that have an impact on the merchant economy. In the decline in the household environment and the government environment, public interest in consumption and investment decreases. According to Rahmadia & Febriyani (2020), in December 2019 when the corona virus was rampant, the COVID-19 pandemic had a very severe impact on almost every aspect of human life on Earth, especially in the economic field.

The impact of the COVID-19 pandemic has lowered investor sentiment towards the market and finally the market in the eyes of investors has turned negative. Based on a study conducted by Nasution and his colleagues, the outbreak of the COVID-19 pandemic poses a very serious risk to the global economy, including Indonesia, in the fields of tourism, trade and investment.

During the COVID-19 pandemic, Pegadaian was a solution for those who needed money to meet their needs in the new normal, customers came to Pegadaian and pawned their goods, predominantly gold. People choose Pegadaian because the cycle in redeeming goods can be paid in installments and is easier, as long as they provide a guarantee that they can receive a certain amount of funds.



**Picture 1. Pegadaian Sustainability Report**

Based on Picture 1. of the Pegadaian sustainability report, the customer satisfaction score in 2018 was 82.30, decreased in 2019 to a score of 82.00, then the spread of COVID-19 virus infection in Indonesia in early 2020 experienced a decrease in customer satisfaction by achieving a score of 81.70 out of 100. The existence of a health protocol in services requires customers to adapt to the services offered, in this situation Pegadaian provides maximum service in order to increase the applied excellence and control over the level of excellence aimed at fulfilling customers' wishes to feel satisfied in the pandemic era.



**Picture 2. Pegadaian Progress Diagram (2020)**

Based on the results found, it can be concluded that the amount of income increased has an effect on the number of customers, the diagram of loans provided, total assets, and operating income in the 2016-2020 period fluctuated. Based on the data obtained, the loan granted in 2016 amounted to idr 35,569,865 increased by idr 54,696,744 in 2020 fluctuated by 65%. In total assets in 2016 amounted to idr 46,873,892 increased in 2020 by idr 1,468,960 experiencing a fluctuation of 66%. Operating income in 2016 was idr 9,708.058, increased by idr 21,964,403 in 2020, fluctuated by 44%. The increase came from the entry of pawned/collateral goods to get pawn loan money made by customers.

**Table 1. Data on Number of Customers Based on Dukcapil Status (2021)**

WORK UNIT	STATUS VERIFIED		STATUS UNVERIFIED		AMOUNT CUSTOMER
	AMOUNT CUSTOMER	PERCENTAGE	AMOUNT CUSTOMER	PERCENTAGE	
11354   UPC LANDAK	3035	86.00.00	494	14.00	3529
11355   UPC ANDI TONRO	4954	87.54.00	705	12.46	5659
11356   UPC BANTA BANTAENG	3437	87.06.00	511	0,565277778	3948
11358   UPC PASAR PABAENGBAENG	1407	84.00.00	268	16.00	1675
11413   UPC	2831	88.14.00	381	0,518055556	3212

LANDAK BARU					
11422   UPC KUMALA	4001	86.70	614	13.30	4615
<b>TOTAL</b>	<b>28184</b>	<b>84.61</b>	<b>5125</b>	<b>15.39</b>	<b>33309</b>

Based on the data in table 1. it can be seen about the number of customers of Pegadaian (Persero) UPC Makassar in 2021. The number of verified data customers at UPC Andi Tonro is 4954 with a percentage of 87,54.00 and unverified data as many as 705 customers with a percentage of 12.46 the total data in in 2021 at Pegadaian UPC Andi Tonro 5659. Pegadaian has collaborated with the Department of Population and Civil Registration (Dukcapil) since 2018 through this collaboration, Pegadaian can map its customers throughout Indonesia so as to facilitate the process of developing distribution networks, especially reaching areas that are minimal touched by the Pawnshop's products and services. Another benefit of Pegadaian is that it can verify the data of every customer transacting, so that this can also narrow the access of criminals who use financial institutions with their modus operandi, such as pawning stolen goods, counterfeit goods, or remittances. Verified data is data that has been published by population registration bodies (government and non-government), in the form of numbers, graphs, images and others, while unverified data is data that has not been registered with the Dukcapil this is due to data errors. the population has not been synchronized with the data that has been registered with the Pegadaian. Data out of sync errors usually occur due to an error in typing a name that does not match the ID card, parents' names, date of birth, and also the address in this case. The solution, if the data is out of sync, the customer must report it to the Pegadaian or Dukcapil head office to re-verify, unverified data does not harm Pegadaian because the data will be recovered by Dukcapil.

