

# The Effect of Venue Quality on Customer Satisfaction in Jakarta Convention Centre

Cyndiana Bidasari

Tourism Marketing Management  
Indonesia University of Education  
Bandung, Indonesia  
mpp@upi.edu

Gita Siswhara

Tourism Marketing Management  
Indonesia University of Education  
Bandung, Indonesia  
wa\_egha@upi.edu

Taufik Abdullah

Tourism Marketing Management  
Indonesia University of Education  
Bandung, Indonesia  
mpp@upi.edu

**Abstract**—Jakarta Convention Centre is one of the venue where many events are held. The problem faced by Jakarta Convention Centre is the fluctuating and declining of the number of events that are held. Based on the results of pre-research, they are caused by the dissatisfaction of the client in holding the event at the venue. Therefore, Jakarta Convention Centre should have strategies to overcome these problems. Thus, the researcher chose the venue quality as a solution that can be applied to get client satisfaction to raise the number of event held at Jakarta Convention Centre. The independent variable (X) used is the venue quality consisting of interaction, environment, and value. The dependent variable (Y) is customer satisfaction. The type of research used is descriptive and verifikatif with explanatory survey method with cross-sectional approach. The sample in this study is 82 respondents, who are the clients who used the venue of Jakarta Convention Centre with sampling technique used is simple random sampling. Data analysis technique used is multiple regression. The application of venue quality at Jakarta Convention Centre is in the high category, in the variable assessment venue quality (expected) is the environment which gets the highest rating while the value dimension gets the lowest rating. Then the response regarding the venue quality (perceived performance) at Jakarta Convention Centre is in the high category, the interaction dimension gets the highest rating and the value dimension gets the lowest rating. The results show a significant effect of venue quality on customer satisfaction.

**Keywords**—venue quality; customer satisfaction; jakarta convention centre; event; venue introduction

## I. INTRODUCTION

Indonesia continues to develop the tourism industry particularly the services of meetings, incentives, conferences and exhibitions or commonly known as MICE (Meeting, Incentive, Convention and Exhibition). MICE industry is one of the sectors that has a very rapid development. Evidenced by the increasing number of MICE events held in Indonesia. MICE has a multiplier effect in the process of organizing the event. In other words, the MICE industry generates opportunities for positive economic improvement in every organizer. It can be seen from the many parties involved in supporting the success of the event, not only from the services directly involved, but from the services or products that are located around the event organizer of the MICE.

This is because the economic stability is getting better so that Indonesia began ogled by the market share of exhibition organizers and foreign conferences. Armed with the potential of diverse cultures and natural beauty, Indonesia has now become the goal of world-class MICE industry, as the construction of various international exhibition and conference infrastructures.

The Special Capital Region of Jakarta (DKI Jakarta) is the capital of the Republic of Indonesia. Jakarta is the only city in Indonesia that has a provincial level status. Jakarta is located on the northwest coast of Java Island. Jakarta has an area of about 661.52 km<sup>2</sup> (ocean: 6,977.5 km<sup>2</sup>). The metropolitan area of Jakarta (Jabodetabek) with a population of about 28 million people, is the largest metropolitan in Southeast Asia or second in the world. As a business centre, politics and culture, Jakarta is home to the headquarters of state-owned enterprises, private companies and foreign companies. The city is also the seat of government institutions and the ASEAN secretariat office. Jakarta is served by two airports, namely Soekarno-Hatta airport and Halim Perdanakusuma airport, and one seaport in Tanjung Priok.

The provincial government of DKI Jakarta will develop the concept of meetings, incentives, conferences, and exhibitions (MICE) tourism. With this concept, later the tourism sector in the capital will be divided into two where the MICE concept will be applied in the city area of Jakarta and island tourism in the Thousand Islands Administration District.

Jakarta Convention Centre Convention Centre is a company specializing in tourism especially MICE. The Jakarta Convention Centre Convention Centre covers approximately 120,000 square meters and consists of a circle theatre theatre hall, two exhibition halls, meeting rooms, banquet hall, large main lobby and downstairs lobby, VIP lounge and lounge, and ten more configurable meeting rooms to match the needs of a particular event.

Each year the Jakarta Convention Centre gets a lot of requests to hold activities in the rooms provided so sometimes there has been a reservation for a room that has been done a year before the event begins. The event is organized also vary

according to the target segment which will be shown in the table below.

