

1 The Role of Service Marketing Mix and Ship Service Quality
2 towards Perceived Value and Its Impact to Ship Passenger's
3 Satisfaction In Indonesia

4 Dr. HM Thamrin¹, Dr. HM Thamrin² and Dr. HM Thamrin³

5 ¹ UNIVERSITAS MUHAMMADIYAH TANGERANG (UMT).

6 *Received: 3 January 2012 Accepted: 30 January 2012 Published: 10 February 2012*

7

8 **Abstract**

9 The purpose of this research is to analyze the implementation of service marketing mix,
10 service quality, perceived value and ship passenger's satisfaction.. The observed unit in this
11 research is ship's passenger in Indonesia. The research showed that; (1) service marketing mix
12 daesn't have partially affects perceived value,(2) service quality on ships partially affects
13 perceived value, (3) service marketing mix and service quality on ships simultaneously affects
14 perceived value, (4) service marketing mix partially affects passenger's satisfaction, (5) quality
15 on ships partially affects passenger's satisfaction, (6) service marketing mix and service
16 quality on ships simultaneously affects passenger's satisfaction, and (7) perceived value affects
17 passenger's satisfaction.

18

19 **Index terms**— Service marketing mix, ship service quality, perceived value and ship passenger's satisfaction.

20 **1 Introduction**

21 ow understanding of service quality, specifically sea transportation service at the present has been deviated from
22 its coverage on characteristic of dimension selection of service quality of sea transportation, service quality does
23 not only provide the service dimension on punctuality, durability, reliability but also safety and environment
24 protection. In the frame word to adjust with ship safety standard as determined on Law Number 17 of 2008 on
25 Shipping, and environment, as stated on Chapter. VIII -safety and security of shipping part one general article
26 116 (1): safety and security of shipping includes safety and security of transportation in sea, ports and Maritime
27 protection.

28 Part 4 of Maritime environment protection article. 123: Maritime environment protection is the condition of
29 fulfillment of Procedures and preventing requirements and controlling pollution from the activity of: (a) portship,
30 (b) ship operating, (c) transporting waste, Hazardous and Toxic Materials within the sea, (d) dumping waste
31 in the sea, and (e) ship recycle. As mentioned by and Singapore Marine Port Authority (MPA) ??2000) that
32 the implementation of sea transportation service has 85% portion out of safety dimension at sea, environment
33 protection such as corporate social responsibility and behavior of sea transportation service company. Similar
34 statement also stated by Green Award (2004) that sea transportation service quality does not only involve safety
35 dimension, trustworthy, and efficient but also behavior of corporate social responsibility and activity which care
36 on safety and environment. The Ministry of Transportation, Directorate General of Sea Transportation has stated
37 below program to increase: (a) the role as trusted partner to sea transportation business to support National
38 economic and public welfare; (b). safety and security in operating facility and infrastructure of sea transportation
39 to support Road Map To Zero Accident and (3). To increase the quality of sea transportation and port service
40 throughout Indonesia effectively and efficient (Directorate Generale of Sea Communication at sea, 2010).

41 Besides service quality, other very important variable is service marketing mix which is a good marketing
42 strategy so that the offered service quality can be seen, heard, and bought by passenger by promoting, producing

4 RESEARCH METHOD

43 service product, distributing, fixing price, conveying service, there is a service process and physical evidence
44 on marketing target. Service marketing mix is needed by sea transportation service as the beginning to make
45 decision on how service marketing mix is positioned and what kind of market segment that is targeted (Thai, 2008
46 ??2000) has proven that customer's satisfaction is influenced by core quality, relational quality and perceived
47 value. Based on the above background, then this research will test and produce the influence of service marketing
48 mix and ship service quality towards the perceived value on ship passenger satisfaction, in which analysis unit of
49 this research is the ship passenger. Originality submitted on this research is the measurement of service quality
50 without gap on sea transportation which measures directly without using ROPMIS dimension which are resource,
51 outcome, process, management, image, and social responsibility corporate (Thai, 2008).