The interview conducted with the customer, Mrs. Diana, said that Andi Tonro's UPC Pawnshop service was very satisfying, starting from the implementation of health protocols that had met the standards and services of the employees of UPC Pegadaian Andi Tonro (Interview, Diana: 16 February 2022). Another customer, Arawati, said that she had been a loyal customer for 10 years at UPC Andi Tonro because of the prompt and orderly service and the empathy of the officers at Pegadaian Andi Tonro in receiving complaints that were completely resolved (Interview, Arawati: 16 February 2022 ). As for the opinion of one customer named Mr. Sukri, he said that he had implemented health protocols, had provided masks, washing hands, and hand-sanitizers. In terms of cashier and appraiser services, they are polite and friendly, the queue numbers provided to serve customers are also organized and completed quickly (interview, Sukri: 16 February 2022). As for the opinion of the employee appraiser with the highest position at Pegadaian, Andi Tonro is of the opinion that in relation to service quality at Pegadaian, he conducts a survey issued by the central management office in the form of a questionnaire which is usually

conducted once a year. last year 80.23% from 100% (interview, Syawal: 16 February 2022). The problem of limited space and limiting the number of customers who enter because they avoid the spread of COVID-19 at Pegadaian UPC Andi Tonro resulted in customers waiting in line by standing and waiting outside making customers uncomfortable, this has not been able to be overcome by Pegadaian UPC Andi Tonro except by renovating more offices. large.

It is on this basis that the author is interested in conducting further research related to the level of customer satisfaction during the pandemic, therefore the author puts it in the title "**The Effect of Service Quality on Customer Satisfaction at the Pegadaian UPC Andi Tonro during the Covid-19 Pandemic**"

## **RESEARCH METHODS**

This research uses of quantitative that is descriptive. Describe and explain the effect of service quality on customer satisfaction at PT. Andi Tonro Pegadaian. The population in this study was taken from the number of Pegadaian customers in 2021, which amounted to 5659 Pegadaian UPC Andi Tonro customers. In this research, the authors narrow the population, total of customers as many as 5659 customers by calculating the sample size using the Slovin technique according to Sugiyono (2011). As for this research, so that the research results can be generalized and the calculation does not require a table of the number of samples, but it can be done with simple formulas and calculations, using the Slovin formula in sampling, the number must be representative.

## **RESULTS AND DISCUSSIONS**

### **Quality of Service**

According to Kotler (2010) services are essentially immaterial and do not result in ownership of any action or activity offered by one party to another. Meanwhile, according to Lovelock (1997) service is an intangible product assistance, has no structure, is not tough, and can only be seen by administrative beneficiaries. It can be presumed that based on the description above, it can be assumed that the service is a temporary meeting but can be felt by the service recipient as an immaterial activity.

Tjiptono (2009) describes four main characteristics of a service which include:

a. Intangibility

Services are immaterial which means that services cannot be seen, tasted, smelled, contacted or heard before they are purchased.

b. Inseparability

Activities are usually before the production process and are consumed along with the first thing that the service has to sell.

c. Variability

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Services have variations because they can be seen that the goods are non-standard, the real meaning that a lot of variation in structure, feasibility, type depending on the service party produced.

d. Perishability

Service is the items do not last long and cannot be disposed of.

**Customer Satisfaction**

Unusual changes in the current era of globalization which is marked by a revolution in communication technology and information technology, the emergence of competition will be very tight and lead to more choices for customers and it is difficult to be satisfied because there is a shift starting to meet demand, developing into the assumption of fulfilling satisfaction. (Yamit, 2002).

