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Article

The Effect of Total Quality Management on Service Quality, Price, and Customer Satisfaction at Kita-Kita Tour and Travel

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Abstract

This study aims to analyze the effect of Total Quality Management (TQM) implementation on service quality and price and its impact on customer satisfaction at Kita-Kita Tour and Travel. This study uses a quantitative method with a casual associative approach to measure service quality variables (X1), price (X2), and customer satisfaction (Y). Data was collected through questionnaires distributed to consumers who have used Kita-Kita Tour and Travel services, and was analyzed using SPSS software. Data that meets the validity, reliability, and classical assumption tests are then processed to produce a linear regression equation. The results of the analysis show that service quality and price partially and simultaneously have a positive and significant effect on customer satisfaction, so the hypothesis is accepted. The reliability test resulted in a Cronbach's Alpha value of 0.864, indicating that the data obtained is reliable. Based on this research, it shows that the implementation of TQM has a positive impact on service quality and price, which in turn increases customer satisfaction.

Keywords: Customer Satisfaction, Effect of TQM on Price, Service Quality, TQM, Travel

1. Introduction

In the competitive travel and tourism industry, delivering high-quality service that meets customer expectations is essential to achieving customer satisfaction and loyalty [1]. Total Quality Management (TQM) provides a structured approach to enhancing service quality, optimizing price-value perception, and ultimately fostering customer satisfaction [2]. This study investigates the influence of TQM implementation on service quality, price perception, and customer satisfaction at Kita-Kita Tour and Travel, aiming to understand how comprehensive quality management practices affect customer experiences in a service-focused business. Through this research, knowledges are gained into the effectiveness of TQM strategies in aligning service attributes with customer expectations, which is critical for competitive advantage and sustained growth in the travel industry [3].

Total Quality Management (TQM) is a system that can be developed into an approach for running a business [4]. Business to maximize the competitiveness of a tour through continuous development of facilities, services, workforce, and pricing [5]. TQM implementation in tourism services can provide several key benefits that enhance service quality [6]. Once TQM is implemented, service quality should be measured to gauge performance and increase public interest in tourism activities [7]. Supporting the success of government programs, particularly in the tourism sector, requires collaboration from all parties. The awareness and participation of all stakeholders, both private and governmental, are crucial to the

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success of tourism development [6]. Tourism is defined as a range of activities supported by various facilities and services provided by the community, government, and local authorities [3]. Additionally, tourism significantly influences the income of local populations. This potential for tourism development is inseparable from good marketing strategies and joint commitment, where both private and government travel agencies need to work together to promote and increase public interest in tourism activities [3]. Providing quality services is one key step for a service company to gain a competitive advantage [8]. Companies are expected to continuously improve, especially in service quality, which involves meeting consumer needs and wants while delivering service that meets consumer expectations [9]. Part of service quality includes the ability of employees to communicate information about the company's products effectively [10]. Additionally, companies must establish a competitive pricing strategy alongside delivering quality services to their consumers. Based on the above description, this study aims to examine the impact of TQM implementation on service quality and pricing related to customer satisfaction [11].

TQM is fundamentally an effort to fulfill customer needs and provide satisfaction through the involvement of all individuals in the business process [12]. This process encompasses quality planning, where product goals are set to meet customer needs, and quality control, which reduces deviations in meeting those needs and ensuring satisfaction [13]. Additionally, it involves quality assurance to verify product standards and quality improvement, driving continuous enhancements across all stages, from design to after-sales services [14]. In TQM, customer focus, quality obsession, teamwork, controlled freedom, and employee empowerment are essential elements, with continuous system improvements to maintain and elevate product quality [15]. Service quality is an important tool to achieve a company's objectives [16]. According to Lepistö, service quality measures the gap between customer expectations and the actual service received [17]. High service quality is achieved when customers' expectations are met or exceeded, creating an ideal perception of the service [9]. In this way, service quality is defined by the unique attributes of each service provided to fulfill customer satisfaction [18]. Price, on the other hand, is defined as the sacrifice customers are willing to make to obtain specific products or services, often measured in monetary units[19]. It serves as an indicator of the perceived value between the benefits experienced and the price paid [20].

