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Analyze Customer Satisfaction of Office Buildings Rental, A Case Study on WismaABC, Jakarta

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Abstract: ***Customer satisfaction is one indicator of the success of a business, including customer satisfaction rental office buildings, on the condition of intense competition, find new customers requires a greater time than retain existing customers. The study used three tools of analysis;. Overall consumer satisfaction towards manager of the building has a Customer Satisfaction Index (CSI) amounted to 80.29%. CSI value of this means that the overall respondents considered satisfied with the performance provided by the building management. Importance Performance Analysis (IPA) stated that the main priority that managers must upgrade, as follows: Accessible easily; Speed of customer fulfillment process;Ease of obtaining licensing documents; and Ease of arrangement for parking and access card subscriptions. SEM PLS can measure factors that affect the quality of services, Results indicate bootstrapping assurance and empathy have a significant effect on satisfaction with the value of t-statistic > t-table (1.96) at the 5% significance level. As for accessibility, reliability and responsiveness showed no significant effect on the satisfaction of having the value of t-statistics ≤ t-table (1.96). Assurance has an influence on the satisfaction of 0.593 means increasing assurance it will further enhance the satisfaction. Structural model produces a value of R square satisfaction 37.70% means that the diversity of satisfaction that is able explained by the model of 37.70% while the remaining 62.30% is explained by other factors outside the model.***

Keywords: customer satisfaction, rental, office buildings, CSI, IPA, SEM-PLS

1. Introduction

Business actors in conducting its business processes require an office and support facilities as a place to run operations, to meet the needs of office space among them who build their own office, hired in the shop or home, but not a few who rented office space in the building is for sale/ rent as an office area. Each option has advantages and disadvantages, such as rented office building tenant offices in office buildings will benefit more when compared to building it yourself or hire in the shop, including the tenant does not have to build its own office, saving time and money, if you want to add office branch will be done more easily, and do not need to perform maintenance of the building. Maintenance of buildings and equipment has been done by the owner through the manager of the building, its location and easy access, in addition there are various support facilities which can be used to facilitate the activities, such as parking areas, receptionist building in the main lobby, elevators, restrooms, security maintained and other facilities.

2010 to mid 2012 there was an increase in high demand for office space in Jakarta, it is prompting investors to invest in an office building in Jakarta, which is now ready for rent. Period 2015 building that has been operating in the Central Business District (CBD) Jakarta is as much as 8 new building, and outside the CBD are as many as 9 new building, while the building is ready for operation in 2016-2018, in the CBD area is as 27 new building, and outside the CBD area as many as 33 new buildings will soon be operational plan (Colliers International, 2017).

Throughout 2015 there has been a slowdown in the various fields, the effects of the slowdown of the global crisis still looming slowdown in economic growth in Indonesia. In the second quarter 2015 economic growth figures do not show a satisfactory performance is only able to reach the level of 4.67%. This figure is lower than the achievement of the previous quarter and 4.72% below the rate of economic growth in the same period in 2014 which reached 5:03% (BPS 2015).

The economic slowdown is impacting on the development of the occupancy rate in the office area of the Central Business District (CBD) in Jakarta which includes Jl. Sudirman, Jl. Kuningan, Jl. Gatot Subroto, Jl. Thamrin, Jl. Satrio, Jl. Mas Mansyur. Percentage average occupancy rate of office buildings since the year 2012 to 2016 continued to decline (Colliers international, 2017), it can be seen in Figure 1, as below:

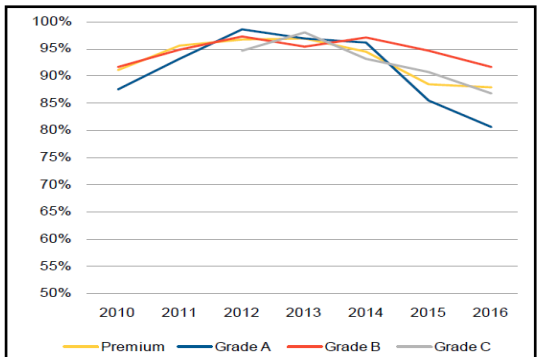

Figure 1: Average ocupancy level at CBD Jakarta.