52 2 II.

53 3 Literature Review And Hypotheses

54 Marketing is the main core of company to produce customer's satisfaction and customer's welfare for long term
55 as a key to obtain profit. This is valid for companies which operate in service industry or for the companies
56 which operate in non-service fields. While according to ??ovelock and Gummesson (2004), service can be said as a
57 system, which is service operation system, service delivery system elaborated in service marketing mix. Because
58 in service operation system, service elements that are made are elements of service marketing mix, so as to the
59 service delivery system of delivered service elements to the customers are elements of service marketing mix.
60 Service marketing mix is controlled variables which can be used by company to influence consumer response from
61 certain market segment who are targeted by the company ??ovelock and Gummesson (2004) .

62 The tools of marketing mix or internal factors that can be controlled by company from marketing mix consist
63 of 4 main components that are product, price, distribution and promotion, and in the progress there are 3
64 more added that are people, physical evidence, and process). The addition of these 3 elements are in line with
65 the opinion of Valarie et al. ??2009). According to Palmer and Ponsonby (2002), he said that marketing mix
66 is divided into 7 Ps which are product, pricing, place, promotion, process, people, physical evidence. Service
67 marketing mix needs another aspects that are : people, physical evidence, and process.

68 Consumer or customer chooses service provider based on their expectation and after consuming the service, they
69 will compare it with that they have felt. If the service quality they consumed are far below their expectation, then
70 the consumer will lose interest on such service provider and vice versa. Definition of service quality centralized to
71 fulfillment of needs and demand of customer and also the certainty of delivery to balance customer's expectation.
72 According to Kotler (2000), Kotler and Kevin (2009), and Lovelock and Gummesson (2004) service quality
73 shall begin from the consumer needs and ended on consumer perception. Consumer perception towards service
74 quality is an entire evaluation of consumer on the excellence of a service. The measurement used on service
75 quality of sea transportation consists of 6 dimension which are: resources-related dimension, outcomes-related
76 dimension, process-related dimension, management-related dimension, image/reputation-related dimension, and
77 social responsibility-related dimension.

78 According to Petrick (2001), Petrick (2004), Yang and Peterson (2004) stated that perceived value plays a role
79 in identifying consumer's satisfaction. Petrick (2001Petrick (, 2002Petrick (, 2004) stated that perceived value
80 can be increased by adding value on service or decreasing the cost for sales and service usage. Petrick (2001Petrick
81 (, 2002Petrick (, 2004) stated that perceived value is trade off between customer perception towards quality or
82 benefit of product and sacrifice conducted through paid price. Sweeny and Soutar (2001) stated that value
83 dimension consists of 4 aspects which are: emotional value, social value, quality value value for money: utility
84 gained from perception towards quality and expected performance over product.

85 Satisfaction is level of feeling of someone after civilizing the perceived performance/result with former
86 expectation (Kotler and Keller, 2009; Kotler and Armstrong (2010). Satisfaction of a service is determined
87 by importance level of a customer before using the service, compared to customer's perception after he felt
88 the performance of such product. Consumer expectation on service gives framework towards measurement and
89 product given by the Company. The impact of service quality perception towards Purchase Intentions, satisfaction
90 influences intention to switch. Research result of Robert et al. (2003) found that the relation of marketing mix
91 and service quality have different construction and different influence, and the relation of both shall be better to
92 be construed as predictor with the intention to behave on service quality.

93 Moreover, findings of McDougall and Levesque (2000) stated that perceived value plays role in acknowledging
94 consumer satisfaction. Findings of Tam Jackie (2004) explain that costumer satisfaction and perceived value
95 significantly influence post-purchase behavior. ??arasuraman

96 4 Research Method

97 Based on the objective of the research, this research is intended to know the process of determination and
98 implementation as well as to test the hypothesis of the influence of Service Marketing Mix, service quality
99 towards perceived value as well as its impact upon ship passengers' satisfaction. Descriptive research intends to
100 obtain description on implementation, service marketing mix, quality service, perceived value and ship passengers'
101 satisfaction. Meanwhile, verificative research is conducted in order to know relation among variables through
102 hypothesis analysis. To achieve all of the above, the used research method is survey.

