

Price Competitiveness and Service Quality Have an Impact on Ship Agency Contributions

Siti Maemunah ^{a,1}, Ade Irfani Nugraha Br Damanik ^{b,2}, Agus Yuliyanto ^{c,3}

Honny Fiva Akira Sembiring ^{d,4}, Sugiyanto ^{e,5}, Edhie Budi Setiawan ^{f,6*}

Institut Transportasi dan Logistik Trisakti, Jakarta, Indonesia

¹unacsy2015@gmail.com, ²fani_scout@yahoo.com, ³agus_simuk@ymail.com,

⁴honny_akira@yahoo.com, ⁵sugiyantopade68@gmail.com, ⁶*edhie.budi@gmail.com

*corresponding e-mail

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ABSTRACT

The study aims to determine the relationship between price, service quality, customers' satisfaction, and competitiveness on ship agency services and their impact on PT. Maritel Bahtera Abadi Marunda as mediated by the ship agency services. A sample of 100 respondents from PT. Maritel Bahtera Abadi Marunda, consists of company's competitors and consumers of the Ship Agency Sector, was taken from the primary data using Quantitative method with Explanatory research design. The correlation coefficient analysis method, path analysis tests, and hypothesis testing were used to test instrument and classical assumption testing. The findings show a relationship between price, service quality, customers' satisfaction, and competitiveness between ship agency services in PT. Maritel Bahtera Abadi Marunda. The practical implications provide direction for adopting the impact of price and service quality in increasing the competitiveness of ship agency services and consumers' behavior.

Keywords: competitiveness, service quality, ship agency services, contribution, shipowner satisfaction

A. Introduction

During the current global conditions, free trade is an economic concept that is embraced by many countries, including Indonesia (Smyth et al., 2012). Most of the transportation of export and import goods is carried out using international shipping services. Therefore, in the Shipping Industry, there is competition and competition in providing satisfactory services to consumers (Maemunah & Susanto, 2019). Every shipping company was established to provide quality service at competitive agency prices to attract and satisfy all consumers (Maemunah, 2020). This problem needs to be reviewed on the competitiveness of each shipping company and consumer satisfaction

from pricing and product quality.

Bachtiar et al., (2021) formulated that, in general, the form of a Shipping Company is in the form of a State-Owned Enterprise, Limited Liability Company, Commanditaire Vennootschap, which is engaged in providing ship space, transporting passengers or people and goods from the port of loading departure to the unloading port of destination (Maemunah & Syakbani, 2021) both domestically or inter-island transportation and to and from abroad via the sea route is formulated (Indrayanto et al., 2021). According to the UU RI (2008), every shipping company is a legal entity or business entity that operates sea transportation services using ships explained shipping is a unified transportation system in waters, ports,

safety, security (Maemunah, 2022) marine environmental protection. Furthermore, article 3 explains that Transportation in Waters is transporting and moving passengers and goods using ships.

According to Aamir & Atsan, (2020) General Agent is a State-Owned Company that specializes in acting as a shipping agent entrusted by state-owned shipping companies or foreign shipping companies to protect the interests of ships at the port. Putri & Rahayu (2022) formulated Agency as a legally binding relationship when two parties agree to enter into a contract, where one agent party agrees that the owner maintains age concerning the owner, you agree to represent the other party, provided you retain the right to do Fatah et al. (2019). Separately an agency relationship is one in which one party initiating an agent agrees and another party starting an owner representative agrees to a contract, provided the owner retains his rights. Based on This legally binding error occurred when you decided. To oversee his agents concerning powers delegated to representatives was conducted by Patmasari et al., (2022).

Price is a value that measures a product or service conducted by Haryoko et al., (2020). Price is an estimate of sales in terms of the use and quality of the product, the image and promotion that is formed, the availability of the product through the distribution network, and the added value associated with the services attached to the product conducted by Rohaeni & Marwa, (2018). Setting the right price will affect competitive advantage, and competitive advantage will affect consumer satisfaction conducted to Zuhdi et al., (2021).

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2019) competitive advantage will affect consumer satisfaction was conducted Zuhdi et al., (2021).