The average occupancy rate at Wisma ABC which stood since 1996, in recent years the occupancy rate continued to fall, as in 2014 an occupancy rate of 94.5%, in 2015 amounted to 85.6%, and for 2016 is equal to 79 , 3%.

The weakening economy is felt by almost all businesses, in order to survive they must set a strategy in the face of these conditions, including in the business of leasing office also decreased, resulting in competition in the business office leasing becomes more intense, coupled with the increasing number of office buildings in Jakarta, either rental or ownership rights continues to increase. New buildings in the center of the business continues to grow, but not in proportion to the demand. The owners and managers of buildings seeks to sharpen its competitiveness in order rental business office buildings remain in demand, in the face of such competition building managers draw up the right strategy for the company to have a competitive advantage so that efforts can yield huge dividends so attractive for shareholders. Figure 2 shows a comparison of demand and the number of vacant area in the CBD area which is ready for rent (Colliers International, 2017).

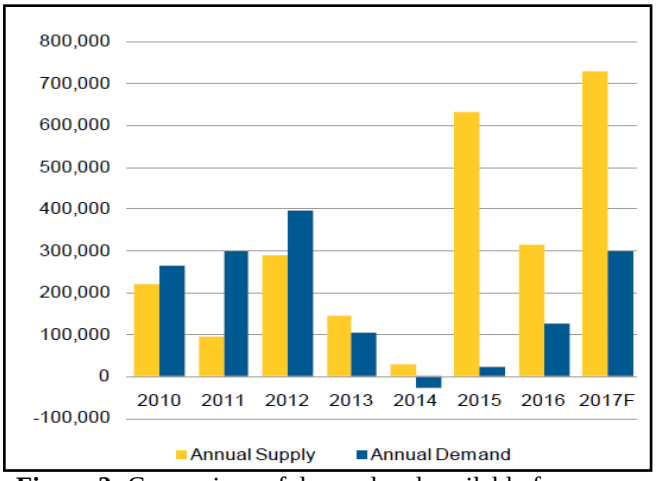

Figure 2: Comparison of demand and available free space

Conditions weakening economy and increasing competition have made business people in the field of leasing office to find ways to survive, they continue to grow the business leasing office buildings offered to be accepted by society, the rationale motivating businesses to devise new strategies in developing their business in order be accepted and received rave reviews from its customers.

Increasing levels of competition, will cause customers face more alternative product, price, and quality varies, so customers will always find the values most highly regarded of some products (Kotler 2005). In conditions of fierce competition, find new customers costs and greater time than retain existing customers. Companies spend five times as much to acquire a new customer than to retain an existing (Kotler and Keller, 2009). One barrier to move (switching barrier) that can be done to retain customers that is by establishing customer loyalty.

Customer loyalty can be formed from the satisfaction felt by the customer (Zeithmal and Bitner 2000). Customer satisfaction and customer loyalty in the process is influenced by the performance of the marketing mix. The performance of the marketing mix is the description of the company's performance.

Marketing mix that can satisfy potential customers on a long-term sales growth and short-term, as well as the re-purchase (Kotler and Keller 2009). Therefore the company should be able to manipulate the elements of the marketing mix through strategic measures and evaluates the performance of the marketing mix so that it can keep customers from shifting to a competitor.

Based on the background that has been described previously, the researchers were able to formulate the problem in this research are as follows:

1) What level of satisfaction of the customer/tenant WismaABC against the building management services (PT. XYZ)?
2) How to improve the quality of services at the WismaABC?
3) What factors are affecting the quality of services provided by the building management?

2. Research Method

Time and Place Research

This research was conducted at the building management Wisma ABC, Jl. Jendral Sudirman Jakarta, and was conducted in November 2016 - February 2017.

Design Research

The study design is done with descriptive method by collecting secondary data through a survey approach. The data was based on the answers of respondents on the list of questions.

Collection Data Method

Data retrieval method is a survey by distributing questionnaires to the tenants, as it also carried an interview to the respondents / tenant.