103 Collected data in this research consists of primary and secondary data. To achieve the first objective as
104 analysis unit is the ship passengers of the route of Jakarta, Surabaya, and Samarinda in Indonesia which have
105 been recorded as customers for 2 (two) years or minimum 4 x round trip. The selection of recorded ship passenger
106 is conducted since the passenger experiences the impact of service quality, perceived value and satisfaction by
107 themselves. The sample taken in this research amounts to 210, thus fulfilling the requirement to be managed by
108 using the method of Structural Equation Modelling.

109 **5 IV.**

110 **6 Result And Analysis a) Descriptive Analysis**

111 Based on the response of passengers upon service marketing mix, the score value at the interval score 4-7 obtain
112 an average score above 87.3, it illustrates that the respondents state that the application of service marketing mix
113 of product, price, promotion, location, process, human resources, and physical evidence in general provide a high
114 value and tend to very high. Meanwhile, the interval between 1-3 show an average score below 12.6. This means
115 that only 12.6 of respondents state that the application of service marketing mix is still insufficient. Meanwhile,
116 the response of passengers towards the ship service quality score at the interval of 4-7 obtain an average score
117 above 84.02, this illustrates that the respondents state the quality of service of the ship is high and tend to very
118 high. As for the interval between 1-3 show the average score below 15.97 means that the majority of respondents
119 approximately of 15.97 state that service quality is still not good. This is due to the delivery of services at ships
120 are still less suitable.

121 Meanwhile, the response of the passenger towards perceived value for the score at the interval of 4-7 obtain
122 an average score above 88.01 for ship passengers at the functional score. This illustrates that the respondents
123 state that passenger perceived value is very high. Meanwhile the average value of ship passenger in response
124 to emotional value stands at 88.3 and above at intervals of 4-7, while for the interval between 1-3 show the
125 average value of 11.98% below, meaning that the respondents who state that perceived value experienced by the
126 respondents that is not unsuitable correspond only 11.98. Meanwhile, the response of passengers towards the
127 ship social value at the interval of 4-7 obtain an average score above 81.4 meaning that there is a tendency that
128 the passenger deems social value of the ship as sufficient.

129 Passenger responses towards ship passenger satisfaction score at the interval of 4-7 obtain average scores
130 above 84.02, it illustrates that the respondent express general satisfaction of the passengers give a high value
131 even tend to very high. As for interval between 1-3 show the average score below 15.97%, this means that the
132 majority of respondents at approximately 15.97 state that they are not satisfied.

133 To test the hypotheses, the result of path coefficient could indicate the causal relationship between those
134 variables being examined. See Table 1 for that relationship.

135 Based on the Table 1, it can be concluded that: (1) service marketing mix does not have partially affects
136 perceived value (H1 is rejected), (2) service quality on ships partially affects perceived value (H2 is supported),
137 (3) service marketing mix and service quality on ships simultaneously affects perceived value (H3 is supported), (4)
138 service marketing mix partially affects passenger's satisfaction (H4 is supported), (5) quality on ships partially
139 affects passenger's satisfaction (H5 is supported), (??) service marketing mix and service quality on ships
140 simultaneously affects passenger's satisfaction (H5 is supported), and (7) perceived value affects passenger's
141 satisfaction (H7 supported)

142 V.

143 **7 Conclusion**

144 Based on the analysis of the research results described in the previous description, it can be concluded that
145 shipping companies have optimized the application of service marketing mix, service quality, perceived value and
146 satisfaction of passengers, this is seen in the scores that gathered at the score of 4-7. Service Marketing Mix
147 does not partially affect perceived value, but service quality partially affecs perceived value. This means, service
148 marketing mix does not prove that it will increase perceived value.