TABLE I. TOTAL EVENT ACCORDING TO SEGMENTS

No	Segment	Number of booking				Number of definite			
		2013	2014	2015	2016	2013	2014	2015	2016
1	Local Corporate	246	228	246	252	124	132	137	124
2	Private	64	23	57	60	24	5	19	11
3	Educations	47	52	49	44	40	34	35	28
4	Government	34	37	28	31	18	11	16	19
5	National Association	34	37	82	86	18	12	25	21
6	Local Association	29	29	25	27	11	12	13	17
7	International Corporate	20	82	36	42	11	23	12	18
8	Foundation	11	6	8	4	3	2	4	7
9	Religions	9	13	12	10	6	9	8	6
10	International Association	7	5	7	3	4	4	2	3
	<b>Total</b>	<b>501</b>	<b>512</b>	<b>550</b>	<b>559</b>	<b>259</b>	<b>244</b>	<b>271</b>	<b>254</b>

Resource: event.bsicc.co.id/busstat.asp, 2017

From the table above, it can be concluded that the total of each year there are fluctuating growth, except in 2014 in which there was a decrease of 5.7% because in 2014 there is a political crisis occurred because the holding of presidential and vice presidential elections of the Republic of Indonesia and also happened internal problems of the company by therefore a decrease in event demand. But in 2015 there was an 11% increase again due to the normal return of political situation in Indonesia. But unfortunately in 2016, a decline of 6.2% happened due to the development of several competitors and the construction of venues is considered as the largest venue that attracts the clients of the Convention Centre Jakarta Convention Centre to hold events at the venue. The main reason why the number of definite events is decreasing is due to new development of other MICE venues that attract the attention of the event organizers to hold an event that they planned. The emergence of various venue options with the advantages of making the events that originally planned to be held at the Convention Centre Jakarta Convention Centre began to move at other venues.

Clients of the Jakarta Convention Centre have complained that there was discontent in using venues at the Jakarta Convention Centre due to various factors such as the decrease in professionalism and lack of flexibility in using venues due to obstruction by regulations.

Pre-research conducted to measure client satisfaction on the use of venue at the Convention Centre Jakarta Convention Centre using questionnaires with a total of 30 respondents. The results of the pre-research can be seen in the graph below:



Fig. 1. Customer Satisfaction in Jakarta Convention Center

At the end, Jakarta Convention Centre increased the venue quality. Venue quality focuses on quality evaluation that takes place at a place where sports activities are held [1]. There are three dimensions: interactions, environment, and value.

Therefore, the Jakarta Convention Centre is improving the quality venue that can be given to the clients to be satisfied and then interested to hold an event at the Jakarta Convention Centre so as to increase the number of venue use and the clients are satisfied using the venue at the Jakarta Convention Centre.

Based on the background of the above research, the authors considered that it is necessary to conduct research on "The Effect of Venue Quality on Customer Satisfaction (Survey at Jakarta Convention Centre).

## II. LITERATURE REVIEW

### A. Venue Quality

[1] reveals that venue quality focuses on facilities where the event takes place at the venue.

There are several dimensions of the venue quality. The dimensions used in this study consist of Interaction, Environment and Value according [1], which is:

#### a. Interaction

Interactions are relationships between clients and employees who emphasize the importance of direct meetings between service providers and clients.

#### b. Environment

Environment is the physical structure of the whole venue which is the main component in forming an impression in this case the quality of a venue greatly influences the participant's motivation to come and willing to reuse the venue.

#### c. Value

An organization of research shows that customer satisfaction with service is partially affected by price. related price factors such as perceived value or money

spent well may not be evaluated until such time that the service has been performed.

This dimension is considered appropriate because it is seen from the venue quality that can be applied and felt by the clients of Jakarta Convention Centre.

#### *B. Customer Satisfaction*

Customer satisfaction derived from [2] has 2 dimensions, which is expected and perceived. Explanation about 2 dimensions in customer satisfaction is as follows:

##### *a. Expected*

Expected or expectation is the perception of the number of attributes of a product or service received. Expectations serve as a comparison standard. The performance of a product or service on a relevant attribute or dimension is compared to expectations. The comparison will result in a consumer's reaction to the product or service in the form of satisfaction.

##### *b. Perceived*

Consumer confidence that a product has certain desirable attributes and a re-understanding of the business from marketing activities and programs, as well as addressing wider issues and legal, ethical, social, and environmental impacts.

#### *C. Framework*

Marketing mix, according to [3], is "a set of marketing tools that companies use to pursue their marketing goals".

According to [4], human resources are involved in marketing 10 types of entities: products, services, experiences, events, people, places, property, organizations, information, and ideas. Focused on the event there is also a venue requirement that can be found in the venue quality.

[5] revealed that venue quality focuses on facilities where the event takes place at the venue. Venue quality also consists of sub dimensions: Interaction, Environment, and Value. Venue Quality is a complex where an event is held and has a significant influence on tourism quality [6].

In this case, researchers conduct a research related to the venue quality program at the venue located at the Jakarta Convention Centre which is used to improve consumer satisfaction. The dimension used is using the theory of customer satisfaction, adopted from [4], has 2 dimensions, namely expected, and perceived.

With the implementation of venue quality, the writer wanted to know whether the application of venue quality is effective in improving customer satisfaction at the Jakarta Convention Centre.