Sampling Method

Objective sampling is entire population at WismaABC, the tenants were asked to fill out a questionnaire that scatter. Sampling was conducted through random sampling, where each respondent has an equal opportunity to be included in the sample. (Ferdinand, 2006: 225), (Roscoe, 1975 in Sekaran, 2003) obtained some general guidelines that can be used by researchers to determine the amount of research samples, one of which is found in multivariate studies (including those using multivariate regression analysis)

Data Analysis

Before conducting the data analysis stage, the first conducted a reliability test. Reliability test is a tool to measure a questionnaire which is an indicator of the variables or constructs. A questionnaire can be said to be reliable or reliable if someone answers to questions are consistent or stable. (Imam Gozhali, 2006). According to the (Imam Gozhali, 2006) measurement reliability can be done in 2 ways:

1) Repeated Measure or repeated measurements: here someone will be presented with the same questions in a

different time, and then see if he remains consistent with the answer or not.

2) One Shot or measurement once: here the measurement only once and then the results were compared with another question. A construct is said to be variable if the value of Cronbach Alpha > 0.60 (Nunnally, 1967 in Imam Gozhali 2006). In this study, measurement reliability test performed by using the One Shot or one measurements.

Customer Satisfaction Index (CSI)

Customer satisfaction index is a number that is believed to explain the extent to which the company has been taking measures in order to meet customer needs (Chakrapani, 2005)

According to Stratford (2016), CSI measurement method includes the steps as follows:

1) Calculating Importance Weighting Factor (WF), by changing the value of the average rate of interest to a number percentage of the total value of the average rate of interest for all attributes tested, in order to obtain the WF of 100%.
2) Calculating Weighted Score (WS), a value obtained by multiplying the average value of each level of performance attributes with Importance weighting factor for each attribute.
3) Calculating Weighted Total (WT), by summing Weighted Score of all the attributes of service quality.
4) Counting Satisfaction Index, the weighted total is divided by the maximum scale used (this research uses a maximum scale of 5), then multiplied by 100%.

Level of customer satisfaction can be seen on the criteria of customer satisfaction levels. The highest satisfaction will be achieved if the Customer Satisfaction Index (CSI) shows the range of 100%. The range of customer satisfaction ranged from 1-100%.

Based on these calculations then obtained a grading scale ranges satisfaction as follows:

$0\% \leq CSI \leq 20\%$ = very dissatisfied
$20\% < CSI \leq 40\%$ = not satisfied
$40\% < CSI \leq 60\%$ = fairly satisfied
$60\% < CSI \leq 80\%$ = satisfied
$80\% < CSI \leq 100\%$ = very satisfied

Importance Performance Analysis (IPA).

According Supranto (2001), Importance Performance Analysis is a method to analyze the extent to which a person's level of satisfaction on the performance of a company. This method is done through the following steps:

1. On the use Cartesian diagram, the horizontal axis (X) will be filled by a score of level of performance, while the vertical axis (Y) will be filled by a score of importance.
2. Diagram Cartesian is a chart divided into four parts and is bounded by two perpendicular lines intersecting at the points (X, Y), the points are derived from the formula

The second stage of the process there is a difference, which is the first phase values obtained average importance and performance that will be realized within the matrix of importance and performance, by linking its performance value on the X axis and the value of importance on the Y axis, while for the second phase, the average value importance and performance that is used as the limit for determining the quadrant 1,2,3 and 4. as shown in Figure 3.

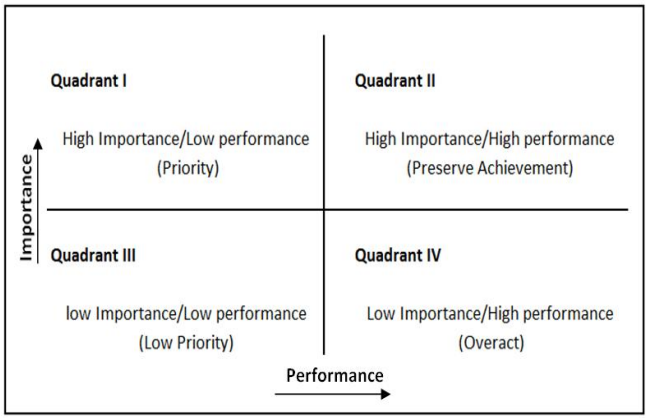

Figure 3: Kartesius chart of importance and peformance.