149 **8 b) Testing Hypothesis**

150 Meanwhile, service quality contributes the increase of perceived value. And service marketing mix and service
151 quality simultaneously affect perceived value. And service marketing mix and service quality influence the
152 satisfaction of the ship passengers both partially or simultaneously. This means, service marketing mix and
153 service quality of ships can jointly increase passenger satisfaction, perceived value directly affects the Ship
154 passenger satisfaction. This means, the greater the perceived value, the higher the satisfaction of passengers
155 is.

156 Shipping companies should implement good standards of service quality through the measurement of ROPMIS
157 namely resources, outcome, process, management, image and social Responsibility. Identifying the attributes of
158 the service to improve the crew (crew) through training. Every 2 or 3 years, the company changes the interior of
159 the ship.

8 B) TESTING HYPOTHESIS

160 The company seeks to conduct socialization that sailing by ship has a prestigious social value by using "Let's
161 Sail By Sea Ship Slogan". Provide maximum service, responding to passenger complaints, and conduct passenger
162 satisfaction surveys. Developing services products performed by the marine transportation service company in
163 accordance with the demand of the ship passenger. Analyze in determining the price to see the purchasing ability
164 of passengers and the level of competition. Evaluate media which will be used so that promotional effectiveness
165 can reach the target segment. Company perform its distributions to agents through ON LINE providers in the
purchase of tickets and schedule of departure and arrival at destination. ^{1 2}

H4.Service marketing mix partially affects passenger's satisfaction,

H5.Quality on ships partially affects passenger's satisfaction,

H6.Service marketing mix and service quality on ships simultaneously affects passenger's satisfaction,

H7.Perceived value affects passenger's satisfaction.

III.

Finding of McDougall

and Levesque (2000) and Keiningham et al. (2007) that consumer perception on perceived value in form of money correlate positively towards consumer satisfaction. Based on theory study and above variables relation then the submitted hypotheses are:

H1.Service marketing mix partially affects perceived value,

H2.Service quality on ships partially affects perceived value,

H3.Service marketing mix and service quality on ships simultaneously affects perceived value,

Figure 1:

166

¹Global Journal of Management and Business Research Volume XII Issue III Version I © 2012 Global Journals Inc. (US)

²MarchThe Role Of Service Marketing Mix And Ship Service Quality Towards Perceived Value And Its Impact To Ship Passenger's Satisfaction In Indonesia

1

Hypothesis	CR Score	T Value	Note (p<0.05)
Service marketing mix partially affects perceived value	-1.394	0.163	(H1 rejected)
Service quality on ships partially affects perceived value	2.700	0.000**	Significant (H2 supported)
Service marketing mix and service quality on ships simultaneously affects perceived value	50.496	0.000**	Significant (H3 supported)
Service marketing mix partially affects passenger's satisfaction	2.812	0.000**	Significant (H4 supported)
Service quality on ships partially affects passenger's satisfaction	4.860	0.000**	Significant (H5 supported)
Service marketing mix and service quality on ships simultaneously affects passenger's satisfaction	113.013	0.000**	Significant (H6 supported)
Perceived value affects passenger's satisfaction	4.855	0.000**	Significant (H7 supported)

*significant at alpha 5%

Figure 2: Table 1 :

167 [Marketing Science ()] , *Marketing Science* 2000. 28 (1) p. .

168 [Philip et al. ()] , Philip , K Kevin , Marketing Management . 2009. Pearson International Edition. (13th Edition)

169 [Maritme et al. (2000)] ‘A Global Perspective’. Port Maritme , Authority , Singapore . *Quality Shipping Seminar* 2000. March. p. .

170

171 [Award ()] Available at: www.greenawardorg/home.htm, Green Award . 2004.

172 [Sweeney and Soutar ()] ‘Consumer perceived value: the development of a multiple item scale’. J C Sweeney , G Soutar . *Journal of Retailing* 2001. 77 (2) p. .

