

THE INFLUENCE OF SERVICE QUALITY, PROMOTIONS AND PREPAID PRICES ON CUSTOMER DECISIONS AT PT PLN (PERSERO) PALEMBANG

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ABSTRACT

This study aims to determine the influence of service quality, promotions and prepaid prices on customer decisions at PT PLN (Persero) Palembang. The population in this study is all customers at PT PLN (Persero), both prepaid electricity customers in 2023 in Palembang City. The sample conducted in this study was 100 respondents, namely by *purposive sampling method*. The results of multiple linear regression analysis show that service quality, promotion and price have a positive and significant effect on customer decisions. Service quality, it is expected that PT PLN (Persero) Palembang will always make improvements in terms of services provided. As a monopolist, PT PLN (Persero) needs to provide good service for its customers. By being responsive in the process and responding to complaints as well as criticism and suggestions given by consumers. Promotion, it is expected to do promotions with promo prices that are not only done on certain dates. In addition, when doing promotions to be informed through print and electronic media. Price, it is expected to be adjusted prices for increasing electric power.

Keywords: *quality of service, promotion, price, customer decision*

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INTRODUCTION

PT Perusahaan Listrik Negara (Persero) or commonly abbreviated as PLN, is an Indonesian state-owned enterprise engaged in electricity. To support its business activities, until the end of 2021, the company manages a number of power plants with a total installed capacity of 64,553 MW. PLN is one of the electricity service selling companies in Indonesia. In the electricity distribution service, PLN divides the functions of its parent unit into several main units based on the electric power system, namely generation, transmission, and distribution. In addition, there are also parent units or other centers to support the continuity of the company. Due to the wide coverage of PLN's working area, PLN has units throughout Indonesia that have their respective functions in accordance with their parent unit (<https://id.wikipedia.org/>, 2023).

PT PLN (Persero) provides 2 choices of electricity services for Indonesian customers, namely prepaid electricity and postpaid electricity. Prepaid electricity requires users to make a payment before they can use their electricity. This prepaid meter is better known as token or pulse system electricity. Prepaid electricity was first introduced in Indonesia in 2008 under the name Smart Electricity. Meanwhile, postpaid electricity is an electricity payment system provided by the government before the existence of Smart Electricity. Postpaid meter users make electricity payments after they use it. Furthermore, PLN will send bills to customers based on the amount of electrical energy that has been spent.

Gelegar Emas PLN Mobile and Bank Mandiri, a promo program on the PLN Mobile Application for transactions using payment methods using Bank Mandiri Virtual

Account. With a minimum nominal value of IDR50,000 (not valid for multiples), customers will earn points to collect during the Program period. This program is valid from July 1, 2023 to December 31, 2023: period 1: July 1, 2023 to September 30, 2023 and period 2: October 1, 2023 to December 31, 2023. Participants for this program are PLN Mobile customers with verified accounts and are Bank Mandiri customers. At the end of the period, the 300 participants with the highest ranking by points will be the winners.



Figure 1. Promo Gives Light to Build the Country

Source: <https://layanan.pln.co.id>, 2023

In Figure 1, PT PLN (Persero) promotes with a program called "Giving Light to Build the Country". This was done starting from the condition that there are still many poor people who have not been able to enjoy electricity, the ideal of PLN Giving Light to Build the Country was born. The Giving Light to Build the Country program provides an opportunity for our brothers and sisters who currently live in 3T (Disadvantaged, Frontier and Outermost) areas and who are registered in the Integrated Social Welfare Data to enjoy a new 50% discount on connection fees. Most of the 3T area is the border of Indonesia, the location is far from the provincial capital and generally the condition of infrastructure development in this region has not been evenly distributed. This makes economic growth in the area hampered.

METHOD

The population in this study is all customers at PT PLN (Persero), both prepaid electricity customers in 2023 in Palembang City. The sample in this study is customers at PT PLN (Persero) both prepaid electricity customers in 2023. The samples taken in this study have the following criteria:

- 1) Customers who are 21 years of age or older.
- 2) Old customers and new customers, both prepaid electricity usage at PT PLN (Persero) during 2023.

Sample measurement guidelines according to (Hair, 2010), can be specified as follows:

- 1) Depending on the number of parameters estimated. The guideline is 5-10 times the estimated number of parameters.
- 2) The number of statements used is as many as items. So that the number of samples used in this study with a minimum limit of respondents amounted to 15 items x 5 = 75, while the maximum limit was 15 items x 10 = 150. Thus, the respondents to be taken as many

as 100 respondents. This number is considered to be sufficient to represent the population to be studied because it has met the maximum limit of the research sample.

RESULTS AND DISCUSSION

The service quality variable (X1), has a beta value of 0.391 with a significant value of 0.016 which is smaller than 0.05. This shows that service quality variables have a positive and significant influence on customer decisions at PT PLN (Persero) Palembang. This proves that the first hypothesis on the variable of service quality has a positive and significant effect is acceptable.

The promotion variable (X2), has a beta value of 0.622 with a significant value of 0.000 which is smaller than 0.05. This shows that promotion variables have a positive and significant influence on customer decisions at PT PLN (Persero) Palembang. This proves that the second hypothesis on the promotion variable has a positive and significant effect is acceptable.

The price variable (X3), has a beta value of 0.218 with a significant value of 0.025 which is smaller than 0.05. This shows that price variables have a positive and significant influence on customer decisions at PT PLN (Persero) Palembang. This proves that the third hypothesis on the price variable has a positive and significant effect is acceptable.