Structural Equation Modeling (SEM) approach Partial Least Square (PLS).

PLS is an alternative method of Structural Equation Modeling (SEM) which can be used to solve the complex relationships among variables but the small data sample size (30 to 100), considering that SEM has a data sample size of at least 100 (Hair et al, 2010), In making the SEM-PLS models using the following steps:

1. The development of a theory-based model.
   The first step in the development of SEM models is finding or developing a model that has a strong theoretical justification. Once it is validated by empirical model of computing with the SEM program.
2. Development of the flow diagram (path diagram)
   In the second step, a theoretical model that has been built in the first step will be described in a path diagram. The components used in the general model SEM consists of Variable and Model Equations.

3. Empirical Results

Importance Performance Analysis (IPA)

Importance Performance Analysis (IPA) is a method to analyze the extent of one's level of satisfaction on the performance of a company (Supranto 2001). IPA Cartesian diagram is divided into four quadrants and each quadrant indicates there is a condition that is different from the other quadrants (Rangkuti 2003) can be seen at figure 4. The strategy can be based on the position of each attribute in the fourth quadrant of which is as follows:

1) Quadrant I (Priority), a region which includes the factors that are considered important by consumers but in reality these factors is not appropriate as expected. Variables included in the first quadrant is X44 ,X12, X42, and X43.
2) Quadrant II (Preserve Achievement), a region which includes the factors that are considered important by consumers and the factors considered by the customer is in accordance with the perceived so that the relatively high level of satisfaction. Variables included in quadrant II is X11, X14, X15, X22, X23, X24, X33, X34, X53 and X54.

3) Quadrant III (Low Priority), a region which includes the factors that are considered less important by consumers and in fact the performance is not too special. Variables included in quadrant III, X13, X16, X17, X31, X32, X35, and X51.
4) Quadrant IV (Overact), an area that includes the factors that are considered less important by consumers and perceived excessive. Variables included in quadrant IV is X18, X21, X41, and X52.

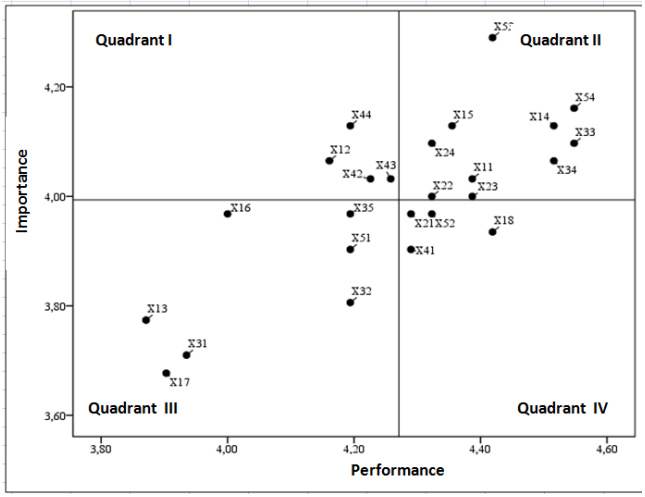

Figure 4: IPA Cartesius Diagram.

Customer Satisfaction Index (CSI)

The assessment results to the satisfaction of respondents indicate that the overall level of customer satisfaction to the manager of the building has a value Customer Satisfaction Index (CSI) amounted to 80.29% (Table 1). The CSI value means that overall the tenant was represented by respondents considered satisfied for the performance given by the manager of the WismaABC.