The implementation of a service strategy and the effect of satisfying prices on consumers is a form of quality competitiveness for ship agencies in Indonesia (Maemunah, 2022). This study emphasizes the importance of implementing a service strategy and price's effect on ship agencies' competitiveness within a company (Ramesh et al., 2022) . In previous research related to the first research, Maramis et al. (2018) formulated service or service quality as an effort to fulfill customer needs and desires for customer expectations (Buil et al., 2008). The second study was conducted by Fatah et al. (2019) shipping companies are specifically designed to carry out shipping agents and protect ships interests in ports. Third study by Haryoko et al. (2020) found that price serves as a measure of the value of an item or service and the discount amount will also determine the quality of the goods or services, creating a competitive advantage for the product as a shipping agent. The fourth study by Patmasari et al. (2022) explains that agency means a contract approved by agent and initiated by owner to state that he maintains his rights. The aim of the study is the relationship between price, service quality, customer satisfaction (Bachtiar et al., 2021) the competitiveness of ship agency services and their impact on PT. Maritel Bahtera Abadi Marunda mediated by ship agency services.

B. Methods

The method used in this study uses a quantitative approach using descriptive research design data. The explanatory research method explains the causal relationship between variables through hypothesis testing with a quantitative approach, which aims to determine the effect of the independent variable on the dependent variable. This study uses primary data as a source of data collection using a questionnaire distributed directly to respondents. The sample in this

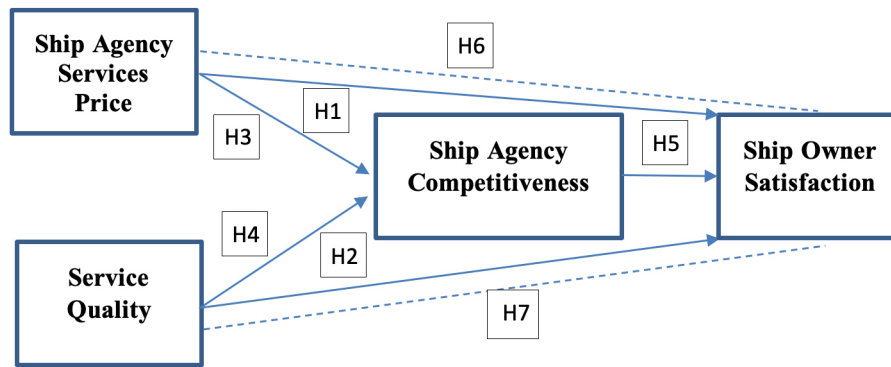


Figure 1 Conceptual Framework

study was 100 people using the coefficient analysis method, path analysis tests, and hypothesis testing of PT Maritel Bahtera Abadi Marunda. Respondents from this study were the Company's competitors and consumers in the Ship Agency Sector using primary data. The data collection method is giving online questionnaires with Google forms to respondents. There are 2 substructures the framework above:

The calculation results using one colmogrov-smirnov obtained a probability value greater than $= 0.05$, it can be concluded that the observed data is normal.

The analysis results show that the VIF value of the inflation factor variance is below 10 and the tolerance value is above 0.10, it is concluded that this model is free from multicollinearity.

Through the Durbin-Watson (DW) test it

Substructure 1

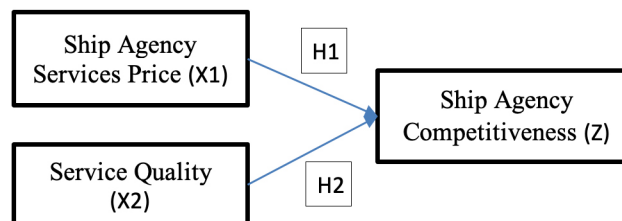


Figure 2 Substructure Model 1

Substructure Model 2

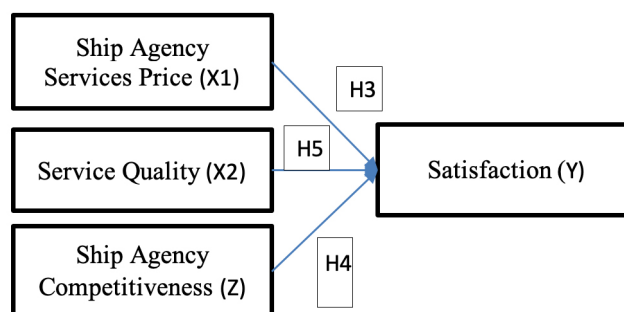
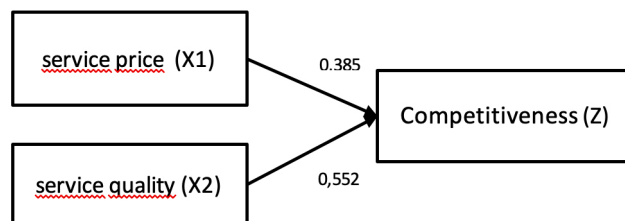