The Effect of Service Quality on Customer Satisfaction at PT PLN (Persero) Palembang

Service quality has a positive and significant influence on customer decisions. These results are in line with the results of research from Caruana (2022); Jandri et al. (2022); Manyu et al. (2022); Lee & Kim (2021); Gottlieb & Brown (2021); Laroche & Teng (2020); Mbete & Tanamal (2020); Carvalho (2020); and Haqiqi & Khuzaini (2020) show the results that the quality of service has a positive and significant effect on purchasing decisions.

The results of this study show that service quality is associated with several dimensions such as empathy, responsiveness and assurance. In the indicator of PT PLN (Persero) officers are fast in responding to customer complaints showing the lowest value. It is suspected that some customers said that there was still a lack of employees in responding to complaints faced and felt by customers of PT PLN (Persero) Palembang. Based on direct interviews with several respondents, respondents said that employees in providing services have not been in line with expectations, because customers said that there were frequent queues, especially during the electricity withdrawal promo which caused many people to increase electricity.

The results of respondents' responses on the indicators of a comfortable, clean and tidy PLN office atmosphere showed the highest score. This shows that the atmosphere in the office of PT PLN (Persero) Palembang gives the impression of being comfortable, cold, clean and equipped with other supporting facilities. The office of PT PLN (Persero) Palembang gives a comfortable impression to customers in waiting for the queue. In addition, Wifi facilities are provided, clean and comfortable toilets so that customers are comfortable when visiting the office of PT PLN (Persero) Palembang.

The Effect of Promotion on Customer Satisfaction at PT PLN (Persero) Palembang

Promotions have a positive and significant influence on customer decisions. These results are in line with the results of research from Ernawati et al. (2021); Tyas & Hartelina (2021); Fransiska & Madiawati (2021); I. Saputra et al. (2020); Islam (2020); Is (2019); Rafdinal &

Rafdinal (2019); Perdana & Nanang (2018); and Utomo & Waluyo (2018) shows the results that promotions have a positive and significant effect on purchase decisions.

The results of this study show that promotion is connected with several dimensions such as sales promotion, public relations, direct marketing, digital marketing and mobile marketing. In the indicator of complaint services via PLN Mobile for customers provided by PT PLN (Persero), quick response in responding and responding to complaints shows the lowest value. It is suspected that it is still often felt by some customers if they make complaints via PLN Mobile crashes when used. In addition, some respondents said that the response to complaints via PLN Mobile has not been very effective to be followed up quickly. Especially some customers who still do not use smartphones and are constrained by signals and internet quotas who cannot make complaints through PLN Mobile, especially if they experience a power outage around the location which results in the internet signal also being cut off.

The results of respondents' responses to the PT PLN (Persero) indicator often provide promos by providing attractive special prices for adding power showing the highest value. This shows that PT PLN (Persero) often provides promos for adding power on certain days² which are often done with special and attractive prices. The provision of this promo is very attractive to the public, especially the provision of promos with special prices on certain dates and moments such as on the day commemorating Indonesian independence. The number of electronic items used in daily needs makes people need high enough electrical power. So, the promo carried out has made a lot of public interest in increasing electric power, especially in the type of prepaid electricity.

The Effect of Price on Customer Satisfaction at PT PLN (Persero) Palembang

Price has a positive and significant effect on customer decisions. These results are in line with the results of research from Jandri et al. (2022); Manyu et al. (2022); Ernawati et al. (2021); M. W. Saputra et al. (2020); M. W. Saputra et al. (2020); Carvalho (2020); Setyani & Prabowo (2020); Haqiqi & Khuzaini (2020); Anwar & Andrean (2020); Nasution et al. (2020); Islam (2020) show the result that price has a positive and significant effect on purchasing decisions.

The results of this study show that price is associated with several dimensions such as affordability, price compatibility with product quality, price compatibility with benefits. In the price indicator of PT PLN (Persero) prepaid electricity increase services affordable for the people of Indonesia shows the lowest value. It is suspected that the price of services for increasing prepaid electricity is still considered quite expensive for some people who are customers if no promotion is given. Some respondents said that if there is no promo price given, the increase in prepaid electricity is quite expensive, especially with the condition of the people who are customers of PT PLN (Persero) covering all circles. For the lower middle class, to increase electricity is quite expensive when compared to the promotional price given. So the public already knows that on certain dates, the price of this increase is quite affordable. Customers say, if the need to increase electricity is felt not too much need quickly, customers prefer to increase electric power during the promotion.

The results of respondents' responses to the prepaid electricity price indicator provide prices that match the perceived benefits showing the highest value. This shows that the prepaid electricity price provided by PT PLN (Persero) is felt by customers to be in accordance with

the benefits felt by customers. Some respondents who are customers of PT PLN (Persero) Palembang said the price offered was in accordance with what consumers felt. In addition, the use of prepaid electricity can be controlled according to the customer's ability. If using postpaid electricity, consumers are often surprised by the payment of electricity bills that change every month according to customer usage.

CONCLUSION

Service quality has a positive and significant influence on customer decisions at PT PLN (Persero) Palembang. Promotion has a positive and significant effect on customer decisions at PT PLN (Persero) Palembang. Price has a positive and significant effect on customer decisions at PT PLN (Persero) Palembang.

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