Customer satisfaction is the level after which a person's feelings compare the performance or product results as he feels with expectations. Satisfaction is a function of the difference between perceived performance and expectations. Customers will be dissatisfied, if performance is far from expectations. Customers will be very satisfied, happy, or happy if performance exceeds expectations (Sumarni, 2002).

**The results of the recapitulation of the observation implementation of the questionnaire**

Researchers distributed questionnaires to 100 respondents who were customers at Pegadaian UPC Andi Tonro. The profiles of 100 respondents who were asked in the questionnaire based on length of time as customers, gender, age, and occupation are as follows.

**Table 2. Characteristics of Respondents Based on long tim to be a Customer**

<b>Respondents</b>	<b>Frequency</b>	<b>Presentase (%)</b>
< 1 Years	3	3%
1-3 Years	8	8%
4-5 Years	30	30%
6> Years	59	59%
<b>Total</b>	<b>100</b>	<b>100%</b>

*Source: Primary data processed in 2022*

This research is dominated by respondents who have been customers for 6> years because customers at Pegadaian UPC Andi Tonro are satisfied with the services provided so that customers do not move to other branches or Pegadaian units and other reasons choose alternatives to become customers at Pegadaian UPC Andi Tonro, which is close to where stay and also a strategic place close to the market.

**Table 3. Characteristics of Respondents by Gender**

<b>Respondents</b>	<b>Frequency</b>	<b>Presentase (%)</b>
Male	21	21%
Female	79	79%
<b>Jumlah</b>	<b>100</b>	<b>100%</b>

*Source: Primary data processed in 2022*

This research is dominated by female respondents because customers who are shopping at the market usually stop by and make pawn transactions and usually in women's households who manage finances.

**Table 4. Characteristics of Respondents by Age**

<b>Respondents</b>	<b>Frequency</b>	<b>Presentase (%)</b>
<20 Years	0	0%
20-30 Years	10	10%
31-40 Years	18	18%
41-50 Years	39	39%
51> Years	33	33%
<b>Total</b>	<b>100</b>	<b>100%</b>

Respondents in this research were dominated by respondents aged 41-50 years, this is because customers with that age have problems such as many emergency needs so they decide to pawn their items to emergency needs.

**Table 5. Characteristics of Respondents by Occupation**

<b>Responden</b>	<b>Frequency</b>	<b>Presentase (%)</b>
Government employees	4	4%
Private employees	6	6%
Self-employed	16	16%
and others	74	74%
<b>Total</b>	<b>100</b>	<b>100%</b>

Respondents in this research were dominated by respondents with jobs etc., this refers to housewives and customers who do not have a job.

a. Validity Test

**Table 6. Validity Test of Service Quality Variables**

<b>Item</b>	<b><math>r_{hitung}</math></b>	<b><math>r_{tabel}</math></b>	<b>Criteria</b>
1	0,313	0,197	Valid
2	0,673	0,197	Valid
3	0,682	0,197	Valid
4	0,393	0,197	Valid

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5	0,506	0,197	Valid
6	0,516	0,197	Valid
7	0,546	0,197	Valid
8	0,597	0,197	Valid
9	0,375	0,197	Valid
10	0,443	0,197	Valid

Source: SPSS Processed, 2022

The result show that all items are valid, because  $r_{hitung} > r_{tabel}$  which means that the Service Quality variable data can be used for simple linear regression analysis. The Customer Satisfaction variable has 100 respondents (customers) with 10 items from different indicators, where the results of the validity test are presented in Table 7.

**Table 7. Validity Test of Customer Satisfaction Variables**

Item	$r_{hitung}$	$r_{tabel}$	Criteria
1	0,343	0,197	Valid
2	0,469	0,197	Valid
3	0,483	0,197	Valid
4	0,422	0,197	Valid
5	0,442	0,197	Valid
6	0,414	0,197	Valid
7	0,330	0,197	Valid

Source: SPSS Processed, 2022

In table 7  $r_{hitung} > r_{tabel}$  which means that the data on the Customer Satisfaction variable can be used for simple linear regression analysis.

#### b. Reliability Test

The reliability test can be seen with Cronbach's alpha value  $> 0.60$ , where the test results for the variables of Service Quality and Customer Satisfaction are presented in Table 8.

