

CHAPTER I

INTRODUCTION

1.1 Background

The increasing of human mobility makes people want a product or service that does not cost a lot but can save time to get it to meet their needs. Aviation services is one form of effectiveness and efficiency offered by marketers to consumers. Formerly by using land or sea transportation, consumers could take days to visit a region or country, but by using air transposition such as aircraft, consumers can visit an area or country in just a matter of hours, and the cost sacrificed by consumers to get plane tickets are not too high in terms of still reachable by consumer income. Therefore, at present the air transportation is one means of transposition that interest by consumers to visit an area outside the province or abroad.

The smooth flight service must be supported by adequate infrastructure in this case the airport where the aircraft is docked. In Indonesia, the people who manage airport services as an air port for aviation service companies are PT. Angkasa Pura. PT. Angkasa Pura is one of the State-Owned Enterprises (BUMN) which is engaged in the business of airport services and airport-related services in the territory of Indonesia. and to maximize service delivery in every region in Indonesia, PT. Angkasa Pura is divided into two, namely PT. Angkasa Pura I which manages airport services in the central and eastern parts of Indonesia. While PT. Angkasa Pura II manages airport services in parts of West Indonesia.

Padang city is part of Western Indonesia, because airport service in Padang city is managed by PT. Angkasa Pura II. The service is conducted by PT. Angkasa Pura II Padang Branch is a service to aircraft, passenger, goods, and postal services, and provides airport facilities that are feasible operation, provide personnel who have competence for maintenance and operation of

airport facilities, provide services to airport service users in accordance with service standards established by the Minister, provide air traffic personnel maintenance facilities and improve safety, security, smoothness and comfort at the airport, supervise and control internally on the feasibility of airport facilities and maintain environmental sanitation.

Considering one of the airport services from PT. Angkasa Pura II is improving flight safety, therefore Padang City Airport which was formerly Tabin Airport located in Tabin area of Padang City, was transferred to Minangkabau International Airport located in Ketaping area of Padang City because Tabin Airport no longer fulfill the requirements in terms of aviation safety after 34 years of use.

Minangkabau International Airport or better known as BIM began operations in 2005 and since then the office of PT. Angkasa Pura II Padang branch moved to Minangkabau International Airport. The airline service or better known as the airline or Airline, which operates in BIM at present for domestic flights are Garuda, Lion Air, Wings Air, Citilink, Batik Air and Sriwijaya, while for international flights are AirAsia airlines.



Passengers as parties who enjoy airport services at PT. Angkasa Pura II starts from the check in process to take off, which in this case can be said that passengers are parties who feel the service of airport services PT. Angkasa Pura II, but as a party that receives many airport services managed by PT. Angkasa Pura II in this case many passengers assume that PT. Angkasa Pura II is only the party assigned to Minangkabau International Airport to smooth passenger flight services and not those who manage Minangkabau International Airport, in other words passengers perceive PT. Angkasa Pura II and Minangkabau International Airport are two separate companies. It can be said that the brand image of PT. Angkasa Pura II is low.

The low amount of customer satisfaction of PT. Angkasa Pura II can also be seen from the efforts made by PT. Angkasa Pura II to improve the quality of services for users of Minangkabau International Airport services. PT. Angkasa Pura II realizes the importance of a positive brand image, therefore to increase its customer satisfaction, PT. Angkasa Pura II also provides visitor and passenger protection for services that are detrimental to customers through available complaint channels so that they can respond quickly to complaints and provide solutions wisely, and in aspects of flight operations, PT. Angkasa Pura II always prioritizes flight safety by ensuring that all operational sectors of the airport follow and comply with applicable procedures. But for all the efforts that have been made by PT. Angkasa Pura II, for the passengers it all is the performance of Minangkabau International Airport. Not only that, for the awards that have been achieved by PT. Angkasa Pura, such as Minangkabau International Airport was awarded as one of the airports in Indonesia that provides excellent services in the transportation sector, for passengers this is an achievement of Minangkabau International Airport and not an achievement of PT. Agkasa Pura II. For this phenomenon, it can be said that passengers perceive Minangkabau International Airport and PT. Angkasa Pura is a separate matter, and if the passenger perceives it that way it can be said that the customer satisfaction of PT. Angkasa Pura is still low.