Figure 3 Substructure Model 2

Table 1 Path Analysis Results (Path Analysis)
Substructure 1

Unstandardized Coefficients		Standardized Coefficients		t	Sig.
Model	B	Std. Error	Beta		
1	(Constant)	-,118	,235	-,500	,618
	R_HJ	,504	,118	,385	4,276
	R_KP	,538	,088	,552	6,127

Description: Service Price (Hj), Service Quality (KP), Competitiveness (DS)



Source: Researcher Processed Results (2022)

Figure 4 Substructural Model 1

Table 2 Substructure Model 2

Unstandardized Coefficients		Standardized Coefficients		t	Sig.
Model	B	Std. Error	Beta		
1	(Constant)	-,069	,175	-,394	,694
	R_HJ	,201	,096	,153	2,084
	R_KP	,544	,078	,556	6,970
	R_DS	,280	,080	,279	3,481

Description: Service Price (Hj), Service Quality (KP), Competitiveness (DS), Ship Owner Satisfaction (KP)

is found that the DW value is located between DU and 4-DU, so it can be concluded that there is no autocorrelation. Rank Spearman correlation, a significant value is greater than the value = 0.05, so it can be ascertained the model does not occur heteroscedasticity symptom.

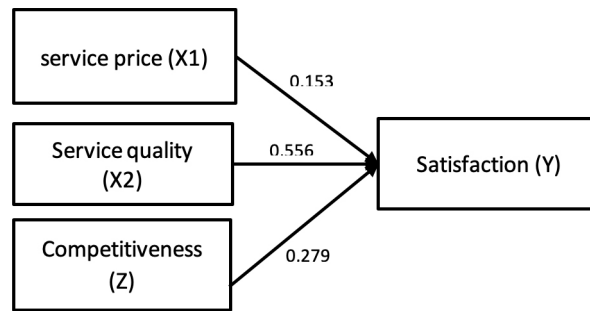
C. Results and Discussion

This research contributes to the literature regarding the impact of price and service quality on the competitiveness of ship agency

services in companies in Indonesia. The results of the analysis show that: For direct influence:
For indirect effects

1. Results of Testing and Discussion of the First Hypothesis

The first hypothesis tests the relationship between ship agency, service prices and ship owner satisfaction. Looking at the regression results of the variable cost of ship agency services on ship owner satisfaction, it produces a $t_{\text{calculate}}$ of 2.084 > t_{table} of 1.989 and a significant P value of 0.040 < 0.05. Thus,



Source: Researcher Processed Results (2022)

Figure 5 Substructure Model 2

Ho1 was rejected in this study, and Ha1 was accepted. It can be concluded that there is a relationship between the price of ship agency services and ship owner satisfaction.

2. Results of Testing and Discussion of the Second Hypothesis

The second hypothesis tests the relationship between ship agency, service quality and ship owner satisfaction. Looking at the regression results of the variable quality of ship agency service on ship owner satisfaction, it produces a $t_{\text{calculate}}$ of 6.970 > t_{table} of 1.989 and a significant P value of 0.000 < 0.05. Thus, Ho2 was rejected in this study, and Ha2 was accepted. It can be concluded that there is a relationship between the quality of ship agency services and the satisfaction of ship owners.

3. Results of Testing and Discussion of the Third Hypothesis

The third hypothesis tests the relationship between ship agency, service prices and ship agency competitiveness. Looking at the regression results of the variable cost of ship agency services on the competitiveness of ship

agency, it produces a $t_{\text{calculate}}$ value of 4.276 > t_{table} of 1.989 and a significant P value of 0.000 < 0.05. Thus, Ho3 was rejected in this study, and Ha3 was accepted. It can be concluded that there is a relationship between the price of ship agency services and the competitiveness of ship agency services.

4. Results of Testing and Discussion of the Fourth Hypothesis

The fourth hypothesis tests the relationship between ship agency, service quality and ship agency competitiveness. Looking at the regression results of the variable quality of ship agency service on ship agency competitiveness, it produces a $t_{\text{calculate}}$ of 6.127 > t_{table} of 1.989 and a significant P value of 0.000 < 0.05. Thus, Ho4 was rejected in this study, and Ha4 was accepted. It can be concluded that there is a relationship between ship agency service quality and ship agency competitiveness.

