The Role of marketing mix (7P) Strategy Towards Customer Satisfaction

Peran Strategi Bauran Pemasaran (7P) Terhadap Kepuasan Pelanggan

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ABSTRACT

KPPBC Type Madya Cukai Malang as part of the Directorate General of Customs and Excise is a government institution that has duties and authorities in the field of customs and excise. As a government bureaucracy engaged in the government service sector, the Malang Customs Office also applies the marketing mix (7P) to support service user satisfaction, the company’s marketing system namely product, price, place, promotion, people, process and physical evidence. Service user satisfaction is one of the parameters that is continuously measured to improve public service performance in an effort to change the culture of service-oriented organisations. In addition, if there are still shortcomings, improvements can be made in a better direction. The research method used in writing this scientific work is a qualitative approach to thoroughly and comprehensively reveal all aspects related to the influence of the marketing mix on service user satisfaction at the Malang Customs Office. Data collection is done by conducting interviews and observations. The results of the study indicate that the product and promotion variables do not directly affect service user satisfaction, while the price, place, people, process and physical evidence variables affect service user satisfaction.

Keywords: Marketing Mix (7ps), Customer Satisfaction

1. Introduction

The Directorate General of Customs and Excise operates under the Ministry of Finance and is headed by the Director General of Customs and Excise. The mission of the Directorate General of Customs and Excise in Malang is to formulate and execute policies in areas such as supervision, law enforcement, public service provision, revenue maximization in the customs and excise sector, facility provision, audit implementation, international relations, information technology development, and lawful actions in compliance with relevant laws and regulations. Committed to
prioritizing user satisfaction, Customs and Excise Malang, as a government agency providing public services, recognizes the critical importance of user contentment in maintaining a positive image.

For service users, satisfaction with the services received prompts them to share their positive experiences, contributing to the positive image of the Malang Customs Office. Conversely, dissatisfaction may lead to the dissemination of negative experiences, potentially tarnishing the reputation and existence of the Malang Customs Office. Customer satisfaction, defined as an individual's emotional response when comparing perceived service performance against expectations, plays a pivotal role in shaping the perception of services (Sangadji, 2013; Pardiyono, 2020).

Yuliawan and Cuaca (2016) emphasize that customer satisfaction is a crucial concept in marketing activities and a primary goal for any business or service process. As outlined in the Regulation of the Minister of Administrative Reform and Bureaucratic Reform of the Republic of Indonesia No. 17 of 2017, the Malang Customs Office adheres to the Marketing Mix (7P) as part of its strategy for achieving public satisfaction.

Kotler and Keller (2016) elaborate on the application of the 7Ps marketing mix, encompassing product, price, promotion, place, people, process, and physical evidence. A product, in this context, refers to anything offered in the market to satisfy consumer wants and needs (Chana et al., 2021). Price represents the total value customers are willing to give for the benefits derived from a product or service (Do & Vu, 2020). Advertising, location, human resources, process, and physical evidence collectively contribute to the comprehensive service delivery strategy.

The implementation of the 7Ps at Malang Customs and Excise includes practices such as disseminating tariff information, providing free services (unless otherwise stipulated by the Ministry of Finance), and utilizing an online State Revenue Module for payment. The central location of the Malang Customs Office ensures easy accessibility for the public. Employees undergo training to operate professionally in accordance with established SOPs.

However, challenges persist for service users at the Malang Customs Office, particularly during the ongoing pandemic. Some services require physical presence, while others can be conducted online, leveraging information technology such as video calls or email (Hasan & Islam, 2020).

Existing research indicates varying impacts of the marketing mix on customer satisfaction. Rahmawati et al. (2022) found a simultaneous influence between the 7Ps and customer satisfaction, while Bustomi and Dewi (2022) identified that people and physical evidence significantly affect satisfaction, with other variables showing no significant impact.

Othman et al., (2020) reported that place, process, and physical evidence variables influence consumer satisfaction, while products, prices, promotions, and people do not. Conversely, Hamdali and Melinda (2021) found that product, price, place, people, and process positively impact customer satisfaction, while promotion and physical evidence show no significant effect.