Nisrul and Rina (2008: 79) in Firdaus (2014: 9) revealed that in achieving goals oriented to consumer satisfaction, the company's performance will determine consumer perceptions of the services provided. Perceptions of the quality provided will continue in the process of image formation in the company. The same thing was also expressed by PT. Angkasa Pura II in the Annual Report of PT. Angkasa Pura II in 2016 stating that as a company committed to customer satisfaction as a top priority, considering the customer or service users of the airport is one of the stakeholders who have a central role in ensuring the sustainability of the business, and therefore

PT. Angkasa Pura II is always improving the quality of service provided to its customers. Nevertheless, the number of passengers who complain with service at Minangkabau International Airport keeps increasing every year. Many of the number of passengers who complain with the existing services of Minangkabau International Airport indicate the services provided by PT. Angkasa Pura II Padang Branch is not as expected by passengers. The number of most of the existing passengers at Minang Kabau International Airport can be seen on the top 10 complaints of passengers at Minangkabau International Airport

Table 1.1
Top 10 complaints of PT Angkasa Pura II Minangkabau International Airport
In 2017



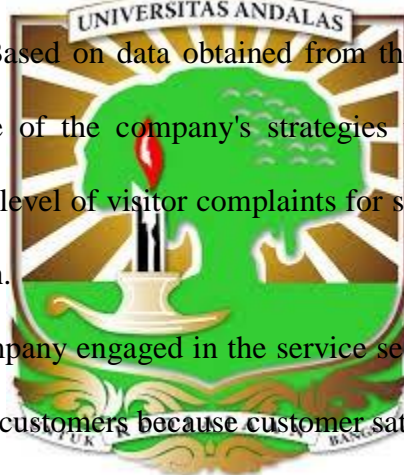
Complaints	Number
Passanger Cumulation Complaints	2079
Outside Airport Areas Complaints	1616
Airline Complaints	1180
Inside Airport Areas Complaints	1061
Queue Complaints	1012
Baggage Claim Process Complaints	989
Taxi Complaints	973
Room Air Conditioning Complaints	673
Parking Complaints	450
Officer Complaints	398

(Source: Annual Report PT. Angkasa Pura II, 2017:469)

From Figure 1 you can see complaints about the services provided by PT. Angkasa Pura II Padang Branch at Minangkabau International Airport to passengers. Of the top 10 complaints, the most complaints from passengers in 2017 were the services provided by PT. Angkasa Pura II Padang Branch at Minangkabau International Airport is about passenger congestion. This means that according to passengers the capacity of the Minangkabau International Airport is inadequate

while the number of passengers at International Airport is increasing, and because of that there is a buildup of passengers. Because basically the quality of service perceived by consumers will form perceptions of consumers regarding the company concerned, and if the quality of services provided by the company is low then the company will be perceived negatively by consumers.

Complaints from visitors to Minangkabau International Airport not only indicate the low quality of services provided by the company, but also describe the level of satisfaction of visitors, this is as expressed by Tjiptono (2011: 34) that one method used to measure customer satisfaction is a system complaints and suggestions. The higher the level of visitor complaints for the services provided, it can be said that the services provided by Minangkabau International Airport have not been as expected by visitors. Based on data obtained from the customer complaint center PT. Angkasa Pura II which is one of the company's strategies to support customer satisfaction guarantees, it is known that the level of visitor complaints for services provided at Minangkabau International Airport is still high.



PT. Angkasa Pura as a company engaged in the service sector should pay more attention to the satisfaction of its visitors or customers because customer satisfaction will provide benefits for this company as expressed by Ranaweera and Prabhu (in Baker, 2013: 70) that Customer satisfaction has become a key intermediary objective in service operations due to the benefits it brings to organizations.

The same thing was expressed by Cochran in Neupane (2015: 13) customer satisfaction is the fundamental goal for organizations, especially for companies engaged in services such as PT. Angkasa Pura II, where customer / user satisfaction should be their top priority, but if there are still visitors who complain about the services provided by PT. Angkasa Pura II means that the performance of PT. Angkasa Pura II has not been maximized in prioritizing aspects of customer

satisfaction through the best service and consumer protection, and if the company does not immediately anticipate inconvenience from customers it will impact the company's image.