Table 1: Customer Satisfaction Index

Variable	Code	Service Attribute	Importance	Performance	WF	WS
Accessibility	X11	Ease of access to complaints services	4,387	3,903	0.041	0.160
	X12	Easily accessible	4,161	4,000	0.039	0.156
	X13	Serves 24 hours	3,871	3,806	0.036	0.138
	X14	The speed of response to complaints	4,516	4,065	0.042	0.172
	X15	Access to the building	4,355	4,194	0.041	0.171
	X16	Area of parking area	4,000	4,000	0.037	0.150
	X17	Signpost provisions	3,903	4,000	0.037	0.146
	X18	Cleanliness of the whole area	4,419	4,032	0.041	0.167
Empathy	X21	Smooth communication	4,290	4,032	0.040	0.162
	X22	Understand tenant needs	4,323	3,903	0.040	0.158
	X23	Hospitality and courtesy of the clerk	4,387	4,161	0.041	0.171
	X24	Management meet customer needs	4,323	4,000	0.040	0.162
Assurance	X31	Guarantees of good service	3,935	3,839	0.037	0.141
	X32	Guarantees of customer complaint handling system	4,194	3,774	0.039	0.148
	X33	Knowledge and professionalism of officers from building management	4,548	3,935	0.043	0.168
	X34	Security system	4,516	4,032	0.042	0.171
	X35	Employee honesty	4,194	3,935	0.039	0.155
Reliability	X41	Ability of information submitted by officers	4,290	4,097	0.040	0.165
	X42	The speed of customer fulfillment process	4,226	3,968	0.040	0.157
	X43	Ease of obtaining documents of licensing arrangement	4,258	3,935	0.040	0.157
	X44	Ease of arrangement of parking and access card subscriptions	4,194	4,129	0.039	0.162
Responsiveness	X51	Willingness to accommodate customer complaints	4,194	4,032	0.039	0.158
	X52	Helping to solve customer problems	4,323	3,968	0.040	0.161
	X53	Respond in serving customers	4,419	4,226	0.041	0.175
	X54	Fast service	4,548	4,323	0.043	0.184
			106,774	100,290	1,000	4,014
					CSI	80.29

Factors Affecting the Quality of Service

Evaluation Measurement Model

The results of SEM measurement model in Figure 5 shows that there are indicators that have a loading factor value <0.5, then it should do the recalculation of the initial model so as to produce the entire loading factor valuable indicators> 0.5 as a criterion of convergent validity test latent constructs (Iman Ghozali 2008).

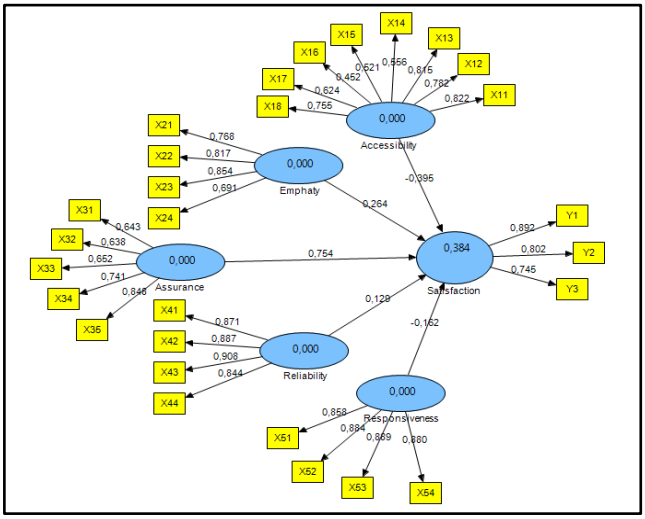

Figure 5: Loading factor at the beginning of the measurement model.

After several iterations, the final model is obtained in Figure 6 that shows all the indicators have value loading factor> 0.5. Reflected accesability dominant variable indicator X11 with a loading by a factor of 0.847. Variable dominant empathy reflected by indicator X23 with loading factor of 0.853. The dominant variable assurance reflected by indicator X35 with loading factor of 0.846. The dominant variable reliability reflected by indicator X43 with a loading factor of 0.909. The dominant variable assurance reflected by indicator X53 with loading factor of 0.891. Variable dominant satisfaction indicators reflected by Y1 with loading factor of 0.873.