**Tabel 8. Realibility Test**

Variabel	Nilai Alpha Cronbach
Service Quality	0,68
Customer Satisfaction	0,65

Source: SPSS Processed, 2022

From Table 8 there are the Service Quality and Customer Satisfaction variables have a Cronbach alpha value  $> 0.60$  which means the data on variables is reliable and can

be used for simple linear regression analysis.

c. Hypothesis Testing

Hypothesis testing aims to determine whether there is an influence between service quality and customer satisfaction using the t test presented in Table 9.

**Table 9.** Hypothesis Testing

	<b>Model</b>	<b>T</b>	<b>sig</b>
1	(constant)	1,984	0,05
	Service Quality	2,322	0,022

Source: SPSS Processed, 2022

From Table 9 this research aims to know that the value of  $t_{count}$  is 2,322 and  $t_{(table)}$  is 1,984 with  $t_{count} > t_{(table)}$  or  $2.322 > 1.984$  and sig value  $< 0.05$  or  $0.022 < 0.05$ , which means that service quality has a significant effect on Customer Satisfaction.

d. Simple Linear Regression

After knowing the effect of Service Quality on Customer Satisfaction, it will be known that the regression coefficients are presented in Table 10

**Table 10.** Simple Linear Regression

	<b>Model</b>	<b>Undstandardized Coefficients</b>	
		<b>B</b>	<b>Std.Error</b>
1	(constant)	30,766	4,097
	Service Quality	0,250	0,108

Source: SPSS Processed, 2022

From Table 11, simple linear regression can be formed as follows:

$$Y = 30,766 + 0.250X$$

Based on the linear regression model above, it can be said that the constant is 30.766, meaning that if the Service Quality is 0, then the Customer Satisfaction is still 30.766. The regression coefficient is 0.250, meaning that if Service Quality increases by 1 unit, it will increase the Customer Satisfaction variable by 0.250, the sign (+) indicates that if Service Quality increases, Customer Satisfaction will also increase.

e. Coefficient of Determination

The coefficient of determination explains how capable the model is in explaining the variation in the dependent variable by looking at the R-Square values shown in Table 11.

**Table 11. Results Coefficient of Determination (R2)**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,228	0,052	0,042	2,452

From Table 11 that the R Square value is 0.052 which states that the effect of Service Quality on Customer Satisfaction is still at a weak level because it is only 5.2%, while 94.8% is influenced by other variables not explained in this study .

## **DISCUSSION**

Based on the results of the analysis that have been described previously that service quality has a significant effect on customer satisfaction, more detailed analysis results from data testing can be explained as follows:

There is a positive and significant influence on the service quality variable. The results of this study are reinforced by the theoretical statement put forward by Sumarni, M (2002) which states that customers will be dissatisfied if performance is far from expectations and customers will be very satisfied if performance matches expectations.

Based on the data above, researchers can analyze that Service Quality has a significant effect on Customer Satisfaction, it can be seen that the statement with the lowest index on the tangible variable indicator is the 3rd statement "providing hand washing or hand-sanitizer to prevent the Covid-19 virus" p. This is because the health protocols implemented at the beginning of the Covid-19 outbreak began to loosen when researchers distributed questionnaires, but different human personality types such as customers who answered disagreed were hygiene type customers but when they visited the UPC Pegadaian Andi Tonro the stock of hand sanitizers had run out, Pegadaian UPC Andi Tonro must be able to improve its services by providing more stock of hand sanitizers and customers must be able to bring their own hand sanitizers because the government has relaxed health protocols and allows removing masks outdoors. The lowest score index on the variable reliability indicator is the 8th statement "UPC Pegadaian employee Andi Tonro has reliability in conveying information if the customer does not understand the customer" this is because the responsiveness of customers in conveying or receiving information is different, this is because customers UPC Pegadaian Andi Tonro is predominantly a housewife (IRT) or high school graduate, UPC Pegadaian employee Andi Tonro must be able to be more patient in conveying information to customers who are high school graduates (SMA) and housewives by profession (IRT) so that they have responsiveness which is lacking. The statement with the lowest index on the variable responsiveness indicator is the 13th statement "Employees are always ready to respond to customer requests" this is due to customer complaints after the pawned