5. Results of Testing and Discussion of the Fifth Hypothesis

The fifth hypothesis examines the relationship between ship agency

Table: 3 Calculation of Indirect Effects

Variabel	Sub Structure 1		Sub Structure 2		Sobel Test Probability	Decision
	Standardized	Std. Error	Standardized	Std. Error		
HJ	0,385	0,118	0,153	0,096	0,00339293	Mediation
KP	0,552	0,088	0,556	0,078	0,00119290	Mediation
DS			0,279	0,080		

Description: Service Price (Hj), Service Quality (KP), Competitiveness (DS), Ship Owner Satisfaction (KP)

competitiveness and ship owner satisfaction. Looking at the regression results of the shipping agency competitiveness variable on ship owner satisfaction, it produces a $t_{\text{calculate}}$ of $3.481 > t_{\text{table}}$ of 1.989 and a significant P value of $0.001 < 0.05$. Thus, H_05 was rejected in this study, and H_a5 was accepted. It can be concluded that there is a relationship between ship agency competitiveness and ship owner satisfaction.

6. Test Results and Discussion of the Sixth Hypothesis

The sixth hypothesis tests the relationship between ship agency, service prices and ship owner satisfaction, which is mediated by ship agency competitiveness variables. Based on the results of the Sobel test, it is known that the coefficient of the Sobel test statistic is 2.70717454, which is greater than 1.98, with a one-tailed probability value of $0.00339293 < 0.05$. Thus H_06 is rejected, and H_a6 is accepted. This, means that there is a relationship between the price of ship agency services and the satisfaction of ship owners, which is mediated by the variable ship agency competitiveness.

7. Test Results and Discussion of the Seventh Hypothesis

The seventh hypothesis tests the relationship between ship agency service quality and ship owner satisfaction, mediated by ship agency competitiveness variables. Based on the results of the Sobel test, it is known that the coefficient of the Sobel test statistic is 3.03746028, which is greater than 1.98, with a one-tailed probability value of $0.00119290 < 0.05$. Thus, H_07 is rejected, and H_a7 is accepted. This means there is a relationship between ship agency service quality and ship owner satisfaction, which is mediated by ship agency competitiveness variables.

During the current global conditions, free trade is an economic concept embraced by many countries, including Indonesia, especially in the shipping industry. The influence of price and service quality is one of the competitiveness of ship agencies

which is quite competitive in today's Global Economy. So the need for efficient and effective means of transportation is critical to creating operational costs at a minimum level. One relatively inexpensive transport with a large capacity to support export and import activities is transportation by sea. When a ship anchors at a port, the vessel requires service and has various needs that must be met. To meet these multiple needs. According to Putri & Rahayu (2022) Shipping companies that do not have branches in a port will appoint other shipping companies in the port as agents.

According to Nashiha & Suwitho, (2022) Price is everything needed to get a combination of products and services by replacing it with a predetermined amount and the high and low prices of the product must be by the type of product offered to consumers while product prices can affect consumer satisfaction. So that product prices can affect consumer satisfaction.

The quality of service the Company provides will affect customer satisfaction (Mahira et al., 2021). The quality of service has a significant effect on service user satisfaction. That is, perceived service quality is widely regarded as prior customer satisfaction, and previous research has confirmed that it is detrimental to Darangeng & Kamariah (2021).

The better the price adjustment with consumer purchasing power, the stronger the Company will be to compete with its competitors and have an impact on increasing consumer satisfaction was conducted by Puspita & Hadi, (2020). According to Munawar & Widiyanesti, (2021), competitive advantage has a positive influence on customer satisfaction. That is, to be able to increase consumer satisfaction, companies must offer more competitive prices with competitors so that consumers do not switch to other competitors and will be able to increase customer satisfaction. The impact that price affects competitive advantage was conducted by Zuhdi et al., (2021), and that competitive advantage involves consumer satisfaction by Rahmat et al., (2019).

Service quality is the behaviour of producers to meet the needs and desires of consumers to achieve satisfaction themselves, meaning that this behaviour can occur during, before, and after the transaction. Good service will produce high satisfaction and impact consumers' repurchasing. This is an added value for a company because it will create competitive strength for the Company. And form service user satisfaction. Service quality affects customer satisfaction was conducted by Syahfitri & Kusnanto, (2022) and shows that competitive advantage affects customer satisfaction by Rahmat et al., (2019).

D. Conclusion

The competitiveness of ship agency services, which is supported by the influence of price and service quality, determines the success of a business in improving the Company's performance. The Company's performance, in this case, is shown by the shipping agency, which works very thoroughly and competes strictly in the framework of price competition and quality service, as well as minimizing obstacles so that the performance of customer/charterer satisfaction is guaranteed in terms of ship agency services. The Company demonstrates service quality and competitive prices, can compete with other ship agency services, and can be superior and competent.

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