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THE INFLUENCE OF ON TIME PERFORMANCE AND CUSTOMER BEHAVIOR ON CUSTOMER SATISFACTION THROUGH CUSTOMER PERCEPTION AS A MODERATION

(Case Study: Inter-City Bus Transportation Mode Department of Transportation – East Java Province, Indonesia)

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Abstract: Competition for transportation modes in this millennial era is very tight, where there is a change in consumer patterns of transportation choice patterns. City buses, which have been an alternative choice for public transportation, are now starting to be abandoned by consumers for various reasons. The purpose of this research is to determine the influence of on time performance, customer perception on customer satisfaction through the customer perception variable as an intervening variable. The method used is the SEM (Structural Equation Modeling) method with variable analysis using the CFA (Confirmatory Factor Analysis) method. The results of the research show that the punctuality indicator has an influence of 0.053 on customer satisfaction, the consumer mindset indicator has an influence of 0.212 on customer satisfaction, the indicator that consumers perceive well has an influence of 0.044 on customer satisfaction, the service level indicator has an influence of 0.023 on customers. satisfaction through customer perception, and indicators of the existence of other more effective alternative modes of transportation which have an influence of 0.127 on customer satisfaction through customer perception.

Keywords: *perception, behavior, performance, satisfaction*

1. Introduction

Competition in the land transportation business in Indonesia, especially between cities, is very tight because of the growing variety of transportation alternatives. Several factors that influence this competition include online transportation services (such as Grab and Gojek) offering flexibility, comfort and fast access to private transportation at relatively affordable prices, especially for short and medium distances. This reduces consumer interest in traditional land transportation modes such as intercity buses, especially in urban areas. Intercity trains have improved service, comfort and punctuality. Many passengers choose trains because they are considered more comfortable, faster and safer than intercity buses. Travel by bus between cities is often disrupted by traffic jams, especially in congested areas such as Java Island. This makes travel times uncertain, causing passengers to prefer faster and more predictable modes of transportation. Several intercity bus operators experienced problems in terms of service quality, such as schedule uncertainty, seat comfort and cleanliness. This reduces the attractiveness of buses as the main choice for consumers who want to travel comfortably. Apart from that, there has been a change in consumer preferences where many consumers prefer to use private vehicles or rent a car because of flexibility, privacy and freedom in arranging travel schedules. This is especially the case on medium distance trips that are not too long.

Several studies that have been conducted by previous researchers explain several reasons why consumer preferences in using city buses have begun to change, such as poor service quality, where many city bus services in several areas are still inadequate in terms of comfort, cleanliness, and safety and other factors. What often happens is that bus passengers are overcrowded, poorly maintained, and uncertain schedules make consumers reluctant to use them. Research by (Rockwll, 2018) found that the facilities offered by city buses are less comfortable, city buses are often not equipped with adequate facilities such as air conditioning, comfortable seating and a modern ticket system. With increasing consumer expectations for comfort and good service, city buses are becoming an unattractive choice. Apart from that, there is unsupportive city bus infrastructure, where in several cities, road infrastructure is inadequate to support efficient bus routes. Bus lines are often stuck in the same traffic jams as private vehicles, making travel times uncompetitive compared to other modes of transportation such as trains or online transportation.

Meanwhile, research conducted by Samidi (2018) explains three reasons why consumers are starting to abandon buses because the first factor is the lack of integration of public transportation, where in several cities, the public transportation system is not yet well integrated. City buses do not always connect efficiently with other modes of transportation such as commuter trains or the MRT, making journeys more complicated and time-consuming. The second factor is the increase in private vehicle ownership so that with the increase in people's purchasing power, more and more people are switching to using private vehicles (cars or motorbikes) for daily travel. The third factor is the existence of better mass transportation alternatives, where in big cities such as Jakarta, more modern and faster mass transportation alternatives, such as the MRT, LRT, or TransJakarta (which have special lanes), offer more efficient and comfortable travel. compared to conventional city buses.

Researchers try to look at it from another perspective, namely the On Time Performance (OTP) approach as a measure used to measure the timeliness of a service, especially in the transportation industry such as flights, trains, buses and logistics services. OTP shows the percentage of trips or deliveries that arrive or complete on time according to a predetermined schedule. OTP is often used as an important performance indicator in ensuring customer satisfaction, service reliability and operational efficiency. The expected benefits from this OTP study are: (1) an increase in customer satisfaction; (2) increasing operational efficiency; (3) increasing company reputation; (4) reduction in late fees; (5) the existence of performance control and monitoring; (6) improved planning and schedules; and the existence of competitive advantages.

Next, the researcher will combine this OTC approach with customer behavior as an independent variable and customer perception as an intervening variable to determine and measure the level of consumer satisfaction with the city bus transportation mode. Where customer behavior is the study of how individuals or groups make decisions in buying, using, and disposing of products or services. This includes all processes a consumer goes through, including needs, information search, option evaluation, purchase decisions, and post-purchase behavior. Meanwhile, customer perception is the way consumers view a product, brand or service based on their experience, information and interactions. This perception can be formed through advertising, reviews, recommendations, and personal experience.

