INVESTIGATION OF DETERMINANTS OF CUSTOMER SATISFACTION

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Abstract

The issue with PDAM Tirta Moedal Semarang is that it causes customers to feel unsatisfied, which leads to complaints like: water frequently dies and comes out sparingly. The goal of the study was to determine how trust, an intervening variable, affected the relationship between PDAM Tirta Moedal Semarang's service reputation and customer happiness. The population of this research is the housing community of Graha Mukti Semarang as many as 1,537 people. There were 99.87 samples total in this investigation (based on the Slovin formula, rounded to 100 individuals). The SPSS 26 application was used to carry out the analysis technique. Through path analysis, the variable influence model will be put to the test. The findings demonstrate a direct correlation between service quality and confidence in PDAM Tirta Moedal Semarang. The service quality and reputation of PDAM Tirta Moedal Semarang has an immediate impact on PDAM Tirta Moedal Semarang's client satisfaction. Customer satisfaction at PDAM Tirta Moedal Semarang is directly impacted by trust. At PDAM Tirta Moedal Semarang, trust can be considered an intervening variable on service quality and reputation on customer satisfaction.

Keyword:
Satisfaction; trust; service; reputation
INTRODUCTION

Regional Drinking Water Companies in carrying out community service activities must pay attention to orientation to their customers, which concerns what must be satisfied. In the Regional Drinking Water Company, the consumers are the community. Kotler & Keller (2012), When a product's performance (outcome) is compared to what was anticipated, a feeling of satisfaction or dissatisfaction results (or result). The Regional Drinking Water Company's objectives will be met by giving the customer oriented component more consideration.

Many factors affect satisfaction, including reputation (Prayitno, 2015; Panjaitan & Yuliati, 2016; Aryska, 2017). Regional Drinking Water Companies must manage reputation which is one of the most important determining factors. A good reputation and supported by the competencies possessed will be able to increase the competitiveness of universities and will create student satisfaction. Therefore, a good reputation will increase the interest of qualified new students. Aryska (2017) looked into how a company's reputation affected patient happiness, and the findings indicated that there was a connection. The findings of this study are also corroborated by Prayitno (2015), Panjaitan & Yuliati (2016), who looked at the relationship between brand reputation and consumer satisfaction and found that there was a relationship. These studies' findings, however, go against Tarigan's (2014) research, which claims that a company's reputation has no bearing on customer happiness.

Another factor besides reputation that also affects satisfaction is service quality (Prayitno, 2015; Panjaitan & Yuliati, 2016; Aryska, 2017). Service quality is the capacity to maintain the planned level of excellence in order to meet client needs. Tjiptono (2011). In general, unhappy customers will tell others about their negative experiences (Kotler & Keller, 2012). The primary determinant of client happiness is the caliber of a company's services. Customers' priorities must be taken into account by businesses if they want to satisfy them in line with their expectations. According to Prayitno (2015), Customer happiness is positively and significantly impacted by service quality. The findings of Aryska's research (2017) and those of Panjaitan & Yuliati (2016), who also looked at how service quality affects satisfaction, provide additional support for the findings of this study. However, the results of the aforementioned study differ from those of Harini (2016), who investigated whether there was a connection between service quality and client happiness and found that there wasn't.

Sekaran (2006) states that if the influence of a variable on other variables is still ambiguous, then the next researcher can include the intervening variable, where the intervening variable must have been tested previously as a factor influencing the dependent variable independently. Jonraimlal (2015) and Harini (2016) which claim that contentment is positively impacted by trust. Related to Sekaran's statement (2006) and the results of research from Jonraimlal (2015) and Harini (2016) Along with the findings from the aforementioned research regarding the connection between client happiness, service excellence, and brand reputation, the researchers also included a new variable, namely trust as an intervening variable because trust plays an important role in customer satisfaction according to customer expectations. According to Akbar & Parvez (2009), states that trust only exists when one of the parties believes in a cooperative relationship that is reliable and has integrity. Only when marketers are able to establish and keep a favorable emotional connection with customers can trust in products or services be gained. Building and retaining consumer trust is essential for a fruitful long-term connection between the business and its clients.

In the city of Semarang currently there is PDAM Tirta Moedal with its facilities and services. One way that is done by a government agency or in this case a Regional Company in increasing maximum customer satisfaction to customers which aims to
provide excellent service to all company customers. PDAM in Semarang City. PDAM Tirta Moedal Semarang takes water from the West Flood Canal River, the Jatibarang River and the Kudu (Genuk) water source. In addition, PDAM Tirta Moedal obtains raw materials from groundwater. For the time being, PDAM offers the community services such as new installations, maintenance, and bill payments in addition to the water service itself. Tirta Moedal PDAM in Semarang City. Apparently, there are still many customer complaints to the PDAM, such as: water often dies and comes out very little. These complaints can of course be used as input that needs to be taken seriously.

The study's goal was to determine how trust, an intervening variable, affected customer satisfaction at PDAM Tirta Moedal Semarang in relation to service quality and reputation.

LITERATURE REVIEW

The Impact of Trust on Service Quality

Quality of service is the professional attitude of employees who provide a comfortable feeling for consumers who receive products/services. Quality of service is the professional attitude of employees who provide a comfortable feeling for consumers who receive products/services. This attitude is a compensation from service providers in the hope of creating a feeling of trust in consumers. According to Suhardi (2006), trust is defined as a consumer's perception of dependability based on experience, or rather, a series of transactions or encounters that meet customers' expectations for product performance. Research by Daruwati, et al. (2017) showed that trust is impacted by service quality. H1: Trust and Service Quality Interact.

Effect of Reputation on Trust

The company's reputation is the result of an overall evaluation obtained from direct experience during dealing with the company, from the customer's point of view as one of the stakeholders, to the company's products and services including communication activities, and interactions with representatives from the company. A company's reputation, according to Fombrun (1996), is how internal and external stakeholders view or perceive the business. Reputation is not only an attribute in a company but also how that reputation will continue to exist in the future. Essentially, a company's reputation is an honor that it has earned as a result of its advantages, particularly the capabilities that it possesses, allowing it to continue to grow and develop while still being able to produce new products that satisfy customer demands. According to Susanti and Hadi (2013), trust is the readiness of one party to put their faith in another party in exchange for the promise that the other party would do what they value. According to Prayitno (2015) and Rahmawati (2017) research findings, consumer trust is influenced by a company's reputation. H2: Trust and Reputation Interact.

Service Quality and Customer Satisfaction

Evaluation of service quality is focused on customer satisfaction. Service quality, according to Tjiptono (2011), is the level of excellence that is wanted and upheld for that excellence. to fulfill client needs. When a service is delivered as anticipated, it is deemed to be of good and adequate quality. Customers will regard a service's quality as being at its best if it meets their expectations. On the other hand, if the level of service falls below what was anticipated, it is said to be of poor quality. The findings of Prayitno (2015), Panjaitan and Yuliati (2016), and Aryaska (2017), who examined how service quality affected patient and customer satisfaction found that satisfaction was affected by service quality. H3: Service quality has an impact on satisfaction.
The Effect of Reputation on Satisfaction

According to Zeitaml, et al. (2013), a brand’s reputation has a significant impact on how well-liked a product or service is. Customers will only link a product or service with its brand as a result, and as a result, the reputation of the company can also be determined at the product or service level. Customers' happiness with the company's goods or services is directly influenced by its reputation, which influences their decision-making. (1990; Dick, Chakravarty, & Biehal). Aryska (2017) looked into how a company’s reputation affected patient happiness, and the findings indicated that there was a connection. Prayitno (2015), Panjaitan and Yuliati (2016), who claim that customer happiness is influenced by a company's reputation, also support this research. H4: Satisfaction is impacted by reputation.

The Impact of Trust on Contentment

Trust and the caliber of the service both affect satisfaction. A person will feel either trust or mistrust when they contrast the performance (outcome) of the thought product with the anticipated performance (or outcome). If performance falls short of expectations, customers become suspicious and unsatisfied. Consumers will, however, believe and be satisfied if the performance lives up to their expectations (Kotler & Keller, 2011). According to the findings of Daruwati et al. (2017), Johnrimal et al. (2015), Harini et al. (2016), Mahendra et al. (2018), and Darwin and Kunto (2014), trust has an impact on happiness. H5: Student satisfaction is impacted by trust.

RESEARCH METHOD

The population of this research is the housing community of Graha Mukti Semarang as many as 1,537 people. There were 99.87 samples total in this investigation (according to the Slovin algorithm, rounded up to 100 individuals). Methods The SPSS 26 program was used to help with the analysis. Path analysis is going to be used to test the variable influence model.

RESULT AND DISCUSSION

Trust and the Impact of Service Quality and Reputation

Table 1. Results of Regression Analysis of the Effect of Service Quality and Reputation on Trust

<table>
<thead>
<tr>
<th></th>
<th>Standardized Coefficients</th>
<th>Sig</th>
<th>t.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1(Constant)</td>
<td></td>
<td>1.789</td>
<td>.003</td>
</tr>
<tr>
<td>Service quality</td>
<td>.680</td>
<td>7.085</td>
<td>.002</td>
</tr>
<tr>
<td>Reputation</td>
<td>.287</td>
<td>1.183</td>
<td>.028</td>
</tr>
</tbody>
</table>

From the table above, the equation can be made:
T = b1 SQ + b2 R + e1
T = 0.680 SQ + 0.287 R + 0.622
The equation shows that:
(a) Trust increases when there is an increase in service quality if other variables are considered unchanged.
(b) Trust increases when reputation increases if other variables are considered unchanged.
(c) e1 is a variant of the trust variable which is not explained by service quality and reputation. The magnitude of e1 = (1-0.613) = 0.622, where the number 0.613 (
Adjusted $R^2$ is obtained from a simultaneous test between service quality and reputation for trust as shown in table 2.

**Table 2. Results of Tests Comparing Service Quality and Trustworthiness Concurrently**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.805 a</td>
<td>.624</td>
<td>.613</td>
<td>1.79763</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Service Quality, Reputation

The Effect of Service Quality, Reputation and Trust on Satisfaction

**Table 3. Results of Regression Analysis of the Effect of Service Quality, Reputation and Trust in Satisfaction**

<table>
<thead>
<tr>
<th>Model</th>
<th>Standardized Coefficients</th>
<th>Beta</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>2.072</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Service Quality</td>
<td>.450</td>
<td>3.477</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Reputation</td>
<td>.348</td>
<td>4.769</td>
<td>.001</td>
</tr>
<tr>
<td></td>
<td>Trust</td>
<td>.517</td>
<td>6.465</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Satisfaction

From the table above, the equation can be made:

\[ S = b_1 SQ + b_2 R + b_3 T + e_2 \]
\[ S = 0.450 SQ + 0.348 R + 0.517T + 0.392 \]

The equation shows that:

(a) When service quality is enhanced, there is an increase in customer satisfaction if other parameters remain the same.

(b) When reputation improves, customer happiness increases when other factors remain constant.

(c) Customer satisfaction increases when there is an increase in trust if other variables are considered unchanged.

(d) $e_2$ is a variant of customer satisfaction variable which is not explained by service quality, reputation and trust.

The magnitude of $e_2 = (1 - 0.846) = 0.392$, where the number 0.846 ($Adjusted R^2$) is obtained from a simultaneous test between service quality, reputation and trust on satisfaction, as shown in table 4:
Table 4. Simultaneous Test Results Between Service Quality, Reputation and Trust Against Customer Satisfaction

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.965a</td>
<td>.858</td>
<td>.846</td>
<td>1.41019</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Trust, Service Quality, Reputation

The Effect of Service Quality on Trust

Table 5. Results of Regression Analysis of the Effect of Service Quality on Trust

<table>
<thead>
<tr>
<th>Model</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Service Quality</td>
<td>.680</td>
<td>7.085</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Trust

Ha is acceptable since Table 5 shows that the significance is 0.002 0.05, the t count is 0.085, and the beta is 0.680, all of which suggest that service quality has a positive and substantial impact on trust. H1, which asserts that trust is impacted by service quality, is hence acceptable. This implies that trust increases in direct proportion to service quality. According to the theory of Goeth & Davis (2012), Product, service, human resource, process, and environmental quality are all dynamic conditions that either meet or surpass expectations. This view is supported by the study.

The Effect of Reputation on Trust

Table 6. Results of Regression Analysis of the Effect of Reputation on Trust

<table>
<thead>
<tr>
<th>Model</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Reputation</td>
<td>287</td>
<td>1.183</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Trust

According to Table 6, the t count is 1.183, the beta is 0.287, and the significance is 0.028 0.05, indicating that reputation significantly and favorably influences trust, leading to Ha’s acceptance. H2, which asserts that reputation influences trust, is thus acceptable. This implies that consumer pleasure increases as reputation increases. This study supports the theories put forth by Prayitno (2015), Rahmawati (2017), and Fombrum (2012) that reputation is the embodiment of a person’s interactions with the good or service they have purchased. A solid reputation will boost credibility, giving customers more assurance that they will receive the goods or services that were promised. Consumers may rely on reputation to deliver on their expectations.
Quality of Service Has an Impact on Client Satisfaction

Table 7. Results of Regression Analysis of the Effect of Service Quality on Customer Satisfaction

<table>
<thead>
<tr>
<th>Model</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Service Quality</td>
<td>.450</td>
<td>3.477</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Customer Satisfaction

According to Table 7, the t count is 3.477, the beta is .450, and the significance is 0.000 < 0.05, indicating that service quality significantly and positively affects customer happiness and that H1 is therefore accepted. H3, which asserts that customer pleasure is influenced by service quality, is hence acceptable. This implies that customer satisfaction increases in direct proportion to service excellence. According to Panjaitan and Yuliati (2016), Prayitno (2015), and Ariska, this research (2017), and in line with Goeth & Davis’ (2012) a dynamic state when the availability of goods, services, people, operational processes, and environmental factors meets or exceeds expectations.

The Effect of Reputation on Customer Satisfaction

Table 8. Regression Analysis Results of the Effect of Reputation on Customer Satisfaction

<table>
<thead>
<tr>
<th>Model</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Reputation</td>
<td>.348</td>
<td>4.769</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Customer Satisfaction

Table 8 states that the t count is 4.769 with a beta of 0.348 and a significance of 0.001 < 0.05, i.e. H2 is accepted because of his reputation, which has a favorable and considerable impact on customer satisfaction. Therefore, H4, which claims that consumer satisfaction is influenced by reputation, is acceptable. This implies that customer satisfaction increases as reputation increases. The assertion that a person's reputation is the embodiment of their experience with the good or service they receive is made by Aryska (2017), Prayitno (2015), Panjaitan & Yuliati (2016), and Fombrum (2012). A positive reputation will boost credibility, giving clients more faith that they will receive what was promised. A company’s reputation provides clients with the assurance that their expectations will be met.

Customer Satisfaction and Trust: A Relationship

Table 9. Results of Trust Effect Regression Analysis Against Customer Satisfaction

<table>
<thead>
<tr>
<th>Model</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Trust</td>
<td>.517</td>
<td>6.465</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Customer Satisfaction

According to Table 9, the t count is 5.556/6.465 with a beta of 0.408/0.517 and a significance of 0.000 < 0.05. This indicates that H1 is acceptable because trust has a positive and significant impact on customer satisfaction. Consequently, in terms of
customer satisfaction, the H5 trust impact is satisfactory. This study demonstrates that customer happiness is directly and significantly impacted by trust. This can be taken to mean that customer happiness is inversely correlated with trust levels. According to Mahendra et al. (2018), Daruwati et al. (2017), Johnraimal (2010), Harini (2016), Darwin & Kunto (2014), and this study, trust is the confidence that one will find what one desires in others rather than what one fears. This study also complies with Barnes' (2003) thesis. A person who is in a position of trust is willing to act in a certain way because they believe their partner will meet their expectations for customer pleasure as well as because they generally believe that the words, promises, or declarations of other people can be trusted.