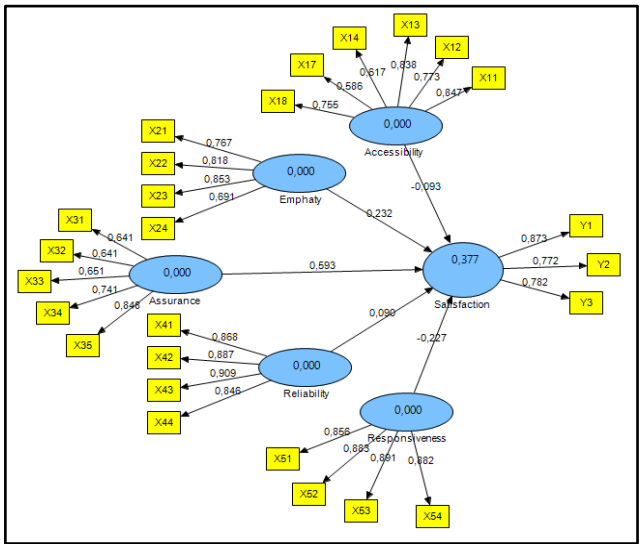

Figure 6: Loading factor at the end of the measurement model.

Terms of the model has good validity when their respective latent variables with reflective indicators have AVE above 0.5. The results of the analysis are shown in Table 2, the value AVE of each latent variable has a value of > 0.5 and it can be said that the PLS model qualifies a good convergent validity.

Table 2: Rated average variance extracted (AVE), composite reliability and Cronbach alpha

	AVE	Composite Reliability	Cronbachs Alpha
Accessibility	0.552	0.879	0.833
Assurance	0.503	0.833	0.753
Empathy	0.616	0.864	0.794
Reliability	0.770	0.931	0.901
Responsiveness	0.771	0.931	0.901
Satisfaction	0.656	0.851	0.747

The next measurement is test the reliability of the models used to prove the accuracy, consistency, and accuracy of instruments to measure the construct. Test reliability by measuring the reliability and Cronbach alpha compositing against latent variable that has a value of more than 0.6 said to be reliable. The results based on Table 5, show all latent constructs have good reliability, accurate and consistent as qualified by the value of reliability and Cronbach alpha compositing on any latent constructs more than 0.6.

Structural Model Evaluation

The results in Table 3 indicate bootstrapping assurance and empathy have a significant effect on satisfaction with the value of t-statistic > t-table (1.96) at the 5% significance level. As for accessibility, reliability and responsiveness showed no significant effect on the satisfaction of t-statistic values ≤ t-table (1.96). Assurance has an influence on the satisfaction of 0.593 means increasing assurance it will increase satisfaction. Structural model produces a value of R square satisfaction 37.70% means that the diversity of satisfaction that is able to be explained by the model of 37.70% while the remaining 62.30% is explained by other factors outside the model.

Table 6: Values loading factor and t-statistics

	Loading Factor	T Statistics	R square
Accessibility -> Satisfaction	-0.093	0.711	37.7
Assurance -> Satisfaction	0.593	3.937*	
Emphaty -> Satisfaction	0.232	2.513*	
Reliability -> Satisfaction	0.09	0.749	
Responsiveness -> Satisfaction	-0.227	1.644	

Note: *) Significant at 5% level (T statistics > 1.96)

4. Conclusion

Based on the study that has been done, it can be concluded as follow.

1) Customer Satisfaction Index (CSI) of 80.29%, it shows that in general respondents assume that the performance provided by the building management at WismaABC is satisfactory.
2) Factors that affect the improvement of service quality of the building is on the variables contained in quadrant I and is a major priority that should be improved by the building management, are as follows: X12 (Accessible easily); X42 (Speed of customer fulfillment process); X43 (Ease of obtaining licensing documents); And X44 (Ease of arrangement for parking and access card subscriptions).
3) The factors that most affect the quality of service is a variable in the dimensions of Assurance, this dimension

affects the satisfaction of 0.593 means that the increasing variables in Assurance dimension will increase the satisfaction level of customer / tenant.

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