Theoretically, from various previous studies, the influence of customer behavior and customer perception on customer satisfaction can be explained that understanding consumer behavior, such as preferences, needs and purchasing habits, is very important for companies to adapt their products or services to suit consumer expectations. If the product or service matches consumer behavior and needs, they will be more satisfied. Positive perceptions of a product or service greatly influence customer satisfaction. When consumers' perceptions of product or service quality match or exceed their expectations, satisfaction levels will increase. Overall, consumer behavior determines what consumers are looking for, while consumer perception influences how consumers evaluate products. If these two variables are managed well, customer satisfaction will increase, which in turn can increase customer loyalty.

2. Literature Review

OTR (On Time Performance)

On Time Performance (OTP) is a measure of timeliness in providing services, especially in the transportation industry (such as flights, trains or buses). OTP measures the percentage of services that arrive or depart according to a predetermined schedule. This is an important indicator in assessing operational efficiency and customer satisfaction. OTR (On Time Reliability) is a concept similar to OTP, but places more emphasis on long-term on-time reliability. Some of the objectives of OTR include: (1) improving service reliability, ensuring that transportation services are consistently on time and reliable over time, which ultimately builds user trust; (2) increasing operational efficiency, where OTR aims to minimize delays and increase operational effectiveness by adjusting schedules, resources, and work flows to match demand; (3) increasing customer satisfaction, because consistent punctuality will improve user experience, thereby strengthening customer loyalty; (4) reduce additional operational costs, because by maintaining schedule reliability, costs associated with delays, such as compensation to passengers or additional operational costs, can be reduced.

Several factors that can become obstacles in achieving OTR include: (1) traffic jams, because in land transportation modes such as buses or trains, traffic jams on the highway can disrupt timely departure and arrival schedules; (2) weather conditions, this is because bad weather, such as heavy rain, storms, or snow, can slow down travel or force delays, especially in flights and sea transportation; (3) technical or operational problems, such as engine failure, technical problems with vehicles, or transportation infrastructure may cause delays; (4) inefficient resource management, where a lack of resources, such as vehicles, personnel, or support equipment, can hinder the ability to maintain timely and reliable schedules; (5) passenger density, because excess capacity during peak hours often slows down operations, because the time required to pick up and drop off passengers is longer than planned. External disturbances such as accidents or other unexpected events can disrupt operational schedules and cause delays.

Customer Behavior

Customer Behavior is the study of how consumers, both individuals and groups, make decisions regarding purchasing, using, and disposing of products or services. It includes all psychological, emotional, and social processes that influence consumer decisions, from need identification, information search, alternative evaluation, to purchase decisions and post-purchase behavior. Some of the customer behavior objectives to be achieved include: (1) understanding consumer needs and desires, namely by understanding what consumers want and how they make purchasing decisions, enabling companies to develop products or services that are more in line with consumer needs; (2) developing an effective marketing strategy, namely by studying consumer behavior, companies can direct marketing efforts to target the right segments, choose appropriate distribution channels, and organize appropriate marketing communications; (3) increasing customer loyalty: by understanding consumer behavior, companies can improve consumer experience, which contributes to customer loyalty and repeat

purchases; (4) adapting products and services through consumer behavior analysis helps companies adapt products and services to meet evolving consumer expectations; (5) anticipating future trends by studying consumer behavior allows companies to identify new trends and needs that can be anticipated early to develop innovation.
Several indicators that can be used in customer behavior variables are: (1) purchase frequency; (2) brand loyalty; (3) product preferences; (4) information search process; (5) post-purchase behavior; and (6) purchase motivation.

Customer perception

Customer Perception is the way consumers view a product, brand, or service based on their experience, information received, and interactions with the product or brand. This perception is formed through various factors, including advertising, reviews, direct experience, recommendations from other people, and the image built by the company. Customer perception is very important because it often influences purchasing decisions, loyalty and levels of consumer satisfaction. Customer Perception indicators can be explained as follows: (1) product or service quality, where consumers form perceptions based on their assessment of the quality of the product or service provided. if the quality is felt to meet or exceed expectations, a positive perception will be formed; (2) price (perceived value), namely consumers' perception of price, whether it is considered reasonable, too expensive, or cheap, greatly influences how they evaluate the product. if consumers feel the price is commensurate with the benefits received, the perception will be better; (3) brand image, namely the perception of the brand as a whole, which includes reputation, brand personality, and the image communicated through advertising and marketing strategies, influencing how consumers view the product; (4) consumer experience, where consumers' direct experience when using a product or interacting with a company plays an important role in forming perceptions. positive experiences will strengthen good perceptions, while bad experiences can significantly damage perceptions; the existence of reviews and recommendations, namely testimonials from other people, either in the form of online reviews or recommendations from friends or family, greatly influence consumers' perceptions of products or services; (5) customer service where the quality of interaction with the customer service team also shapes perceptions. responsive, friendly, and helpful service will increase positive perceptions, while poor service can damage consumers' views of the company.