goods are due, so the pawned goods have been auctioned in accordance with the terms and conditions that have been approved, UPC Pegadaian Andi Tonro must be able to improve services by informing customers in advance that the pawned goods are past due or providing evidence (screen shoot log-calls) to customers that have been communicated by telephone to confirm the pawned goods to be auctioned so that customers will not avoid if not contacted. The statement with the lowest index on the empathy variable indicator is the 20th statement "Knowing customer desires very well" this is due to employee sensitivity in receiving information or customer delivery methods that are not clear and difficult for employees to understand, UPC Pawnshop Andi Tonro employees must be able to improve services in terms of language that is easy to understand because customers at UPC Andi Tonro dominantly have the profession of Housewives (IRT).

On the customer satisfaction variable, the question with the lowest index on the satisfaction indicator of all customers in the 2nd statement "I am satisfied with the performance of the UPC Andi Tonro Pawnshop system" this is due to several factors such as customer expectations about the service system that is implemented such as on Saturday not receiving a redemption system (taking pawned goods), UPC Pegadaian employee Andi Tonro must be able to educate customers about the redemption system (taking pawned goods) is not opened on Saturdays because customer deposits are collected at the bank while banks are not open on Saturdays. The statement of the lowest index on the expectation confirmation indicator in the 3rd statement "I feel the price of goods (pawning) is as expected" this is because one of the triggers for the rise and fall of gold prices which results in high expectations from the customer, UPC Pegadaian employee Andi Tonro must be able to educating customers that the higher the gold price, the higher the Pegadaian's estimated value. On the other hand, the lower the gold price, the lower the Pegadaian's estimated value. The statement of the lowest index on the indicator of customer dissatisfaction in the 6th statement "I am not satisfied with the cost of extending the goods" this is due to the inflated expenses that have an impact on the finances of the customer. The lowest index statement on the indicator is willing to recommend in the 8th statement "I will continue to be a customer at Pegadaian UPC Andi Tonro" this is because some customers are definitely reluctant to apply for long-term debt. Same thing with hospitals, patients will definitely not want to come back and feel pain.

## **CONCLUSION**

Based on research that has been done to customers at Pegadaian UPC Andi Tonro and the results of data analysis managed with SPSS 20, the authors draw the conclusion that there is a positive and significant influence on service quality on customer satisfaction with an effect of 5.2%. In this study, the highest indicator on the service quality variable is the indicator of physical evidence and guarantees, the highest indicator on the customer

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satisfaction variable is the indicator.

## **SUGGESTION**

Based on the results of the study and the conclusions obtained, the suggestions given are as follows:

1. For companies, service quality research findings have a significant effect on customer satisfaction so that this research can be a consideration for UPC Pegadaian employees Andi Tonro in making policies to improve services such as providing hand sanitizer stock, must be able to be more patient in conveying information to customers because the dominant the customer is a high school graduate (SMA) and a housewife by profession so that she has less responsiveness, provides evidence (screen shoot log-call) to the customer that has been communicated by telephone to confirm the pawned goods to be auctioned so that the customer will not dodge if they have been contacted, improve service in terms of language that is easy to understand because customers at UPC Andi Tonro dominantly have a housewife profession (IRT) so that they have better goals and maintain service quality so that the company can achieve maximum targets.
2. For leaders to pay more attention to space, such as building more space for Pegadaian UPC Andi Tonro and increasing inventory for customers, because many people come to pawn goods and register themselves as customers, so UPC Pegadaian Andi Tonro becomes a Pegadaian unit that has many customers. Pegadaian UPC Andi Tonro is a strategic place close to the market, usually women (customers) come to pawn their goods as well as shop at the market
3. For further researchers, who want to research related to the same problem, they should take a deeper look because the service contribution is only 5.2% to the level of satisfaction, so it can be concluded that there are many other factors that affect the level of customer satisfaction at Pegadaian UPC Andi Tonro

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