2. Materials and methods

Data collection involves observing and documenting the project under study. In this research, secondary data serves as the primary source for analysis, obtained from previous research questionnaires, relevant literature, and past study findings. The study variables are categorized into independent and dependent types. Independent variables include Service Quality (X1), defined as the gap between customer expectations and actual service received, and Price (X2), reflecting the monetary cost of products and services. The dependent variable, Customer Satisfaction (Y), represents customers' feelings after comparing perceived performance with expectations. Each indicator is measured using a Likert scale, a five-point format that assesses attitudes, opinions, and perceptions with equal intervals (Table 1).

Table 1. Likert Scale Instrument

No	Alternative Answer	Score
1	Strongly Agree	5
2	Agree	4
3	Neutral	3
4	Disagree	2
5	Strongly Disagree	1

This section outlines the data analysis methods used in the study, which include validity and reliability testing and multiple linear regression analysis. Validity and reliability tests ensure the questionnaire's suitability as a research instrument. Validity is assessed using SPSS, where a question is considered valid if rcount > r table; otherwise, it is considered invalid. Reliability is measured using Cronbach's Alpha, with scores ranging from 0.00 to 1.00 indicating varying levels of reliability. The multiple linear regression analysis examines the relationships between variables, incorporating classical assumption

testing for normality, multicollinearity, heteroscedasticity, and autocorrelation. The regression model, formulated as $Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + e$, evaluates the impact of Total Quality Management on service quality and price in relation to customer satisfaction, where Y represents purchase decisions, α is the constant, β represents regression coefficients, X1 is service quality, X2 is price, and e is the error term.

3. Results and Discussion

In this research, data is collected using a questionnaire based on previous studies, targeting respondents who have used the services of Kita-Kita Tour and Travel. The questionnaire includes questions about service quality and customer satisfaction, such as how well the service meets customer needs (X1), overall satisfaction with the service (X2), and perceptions of the service quality (X3). It also assesses whether the company fulfills customer requests (X4), the attractiveness of the office's appearance (X5), and the adequacy of the provided facilities (X6). Additionally, the questionnaire evaluates staff communication skills (X7), timely completion of tasks (X8), adherence to service agreements (X9), responsiveness to complaints (X10), assistance in trip selection within budget (X11), product knowledge (X12), friendliness and politeness (X13), travel insurance quality (X14), competitive pricing (X15), and staff attentiveness and patience (X16).

3.1. Questionnaire Data Analysis

3.1.1. Questionnaire Data Collection

Table 2. Service Quality Free Variable Result

No	Service Quality Free Variable (X1)					Total
	X1	X2	X3	X4	X5	
1	5	5	4	4	4	22
2	5	4	4	4	4	21
3	5	4	4	4	3	20
…	…	…	…	…	…	…
48	5	5	5	5	4	24
49	3	4	4	4	4	19
50	4	4	4	4	4	20

Table 3. Price Free Variable Result

No	Price Free Variable (X2)					Total
	X1	X2	X3	X4	X5	
1	4	5	5	5	5	24
2	4	5	4	5	4	22
3	3	5	4	5	4	21
…	…	…	…	…	…	…
48	4	5	5	5	5	24
49	4	3	4	3	4	18
50	4	4	4	4	4	20

Table 4. Bound Variable Customer Satisfaction Result

No	Bound Variable Customer Satisfaction (Y)					Total
	X1	X2	X3	X4	X5	
1	5	5	4	4	5	23
2	4	4	4	4	4	20
3	4	4	4	3	4	19
…	…	…	…	…	…	…
48	5	5	5	4	5	24
49	4	4	4	4	4	20
50	4	4	4	4	4	20

3.1.2. Output from SPSS Software

Table 5. Output Reliability Statistics

	Information	Total
P1	Pearson Correlation	650**
	Sig. (2-tailed)	.000
	N	50
P2	Pearson Correlation	859**
	Sig. (2-tailed)	.000
	N	50
P3	Pearson Correlation	613**
	Sig. (2-tailed)	.000
	N	50
P4	Pearson Correlation	704**
	Sig. (2-tailed)	.000
	N	50
P5	Pearson Correlation	472**
	Sig. (2-tailed)	.001
	N	50
P6	Pearson Correlation	472**
	Sig. (2-tailed)	.001