Given the diverse findings in existing research, this study seeks to delve deeper into understanding the influence of the marketing mix (7P) on customer satisfaction specifically within the context of the Malang Customs Office. This research aims to contribute to the existing body of knowledge by providing insights into the unique dynamics of customer satisfaction in the realm of customs and excise services, offering valuable implications for both theoretical frameworks and practical service management.
2. Methods

Qualitative research according to (Hendryadi, 2019), is a naturalistic investigation process that seeks a deep understanding of a social event naturally. Qualitative research emphasizes the quality of a study, not quantity. The data collected is not from questionnaires or surveys, but through the process of interviews, direct observation of research objects, and other official documents. Qualitative research also emphasizes the process rather than the results because the relationship of the things being studied will be brighter and clearer when observed from the process.

The object of writing this scientific work is done at the Customs Office of Malang. This Malang Customs office building is located on Surabaya No 2 road, Malang City East Java Province. Data collection methods based on interviews and direct observation of all activities related to the variables studied. From the population of 100 service users, a sample of 80 people was taken. The sample results are obtained using the purposive sampling method through the Slovin formula.

\[
\text{Slovin Formula: } n = \frac{N}{1 + (N \times e^2)}
\]

\[
n: \text{sample quantity} \\
N: \text{the number of population} \\
e: \text{margin error tolerated} \leq 5\% \text{ or } 0.05
\]

Sample (n) = \frac{100}{1 + (100 \times 0.05^2)}

= 100 \times 1.25

= 80 Respondents

The results of the interviews with 80 respondents and observations will be described in a descriptive manner.

According to Ramdhan (2021), descriptive research is research with a method to describe the results of the research being conducted. This type of descriptive research aims to convey a description, explanation and validation of the problem being studied.

Narbuko (2015), suggests that descriptive research is research that aims to solve current problems based on existing data by presenting, analysing and then interpreting the research. Activities carried out include the process of analysing, describing and summarising various conditions and situations based on the data collected. The data collected can be the results of interviews, it can also be the results of direct observations related to the problems studied in the field.

3. Results and Discussion

In general, service users who come to the Malang Customs Office already understand and have specific needs related to Customs and Excise products or services. The types of products or customs services of the Malang Customs Office can be seen from table 1.

<table>
<thead>
<tr>
<th>No</th>
<th>Services Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Completion service of notification of importation of goods from TPB (BC 2.5)</td>
</tr>
<tr>
<td>2</td>
<td>Physical inspection service of notification of import of goods to be stockpiled at TPB (BC 2.3)</td>
</tr>
<tr>
<td>3</td>
<td>Physical examination service BC 2.7 (for the relevant region)</td>
</tr>
<tr>
<td>4</td>
<td>Physical inspection service of export goods (BC 3.0)</td>
</tr>
</tbody>
</table>
5. IMEI Service


Table 1 contains the types of Customs Services provided by the Malang Customs Office. Customs Services are services provided to service users related to the fulfillment of customs obligations. The settlement service for notification of import of goods from Bonded Storage using BC 2.5 documents is a service provided to bonded area entrepreneurs who receive exemption facilities for Import Duty and Tax in the Framework of Import (PDRI) to release imported goods from bonded areas for import for use. This service starts from the submission of documents by service users using the Electronic Data Exchange (PDE) system, then document inspection, channeling and physical inspection if needed. Upon submission, the Import Duty and PDRI that must be paid are calculated and a payment billing is issued. If it has been paid, a Goods Release Approval Letter (SPPB) will be issued for the protective documents for its release from the TPB.

Physical Inspection Service of Import Notification of Goods to be stockpiled at TPB (BC 2.3) is a physical inspection service carried out directly by customs officers on imported goods that will be put into the TPB. Physical Inspection Service BC 2.7 (between Bonded Zone) is a physical inspection service carried out directly by customs officers on imported goods that will be removed from the TPB or entered into the TPB (between Bonded Zone). Physical Inspection Service for Exported Goods (BC 3.0) is a physical inspection service carried out directly by customs officers on goods to be exported. This is to ensure conformity between documents and physical goods to be exported. IMEI service is an IMEI registration service for Indonesian citizens who bring mobile phones from abroad and have not registered their devices at the time of arrival of the means of transport (land / sea / air). IMEI registration is mandatory so that devices brought into the territory of the Republic of Indonesia can be used and receive signals from mobile communication service providers.