Customer Satisfaction

Customer Satisfaction is the level of consumer satisfaction after they purchase and use a product or service. This satisfaction reflects how well consumers' expectations are met by their actual experience with the product or service. Customer satisfaction is a key indicator in assessing the success of a business in meeting the needs and expectations of its customers. If consumers feel that the product or service they receive meets or even exceeds expectations, they will feel satisfied. Conversely, if the product or service does not meet expectations, consumers will feel disappointed or dissatisfied. Customer Satisfaction indicators can be explained as follows: (1) product or service quality, namely the quality felt by consumers, is the main indicator of satisfaction. products that function well, are durable, and meet consumer expectations will increase customer satisfaction; (2) price (value for money) where the suitability between the price paid and the benefits received is an important indicator. if consumers feel that they are getting value for their money, satisfaction levels will be higher; (3) customer service, namely the quality of interaction with the customer service team, such as responsiveness, friendliness, and ability to solve problems, greatly influences consumer satisfaction. good customer service will increase satisfaction, while poor service will decrease it; (4) conformity with expectations which can be explained whether the product or service the consumer receives is in accordance with what was promised or advertised. if the actual experience lines up with or exceeds expectations, consumers will be satisfied; (5) usage experience where consumers' direct experience in using a product or service, such as ease of use, comfort and effectiveness, plays a very important role in determining consumer satisfaction; (6) reliability and consistency, namely consumers tend to be satisfied if the product or service is always consistent in terms of quality and performance from time to time. if a product or service is reliable and does not disappoint with repeated use, consumers will be more satisfied; (7) response time, namely how quickly the company responds to consumer needs, from the purchasing process to resolving problems or complaints. fast and efficient response times increase satisfaction; (8) ease of access and support is how easily consumers can access products, services, or support (for example through a call center, website, or application) also influences their satisfaction. Consumers who feel it is easy to get help or solutions will feel more satisfied.

3. Research Methodology

In the research method there are several stages, namely the identification stage, data collection stage, data processing stage, analysis and interpretation stage of results as well as conclusions and suggestions. Data collection and processing is carried out by researchers to obtain information and data from the objects to be studied later, which will then be processed according to the method applied in this research, namely Structural Equation Modeling (SEM). SEM has other names such as causal modeling, causal analysis, simultaneous equation modeling and covariance structure analysis. SEM is a collection of statistical techniques that allow testing a series of relatively "complex" relationships sequentially/simultaneously. This complicated relationship can be interpreted as a series of relationships that are built between one or several dependent/endogenous variables and one or several independent/exogenous variables. It can also be more than one independent/exogenous variable, where each dependent/endogenous and/exogenous variable is in the form of a factor or construct. which is built from several directly observed indicators. SEM is often referred to as Path Analysis or Confirmatory Factor Analysis. The SEM tool as an analytical tool is able to answer problems that are correlational, regressive and can identify the dimensions of a concept (dimensional). Therefore, SEM can be said to be a combination of factor analysis and multiple regression analysis.

Analysis to test the adequacy of data or determine the minimum sample in research uses the Slovin formula. Data processing uses SPSS version 20 and Amos version 22 software. The data processing steps carried out are: (1) Using a theory-based model; (2) Create a path diagram; (3) Convert flowcharts into equations; (4) Choose a variance – covariance matrix or correlation matrix; (5) Possibility of identification problems; (6) Evaluation of goodness of fit; (7) Model interpretation and modification.

Preparation of questionnaires based on indicators for each variable, journals, previous research, and adapted to existing conditions and policies at the research object. The respondents were passengers who had used the city bus fleet for more than two years. Analysis to test the adequacy of data or determine the minimum sample in this study uses the Slovin formula. The process of analyzing and interpreting the results will be able to answer the objectives of the research activities carried out by referring to the suitability of the model (Goodness of Fit) and Confirmatory Factor Analysis (CFA). In this research, it is also necessary to define operational variables so that they can be operated into the research, with the aim of avoiding misunderstandings in interpreting the variables used. The independent variable (X) is an independent variable that influences other variables. The independent variables are On Time Performance (X1) and Customer Behavior (X2). The moderating variable (Z) is often called the connecting variable, namely Customer perception. The dependent variable (Y) is the dependent variable, namely customer satisfaction.

4. Conclusion and Further Research

The results of the research show that the punctuality indicator has an influence of 0.053 on customer satisfaction, the consumer mindset indicator has an influence of 0.212 on customer satisfaction, the indicator that consumers perceive well has an influence of 0.044 on customer satisfaction, the service level indicator has an influence of 0.023 on customers. satisfaction through customer perception, and indicators of the existence of other more effective alternative modes of transportation which have an influence of 0.127 on customer satisfaction through customer perception.

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