	Information	Total
	N	50
P7	Pearson Correlation	859**
	Sig. (2-tailed)	.000
	N	50
P8	Pearson Correlation	658**
	Sig. (2-tailed)	.000
	N	50
P9	Pearson Correlation	659**
	Sig. (2-tailed)	.000
	N	50
P10	Pearson Correlation	859**
	Sig. (2-tailed)	.000
	N	50
P11	Pearson Correlation	659**
	Sig. (2-tailed)	.000
	N	50
P12	Pearson Correlation	859**
	Sig. (2-tailed)	.000
	N	50
P13	Pearson Correlation	813**
	Sig. (2-tailed)	.000
	N	50
P14	Pearson Correlation	472**
	Sig. (2-tailed)	.001
	N	50
P15	Pearson Correlation	859**
	Sig. (2-tailed)	.000
	N	50
P16	Pearson Correlation	859**
	Sig. (2-tailed)	.000
	N	50
TOTAL	Pearson Correlation	1
	Sig. (2-tailed)	
	N	50

In the validity test, a total of 50 data points were processed with 16 variable items, yielding a degree of freedom (Df) of 48, and no invalid variables were identified (Table 2-5). Each variable demonstrated statistical validity, as the calculated correlation coefficient (r count) exceeded the critical value (r table) of 0.279, with a significance level below 0.050. For instance, variable P1 showed r = 0.658, P2 showed r = 0.859, P3 showed r = 0.813, P4 showed r = 0.704, and P5 showed r = 0.472, all confirming their validity. The significance levels for all variables were consistently less than 0.050, indicating strong evidence that the questionnaire accurately measures the intended constructs.

For the reliability test, the Cronbach's Alpha value was calculated to be 0.864, which is well above the acceptable threshold of 0.6, indicating a high level of internal consistency among the items. This suggests that the data is reliable and can be trusted for further analysis and interpretation. Overall, both the validity and reliability assessments affirm the robustness of the research instrument used in this study, ensuring that the findings will be credible and meaningful.

3.2. Statistical Test Data Analysis

3.2.1. Validity Test

Table 6. Output Validity Test

Case Processing Summary		N	%
Cases	Valid	50	100.0
	Excluded[a]	0	.0
	Total	50	100.0

[a]Listwise deletion based on all variables in the procedure

Table 6 shows that there is a case processing summary of the items tested and declared 100% processed for the validity test.

3.2.2. Reability Test

Table 7. Output of Reability Test

Cronbach's Alpha	N of Items
.766	17

Table 7 shows that there are 17 items tested with a Cronbach's Alpha value of 0.766. The data processing results presented in the Table 7 show that the Cronbach Alpha (a) value of the items for each variable is greater than 0.60 so that the items for each variable are reliable. The results indicated in Table 7 demonstrate that the Cronbach's Alpha value of 0.766 for the 17 tested items signifies good internal consistency among the variables. A Cronbach's Alpha value above 0.60 generally indicates acceptable reliability, confirming that the items effectively measure the intended constructs. This level of reliability enhances confidence in the data collected, suggesting that the responses are consistent across the variables assessed. Therefore, researchers can proceed with analysis and interpretation, knowing that the instrument used is robust and reliable for evaluating the relationships between the variables in the study.

3.3. Advice for Kita-Kita Tour and Travel

To enhance customer satisfaction and strengthen its market position, Kita-Kita Tour and Travel should prioritize the effective implementation of Total Quality Management (TQM) practices. Regular training sessions for

employees on TQM principles can provide them with the necessary skills to improve service quality. Fostering a customer-centric culture where feedback is actively sought and addressed will also help identify areas for improvement. This proactive approach not only enhances the overall customer experience but also builds loyalty and encourages repeat business.

Furthermore, it is crucial for the management to continuously monitor and evaluate the impact of TQM on service delivery and pricing strategies. By establishing key performance indicators (KPIs) related to customer satisfaction, the company can assess its performance more accurately. Engaging in regular audits of service quality and pricing will enable the company to adapt to changing market demands effectively. By committing to TQM, Kita-Kita Tour and Travel will not only enhance its reputation but also ensure long-term success in the competitive travel industry.

4. Conclusion

In conclusion, this report highlights the significant impact of implementing Total Quality Management (TQM) on service quality and pricing at Kita Kita Tour and Travel, which in turn greatly influences customer satisfaction. The findings indicate that the adoption of TQM practices leads to correction in both service quality and competitive pricing, ultimately enhancing the overall customer experience. The validity testing conducted on a sample of 50 responses confirmed that all variables were valid, while the reliability assessment yielded a Cronbach's Alpha value of 0.864, indicating a high level of internal consistency. This robust reliability suggests that the data collected is dependable and suitable for further analysis, reinforcing the conclusions drawn from this study.

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