<table>
<thead>
<tr>
<th>No</th>
<th>Types of Services</th>
</tr>
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<tbody>
<tr>
<td>1.</td>
<td>Excise Tax Identification Number issuance service (NPPBKC)</td>
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<tr>
<td>2.</td>
<td>Tobacco excise tariff determination service</td>
</tr>
<tr>
<td>3.</td>
<td>Initial excise tape supply service (P3C)</td>
</tr>
<tr>
<td>4.</td>
<td>Tobacco excise tax band (CK - 1)/minimum ethyl alcohol content (CK - 1A) ordering service</td>
</tr>
<tr>
<td>5.</td>
<td>Excisable goods mutation service (CK - 5) of sliced tobacco (TIS)</td>
</tr>
<tr>
<td>6.</td>
<td>Export excisable goods mutation service (CK - 5)</td>
</tr>
<tr>
<td>7.</td>
<td>Application service for approval of tobacco excise band transfer (switching)</td>
</tr>
<tr>
<td>8.</td>
<td>Excise payment deferment service</td>
</tr>
</tbody>
</table>


Table 2 contains the types of services in the Excise sector provided by the Malang Customs Office. Excise services are services provided to service users related to the fulfillment of obligations in the excise sector. The service of issuing Excisable Goods Entrepreneur Principal Number (NPPBKC) is a licensing service provided to entrepreneurs who sell excisable goods in the form of Drinks Containing Ethyl Alcohol (MMEA) as well as to entrepreneurs who will make excisable goods (ethyl alcohol, MMEA, and tobacco products).

The Tobacco Excise Tariff Determination service involves determining the excise tariff applicable to a company's production of excisable goods. The Initial Excise Tape Supply service (P3C)
fulfills the initial order for excise tapes needed by service users engaged in excisable goods production. The Ordering service for Tobacco Products Excise Tapes (CK-1) / MMEA (CK-1A) facilitates the collection of pre-ordered excise tapes through P3C. Upon payment, the excise tapes are provided as per the specified quantity on the CK-1 / CK-1A.

The BKCC Mutation service for sliced tobacco (CK-5) inspects and approves the release of BKCC in sliced tobacco form intended for dispatch to other factories without attached excise tapes. The BKCC Export Mutation service (CK-5) involves inspecting and approving the release of excisable goods meant for export, requiring a Notice of Export of Goods (PEB), and the CK-5 document as a protective measure during transport from the factory to the export port.

The application service for the approval of Tobacco Products’ excise tape attachment (switching) accommodates companies that have ordered and paid for excise tapes, providing approval for attaching excise tapes to products different from the initial plan, given they belong to the same company and share the same Retail Selling Price (HJE). The Excise Payment Postponement service allows reputable service users producing excisable goods to defer excise payments for up to 90 days from the excise band collection date, with a predetermined guarantee.

Contrary to expectations, this study reveals that the products or services offered by the Customs and Excise of the Malang Customs Office have no discernible impact on customer satisfaction, as the services provided are standardized.

The study aligns with research by Othman et al. (2020), Hijriah et al. (2020), and Budhy & Sidharta (2022), indicating that the product has an effect on service user satisfaction. In contrast, Farida et al. (2016), Amelia & Novianti (2016), and Zulhelmi (2017) assert that the product has no bearing on service user satisfaction.

The Malang Customs and Excise Office's established presence and known services negate the necessity for extensive promotion. Instead, information about service products is readily available to consumers through official channels such as the website and social media platforms like Instagram, Facebook, and Twitter. Comments and messages from users on these platforms further attest to the public’s awareness and satisfaction.

In concurrence with Farida et al. (2016) and Hamdali & Melinda (2021), this study indicates that promotion has no effect on customer satisfaction. Conversely, Nugraha, E, E & Njo (2019), Kaunang, William (2022), and Rahmayati et al. (2022) argue that promotion influences customer satisfaction. Amelia & Novianti (2016) note that promotion partially has a positive but insignificant effect on customer satisfaction.