173

174 [Yang ()] ‘Customer Perceived Value Satisfaction and Loyalty : The Rule of Switching Costs’. Peterson R Yang . *Psychology and Marketing* 2004. 21 (10) p. .

175

176 [Tam Jackie ()] ‘Customer Satisfaction, Service Quality and Perceived Value an Integrated Model’. L Tam Jackie . *Journal of Marketing Management* 2004. 20 (20) . (of 2008 on Shipping)

177

178 [Petrick ()] ‘Development of A Multi-Dimensional scale for Measuring The Perceived Value of a Service’. J Petrick . *Paper Presented at the 3-2 nd Annual Conference of The Travel and Tourism Reaserch Assciat on fort myers, (FL) 2001.*

179

180

181 [Petrick ()] ‘Development of a Multi-Dimensional scale for Measuring the Perceived value of a service’. J Petrick . *Journal of Leisure Research* 2002. 34 (2) p. .

182

183 [Directorate General of Sea Communication at sea Zero Accident Journal Info Maritime ()] ‘Directorate

184 General of Sea Communication at sea’. *Zero Accident Journal Info Maritime* 2010. (Road Map to)

185 [Dougall and Levesque ()] Mc Dougall , & Levesque . *Customer Satisfaction With Services Marketing*, 2000. 14 p. .

186

187 [Keiningham et al. ()] ‘Examination of Net Promoter and Firm Revenue Growth’. T L Keiningham , B Cool , T Andreassen , L Aksoy , Longitudinal . *Journal of Marketing* 2007. 71 (3) p. .

188

189 [Parasuraman et al. ()] *How and Why ” your Customers Adopt technology*, A Parasuraman , C L Colby , Ready , Marketing . 2001. New York, NY: The Free Press.

190

191 [Robert et al. ()] ‘Measuring The Quality of Relation Ship in Consumer Service : an Empirical Study’. K Robert , Varkie , R Brodie . *European Journal of Marketing* 2003. 37 (1) p. .

192

193 [Hawkins ()] ‘Quality shipping in the Asia Pacific Region’. J Hawkins . *International Journal of Maritime Economics* 2001. 3 (1) p. .

194

195 [Hawkins ()] ‘Quality shipping in the Asia Pacific Region’. J Hawkins . *International Journal of Maritime Economics* 2001. 3 (1) p. .

196

197 [Thai ()] ‘Service Quality in Maritime Transport: Conceptual Model and Empirical. Evidence’. V V Thai . *Asia Pacific Journal of Marketing and Logistics* 2008.

198

199 [Parasuraman and Grewel] ‘The Impact of technology on The Quality Value Loyalty Chain : A Reaserch Agend’. A Parasuraman , Grewel . *Journal of The Academy*

200

201 [Philip and Management ()] *The Mellinium Edition*, K Philip , Marketing Management . 2000. London: Pearson Education. p. 638.

202

203 [Gronholdt et al. ()] ‘The relationship between customer satisfaction and loyalty: Cross-industry differences’. L Gronholdt , A Martensen , K Kristen . *Total Quality Management* 2000. 11 p. .

204

205 [Petrick (2004)] ‘The rule of quality, Value and Satisfaction in Predicting Cruis Passengers behavioral Intetions’. J Petrick . *Journal of Travel Reaserch* 2004. may. 42 p. .

206

207 [Palmer and Ponsonby ()] ‘The social construction of new marketing paradigms: the influence of personal perspective’. A Palmer , S Ponsonby . *Journal of Marketing Management* 2002. 18 (2) p. .

208

209 [Lovelock and Gummesson ()] ‘Whither Services Marketing? in Search of a new Paradigm and fresh Perspectives’. C Lovelock , E Gummesson . *Journal of service Research* 2004. 7 (1) p. .

210

211 [Zeithaml et al. ()] Valarie A Zeithaml , Mary Jo Bitner , Dwayne D Grempler . *Services Marketing: Integrating. Customer Focus Across the Firm*, 2009. (5th Edition)

212