Many airports in the world are starting to transform their business as destinations rather than just a process of boarding passengers. The airport began to look for competitive strategy by creating unique differentiation in the market. If we see, the major airports in the world are starting to look for differentiation, whether as a heritage destination or shopping destination. So PT Angkasa Pura II Minangkabau International Airport has to make any differentiation, such as since we live in Minangkabau Culture, the design of the building has to look like “Rumah Gadang”. So the customer can enjoy and feel what is Minangkabau Culture look like. From that, customer can feel the new experience when they come to this airport. And also from arrival gate, the employee starts welcoming the customer with traditional dance or music from Minangkabau. So from there, the new customers will have the new experience when they come to this airport. And it will increase customer satisfaction because they want to spend their time in this airport to enjoy their new experience and they will come again to create another experience.



Based on the phenomenon expressed above, the authors are interested to examine more deeply the influence of these three variables on the brand image through the thesis with the title: **“Complaint Handling And Service Quality as a Strategy In Improving Customers Satisfaction (A Case Study on Customer of PT. Angkasa Pura II Minangkabau International Airport)”**.

1.2 Problem Statement

1. How far complaint handling can influence the customers satisfaction in PT Angkasa Pura II Minangkabau International Airport?

2. How far service quality can influence satisfaction of PT Angkasa Pura II Minangkabau International Airport?

1.3 Research Objective

This study aims to reveal, know and analyze:

1. Effect of complaint handling to customer satisfaction PT. Angkasa Pura II Minangkabau International Airport.
2. Effect of service quality to customer satisfaction PT. Angkasa Pura II Minangkabau International Airport.

1.4 Contribution of the Research

1. Contributions to researchers

This research is a tool to practice the theories that have been acquired during the course so that the author can add practical knowledge about the problems faced by the company. This research is used to see how much complaint handling and service quality can affect customer satisfaction

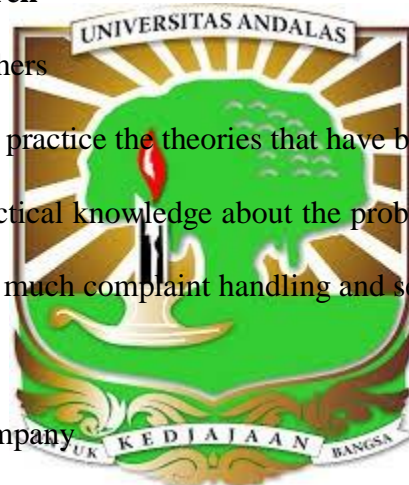
2. Contributions to the Company

This research is expected to be a material consideration and input for the company in establishing policies and strategies in the field of marketing for business development and hopes to be beneficial for the company to improve the quality of its service.

3. For other parties

This research can be used to apply the knowledge possessed in assessing a problem in the field in accordance with the knowledge learned and increase knowledge, especially regarding marketing activities

4. For Academics



This research can be a reference source and can contribute to the development of marketing studies and can be used as a reference in future research with the same theme.

1.5 Scope of Research

This research is expected to be useful for the development of science academic treasures, especially related to complaint handling, service quality and customer satisfaction

1.6 Outline of Research

To make it easier and make the following content moderate, researchers divide into five chapters, namely:

CHAPTER I: INTRODUCTION

Which contains background from research, problem statements, research objectives, research contributions, research scope and research outline.

CHAPTER II: LITERATURE REVIEW

In the literature review chapter, it contains a description of the theoretical variables that cover theories that support and underline the variables used in the research and framework

CHAPTER III: RESEARCH METHODOLOGY

This chapter will explain the methodology that researchers use to discuss research design, data collection methods, population and samples, operational variables, data processing, data analysis methods and data analysis.

CHAPTER IV: DATA ANALYSIS AND DISCUSSION

Is a discussion that includes the characteristics of respondents, the description of the respondent's answers, and the results of data analysis and discussion.

CHAPTER V: CLOSING



This is the final chapter of the study, this explains the conclusions, suggestions, and limitations of research, and recommendation for further research