Field observations and interviews with 80 respondents indicate satisfaction among service users of the Malang Customs Office. The professional conduct, friendliness, and prompt provision of necessary information by employees contribute to a positive experience. The office prioritizes employee discipline, evident in punctuality at service counters, minimizing waiting times for users. The implementation of a queuing system ensures fair and consistent service delivery. Employees receive training to enhance performance, fostering a positive perception.

The findings support research by Budhy & Sidharta (2022), Rahmayati et al. (2022), and Bustomi & Dewi (2022), demonstrating that the people variable directly impacts service user satisfaction. However, these results diverge from Othman et al. (2020) and Nugraha, E, E & Njo (2019), who claim that the people variable has no significant effect on service user satisfaction. Amelia & Novianti (2016) suggest that people have a positive but insignificant impact on customer satisfaction.

The operational processes of the Malang Customs Office, adhering to established standards and procedures, include clear communication of administrative requirements, service procedures,
and expected service times. Technological advancements allow users to access services online, contributing to overall satisfaction. These findings align with Hamdali & Melinda (2021), Kaunang, William (2022), and Othman et al. (2020), asserting that the process has no effect on customer satisfaction. However, these results differ from Zulhelmi (2017) and Bustomi & Dewi (2022), who claim that the process has no effect on customer satisfaction.

The strategic office location (place) plays a pivotal role in influencing customer satisfaction. The location’s visibility, accessibility by vehicles, and provision of adequate parking space contribute to user convenience. This supports research by Amilia & Novianti (2016), Setianingsih (2017), and Kaunang, William (2022). In contrast, Mahyardiani et al. (2020) and Budhy & Sidharta (2022) contend that place has no effect on customer satisfaction.

Adequate facilities (physical evidence) emerge as another factor influencing customer satisfaction. The Malang Customs Office ensures comfortable public facilities, including clean restrooms, well-furnished service rooms, ample seating, and specific accommodations for drivers and people with disabilities. This aligns with the findings of Bustomi & Dewi (2022) and Rahmawati et al. (2022). However, Adele et al. (2015), Farida et al. (2016), and Zulhelmi (2017) argue that physical evidence does not affect customer satisfaction, while Amilia & Novianti (2016) suggest that the physical environment has a positive but insignificant effect on customer satisfaction.

Regarding pricing practices, the Malang Customs and Excise Office ensures transparency in service costs, charging no fees for the services provided. Any additional charges requested are subject to immediate reporting, maintaining user comfort. This aligns with Budhy & Sidharta (2022) and Rahmawati et al. (2022), indicating that pricing influences consumer satisfaction. However, Farida et al. (2016), Zulhelmi (2017), and Nugraha, E, E & Njo (2019) argue that pricing has no effect on consumer satisfaction.

4. Conclusions

In conclusion, the research conducted at the Malang Customs and Excise Office reveals a significant relationship between certain elements of the marketing mix (7P) and service user satisfaction. Price, location, process, people, and physical evidence are identified as influential factors contributing to service user satisfaction. On the other hand, products and promotions do not exhibit a direct impact on service user satisfaction. The predetermined nature of the service at the Malang Customs Office, where users are familiar with their specific needs, negates the necessity for extensive promotion, supported by the accessibility of information on official platforms.

However, it is important to acknowledge the limitations of this study. The findings are specific to the context of the Malang Customs and Excise Office, and generalizability to other settings may be limited. Additionally, the research primarily relies on user perceptions, and objective performance metrics were not extensively explored.

For future research, it is recommended to conduct a comparative analysis with other Customs and Excise Offices or similar public service providers to validate the generalizability of the findings. Exploring additional performance metrics and incorporating a longitudinal approach could offer a more comprehensive understanding of the dynamics between the marketing mix elements and service user satisfaction over time. Furthermore, investigating the impact of external factors, such as regulatory changes or technological advancements, on the relationship between the marketing mix and service user satisfaction would contribute to a more nuanced perspective. This could provide valuable insights for refining strategies and enhancing service quality in the dynamic landscape of public service provision.
References:


