CHAPTER I

INTRODUCTION

1.1 Background of The Study

The primary key of doing successful business is satisfying the customer. Technology in business allow companies or organizations to improve and manage overall performance and effectiveness in delivering the service. According to Baylor University (2016), technology has big impact to management, operations, productivity of an organization. The purposes of utilizing technology are to help, improve the communication between organization and many companies implement technology to maintain customer relationship and gain customer satisfaction.

According to Carreirão (2019), SST or Self-Service Technology lets customers to get services from service providers. Technology plays important part in people's daily life nowadays, one of the examples is self-service that could be found at airport, which helps users to have quick check-in and lessen the stress in airport environment, because people are going to catch their flight, checking their baggage and they do not want the possibility of missing their flights, so SST in airport are real time-savers. SST (Self-Service Technology) are devices that have technological interfaces that enable customers to produce a service independent of direct service employee involvement. Self-service reduces face-to-face interaction between staff and customers in order to make the service more convenient, faster and minimize human error.

Self-service technology can be found in any places, nowadays due to the development of technology. The examples of self-service technology that most people use in daily life, such as: Automatic Teller machine (ATM), self-ticket purchasing on the internet and automated self-check in kiosk at airport and website or online check in. Self-service technology is prepared to make people's life more convenient, time saving; reduce queuing line; transaction can be made faster and easier.

Self-service technology also has its own service quality. Service has quality which can satisfy the customer's needs and wants, it is linked to customer satisfaction. Service quality is defined as the overall evaluation of a service by the customers or the extent to which a service meets customer's needs or expectations.

Self-service quality attributes in this research in measuring the quality of SST (Self-Service Technology) are taken from precious research H.M.R.S.S.Gunawardana et al (2015) which are ease of use, efficiency, reliability, security, and convenience. These attributes reflect to the SST service quality.

According to Sophia Foster (2019), self-service become well-known because people want to get things done fast, to be exact , 45% of customers do not care who they interact with, whether it is a live agent, chat bot or self-service machine. To achieve fast service, convenience is the key. Convenience is defined as the ability of customer to access the service from any devices, time and location is considered as a key indicator of SST quality.

Customer satisfaction is established when the product and service quality that they achieve are more than what they sacrifice, for example, money, transaction cost and physic cost. Customer satisfaction could be gained when the customer satisfy and comfortable in using the self-service technologies and the service quality which AirAsia has provided. Every people might give different reaction before, during and after using self-service technology, some might receive it positively and some might receive it negatively.

"Customer satisfaction = Customer perception of the service received – Customer expectation from the service"

On journal by Susianto and Fachira (2015), "The influence of self-service technology (SST) towards customer satisfaction." The result of the research showed that SST has the most significant influence to overall satisfaction, the self-service technology has enhanced service convenience and delivered efficient service to the customers. Self-service technology implementation does not always lead to higher customer satisfaction scores. Customer satisfaction is influenced by perception of service quality, product quality and price as well as situational factors and personal factors.

Another journal which was written by Gunawardana et al (2015) "Impact of Self Service Technology Quality on Customer Satisfaction in retail banks", this journal explored the perceived quality of the self-service technology and its effect on customer satisfaction, service quality dimensions in this research are security, efficiency, ease of use, reliability and convenience. Reliability and convenience are

the elements of self-service quality that have positive impacts on customer satisfaction. Prior research was done by Iqbal (2018), the research also talked about the impact of SST service quality to customer loyalty and behavioral intention with the mediating role of customer satisfaction confirms that there is positive and significant relationship between SSTs service quality and customer satisfaction.

Furthermore, a lot of researchers such as Kim and Park (2019) discussed about self-service at the airport and the SST service quality which the purpose in implementing SST at the airport is to save time and convenience, even though, there are some factors such as age and generation which influence the technology acceptance and in using the self-service technology. The SST service quality perceived ease of use, usefulness and enjoyment are the factors which have most significantly affected customer satisfaction. Another research which supports this study is Otieno and Govender (2016) talked about the impact of self-service technologies in airport industry, the research focused on SERVQUAL of the self-service technology (SST), in which the instruments are reliability, convenience, ease of use and fulfillment. Convenience is one of service quality dimension which is positively influence the customer satisfaction. The result also confirmed that the reliability of self-service is accepted even though this attribute has the least influence among convenience and ease of use, meanwhile the perception of ease of use has a strong influence on their perception of fulfillment.; and the last article from Che-Hui Lien et al. (2019) the study was about "Self-service technology adoption by air passengers", the result of the research shows that perceived ease of use positively and significantly influence the perceived usefulness of fast air travel.

All of those articles and journals above are stated to support this study and become reference which have same purpose and discussion about the influence of self-service technology (SST) service quality to customer satisfaction.

AirAsia is a low-cost carrier airline which the first operation was on 16 November 1996. AirAsia is the first airline in Asia that implemented online booking (ticketless). The famous slogan of AirAsia which people have already known is "Now Everyone Can Fly".

From both table 1.1 and 1.2, it showed that AirAsia Indonesia is an active airline from 2017 to 2020. The operational statistics from the latest 4 years keep increasing, unfortunately in 2020, the operational decreased since pandemic started. From table 1.2, it showed AirAsia's operational in Medan with several routes.

Table 1.1 Passengers Carried and Operating Statistics by AirAsia Indonesia 2017-2020

INDONESIA AIRASIA	2017	2018	2019	2020
January – December	4,634,001	5,238,022	7,967,267	1,718,192 (Quarter 1 to 3)

Source: AirAsia annual report (2021)

Table 1.2 AirAsia Medan's Operational 2019

No.	Route	Frequency / week	Remarks
1.	Kuala Namu (KNO) – Penang (PEN)	28x / 28x	International
2.	Kuala Namu (KNO) – Kuala Lumpur (KUL) / KUL-KNO	21x / 21x	International
3.	Yogyakarta (JOG) - Kuala Namu (KNO) / KNO-JOG	7x / 7x	Domestic
4.	Bangkok (DMK) - Kuala Namu (KNO) / KNO-DMK *Unique route*	7x / 7x	International

Source: AirAsia Annual Report (2021)

Even though AirAsia is an active airline and their operational statistics is keep increasing year by year, but their service quality of self-service has somlacknesses based on the reviews below which were taken from tripadvisor and preliminary questionnaire in these past few years to the latest one.

Table 1.3 Customers Reviews about AirAsia's SST

NO.	Date	Name	Comment
1.	April 2019	L0vely99	"AirAsia is budget airline which the seat, meal can be purchased separately. My annoying experience is when other passangers asked me to change the seat with them twice because they sat separately with their family, they did not understand how to buy seat on website, Airsia should offer and tell them how to purchase seat on website."
2.	June 2019	Will C	"When I was trying to buy ticket on website, but error message appeared on the screen when it came to make payment, so I tried to connect to the support, but no one answered. When the payment was finally successed, the itinerary was incorrect, contacting the call centre, no one answered, I ended up paid more, because they did not want to fix it"
3.	July 2019	Danny Low	"At the last stage of purchasing ticket process (payment), the website could not work. Tried 12 times in different web browser and the payment still could not make it."
4.	June 2019	SurfingWild	"It's quite difficult to print out the baggage tag on the provided machines, so I had to ask a help from staff."
5.	February 2020	Glenn W	"My problem is when I booked the ticket, the website could not process well on their website, could not check on flights and there was no email, I think I should take a screen shot of my booking details and I think it would be fine."
6.	February 2020	Kay	"What a super bad airlines! We arrived 30 minutes before & we've done the online check in but they did not let us enter and ask us to buy a new ticket."

Source: Prepared by the Author (TripAdvisor, 2021)

Table 1.4 Customers' Review about AirAsia Self-Service Medan

No.	Name	Comment
1.	HWR (51 years old) – Medan	"I always use AirAsia's self-service every time I went to Penang from Medan, but I don't really understand, I always ask my son to check-in for me, even though, AirAsia has implemented self-service / self-check in at airport, not all people understand in using it especially for people are above 40 years old, and it causes a long queue."
2.	D (18 years old) – Medan	"For me, AirAsia's self-service is quite efficient, but still there is long queue due to limited self-service kiosk at the airport. I have ever done check-in online and the seat numbers were randomly given, because I got a seat separately with my family, I tried to pay extra but the payment / request couldn't make it, so the customer service / live chat asked me to check-in manually at the airport, so I have to go to airport earlier to check-in at counter which actually I did not have to rush to the airport."
3.	A (44 years old) – Medan	"I need a help from AirAsia staff when I checked in at automated kiosk at the airport."
4.	NL (28 years old) – Medan	"Self-service is easy and difficult to be used sometime. I personally do not have any difficulties, last time, when I traveled with my family, I bought and check-in the ticket through website, and I am the one who managed those things because my parents do not understand. They usually check-in manually at counter."
5.	SE (22 years old) – Medan	"Not all people think that self-service is easy to use and user friendly, so if i get questions about self-service I can only give average instead of strongly agree. Old people are not the same as us who can operate it easily."

Source: Prepared by the Author (Questionnaire, 2021)

AirAsia is chosen to be the research object, because the Author has collected negative reviews about AirAsia self-service which can be seen on table 1.3 and 1.4, the reviews above show that not all people are technology-friendly; they still need help in using AirAsia self-service; the product information on website is not well-explained; some people are lacking of technology-based service knowledge which influences the understanding in using self-service; some people have problem in payment, printed the boarding pass themselves but AirAsia asked to re-print it at counter and these make people feel inconvenience, and AirAsia's live chat. Beside those reviews from TripAdvisor, the Author also conducted preliminary research

through online questionnaire. The questionnaire is about the quality of AirAsia's self-service in Medan. People in young adults age are still able to use self-service technology and the respondents below mentioned that their parents which are in middle-aged adults (40-59 years old), they do not really understand how to utilize the self-service. It can also be concluded that age is play significant impact in using self-service.

Based on the background that has been stated above, some people are still complaining about AirAsia self-service, so the author is interested in conducting this research with the title **"The Influence of Self Service Technology (SST) Service Quality on Customer Satisfaction in AirAsia Medan"** to find out and solve the research problem.

1.2   Problem Limitation

This research will focus on the influence of AirAsia self-service technology (SST) service quality on customers or user's satisfaction; self-service attributes such as ease of use, convenience, efficiency, reliability and security will be the measurement of AirAsia self-service quality. Regarding of object, this research is only limited to customers of AirAsia in Medan who have ever used self-service at least once.

1.3   Problem Formulation

Based on the background that has been outlined, it can be identified the problem as following:

1. Does AirAsia self-service technology service quality have significant influence on customer satisfaction?

2. Do demographic characteristics (gender, age, education, occupation) of customers influence them in using self-service technology?

1.4 Objective of The Research

1. To identify the influence of AirAsia self-service technology (SST) service quality on customer satisfaction.

2. To know the demographic characteristics (age, gender, education, occupation) that might influence the customer satisfaction or people in using AirAsia self-service.

1.5 Benefit of The Research

The writer hopes that this research will have some benefits for AirAsia and readers about self-service technology and the quality. There are two kinds of benefits in this research.

1.5.1 Theoretical Benefit

For researcher, this research can be the reference for conducting similar research in the future. This research explains about self-service technology (SST) service quality which could give brief introduction and explanation to SST users about the self-service technology and its self-service quality.

1.5.2 Practical Benefit

This research can be used as reference for the company (AirAsia) because this study will determine the quality of AirAsia self-service technology (SST)

through customer's feedback (questionnaire) in hope this will be beneficial for the company to pay more attention to the self-service so that AirAsia could improve their SST service quality and it will also increase the customer satisfaction.