**Mediation Test Analysis**

a. Analysis of the overall impact of service quality's influence on client happiness through trust, with an overall impact of \((0.450 + 0.388) = 0.838\).

b. An examination of reputation's overall impact on customer happiness through trust. The total influence arising from reputation on customer satisfaction is equal to \((0.348 + 0.164) = 0.512\).

c. The analysis above shows that the direct impact of reputation on customer satisfaction is calculated as follows: \(b2Mx2 \times (b5My) = 0.348 + 0.164 = 0.512\), while the combined effect of service quality and reputation on customer satisfaction is calculated as follows: \(b1My + (b1Mx1) \times (b5My) = 0.450 + 0.388 = 0.838\). Customer satisfaction is directly impacted by trust by 0.450. It can be demonstrated that the overall effect > direct effect is the quality of trust \((0.838 > 0.450)\) and reputation \((0.512 > 0.348)\). This is because trust is able to mediate the effects of service quality and reputation on customer satisfaction.

**Trust Mediates the Effect of Service Quality on Customer Satisfaction**

The coefficient values of \(b1 = 0.680\) and \(b5 = 0.571\), respectively, show that trust mediates the relationship between the relationship between service quality and trust and how it affects customer happiness. The indirect effect coefficient value is smaller than the direct influence coefficient value \((0.388 0.450)\) because the \(b1Mx1\) path coefficient multiplied by the \(b5My\) path coefficient results in \((0.680 \times 0.571) = 0.388\) for the indirect influence value. This demonstrates how trust has a positive and large indirect impact on service quality and customer happiness. Customer satisfaction will rise along with service quality as people become more and more confident in the company. This study supports Purwa & Ardani's earlier research (2018).

**Trust Mediates the Effect of Reputation on Customer Satisfaction**

The relationship between reputation and trust, as well as how trust affects consumer satisfaction Using the subsequently determined coefficient values of \(b2 = 0.287\) and \(b5 = 0.571\), trust is shown to mediate the impact of reputation on client satisfaction. The result of multiplying the \(b2Mx2\) path coefficient by the \(b5My\) path coefficient is \((0.287 \times 0.571) = 0.164\), which is the importance of the side effect. The result of the multiplication reveals that \((0.164 0.348)\) the indirect effect coefficient value is less than the direct effect coefficient value. This demonstrates that reputation positively and significantly influences customer satisfaction indirectly through trust. Higher reputation equals greater trust, and greater trust equals greater client happiness. This research is consistent with Gul's findings (2014).
Because of the direct and cumulative Customer happiness is influenced by service quality and reputation at PDAM Tirta Moedal Semarang, trust can be considered a mediating variable on service quality and reputation on customer satisfaction. As a result, the increased trust that results from better service quality and reputation will also have an impact on PDAM Tirta Moedal Semarang's ability to raise customer satisfaction.

CONCLUSION

Trust in PDAM Tirta Moedal Semarang is significantly and positively influenced by service quality, so the higher the service quality, the greater the trust in PDAM Tirta Moedal Semarang. Trust in PDAM Tirta Moedal Semarang is positively and significantly influenced by reputation, therefore the more well-known PDAM Tirta Moedal Semarang is, the more trusted PDAM Tirta Moedal Semarang is. Customer happiness at PDAM Tirta Moedal Semarang is strongly and favorably impacted by service quality, so by enhancing service quality, customer satisfaction at PDAM Tirta Moedal Semarang will rise. Customer happiness at PDAM Tirta Moedal Semarang is positively and significantly correlated with the reputation of the business, hence growing reputation will result in higher customer satisfaction. Customer happiness at PDAM Tirta Moedal Semarang is positively and significantly influenced by trust, hence boosting trust will increase customer satisfaction at PDAM Tirta Moedal Semarang.

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