#### *D. Hypothesis*

Based on the framework that has been proposed, the hypothesis in the study set as follows:

The influence of venue quality venue quality is interaction, environment, and value to customer satisfaction felt by Jakarta Convention Centre client.

Based on the description above, in preparing the hypothesis in this study supported by several premises as follows:

1. [6] Venue Quality is a complex where an event is held and has a significant influence on tourism quality.
2. [5] There is significant influence between venue quality which consist of interaction, environment, value to tourist satisfaction
3. [5] Venue quality is a link between customer satisfaction and intent to return directly. Satisfaction mediates the relationship between perceived quality venue and given performance results

### III. RESEARCH METHODS

This study analyzed the independent variables and dependent variables. In this study the independent variables are venue quality (X) which has three sub-variables, (X<sub>1</sub>) interaction, (X<sub>2</sub>) environment, and (X<sub>3</sub>) value. As for the variable Y studied is customer satisfaction (Y) which has the expected indicators and perceived performance.

The research was conducted at the venue of the Jakarta Convention Centre. The unit of analysis or respondents in this study are clients who use venues at the Jakarta Convention Centre.

This research was conducted in less than one year, then the method used is cross sectional method. The reason researchers use this method, because the study was done at one time and not continuous.

The type of research conducted based on explanation and field research using descriptive and verificative research. Descriptive research is useful when looking for research questions that describe market phenomena, such as determining the frequency of purchase, identifying relationships or making predictions.

The purpose of descriptive research is to present a profile, describe the aspects relevant to the existing phenomena and explain the characteristics of various research variables in a given situation examined from the perspective of individual organizations, industries and other aspects. So the findings are wider, deeper and more detailed. Through this type of descriptive research can be obtained the description of 1) venue quality at the Jakarta Convention Centre, 2) customer satisfaction at the Jakarta Convention Centre, 3) how much influence the venue quality to customer satisfaction at the Jakarta Convention Centre.

While verificative research is a research is conducted to test in a causal, namely the relationship between independent variables and dependent [7] So this verificative research to test the influence between venue quality to customer satisfaction. Based on the type of research used is descriptive and verification research, then the method used in this research is survey method and explanatory survey.

The population in this study is all the characteristics that affect, and the member population is the client who uses the venue in 2016. Number of clients who use the venue at the Jakarta Convention Centre is 254 clients.

The writer took the sample based on simple random sampling technique. According [8], "It is said simple (simple) because the sampling of the sample members of the population was done randomly without regard to the existing stars in that population." This technique is used because the population is homogeneous, so every element of the population has the same opportunity to be selected as a sample member. The sampling technique was conducted randomly with the aforementioned principle, is the client using the products and services at the Jakarta Convention Centre.

**IV. FINDING AND DISCUSSION**

*A. Description of the venue quality at the Jakarta Convention Centre*

Based on the results of data processing, obtained the results of client responses to the venue quality at the Jakarta Convention Centre, can be seen through the table on the recapitulation of the results of client responses which is the result of data collection previously described

TABLE II. RECAPITULATION OF CLIENT RESPONSE TO VENUE QUALITY IN JAKARTA CONVENTION CENTRE

Number	Sub Variable	Total Score	Number of Question	Average score	%
1	Interaction	1617	5	323,4	37,22
2	Environment	1513	5	302,6	34,82
3	Value	1215	4	303,8	27,96
<b>Total</b>		<b>4345</b>	<b>14</b>	<b>929,8</b>	<b>100</b>

Based on the table above, it shows that the sub variable that has the highest value is interaction with the value of 37.22% while the sub variable that has the lowest rating is the value with the percentage of 27.96%.

Description of the customer satisfaction at the Jakarta Convention Centre. Based on the results of data processing, obtained recapitulation of client response to customer satisfaction at the Jakarta Convention Centre as follows:

TABLE III. RECAPITULATION OF CLIENT RESPONSE TO CUSTOMER SATISFACTION IN JAKARTA CONVENTION CENTRE

Number	Dimensions	Scores			
		Expectation (E)	Reality (P)	Satisfaction (P/E)	Clients' Satisfaction (%)
1	Interaction	1677	1617	0,9642	96,42%
2	Environment	1714	1513	0,8827	88,27%
3	Value	1338	1215	0,9080	90,80%
<b>Total</b>		<b>4729</b>	<b>4345</b>	<b>0,9187</b>	<b>91,87%</b>

The following table shows that the indicator that obtained the highest average score is the interaction with the score of 96.42%. The lowest client response is in an environment with a score of 88.27%. This happens because the client is more focused on the event that will be held not to the values in the Jakarta Convention Centre.

*B. The Effect of Venue Quality on Customer Satisfaction*

The multiple regression equation is the result of the equation of the process for determining the most accurate prediction equation of multiple / multiple predictors [9]. So in this study obtained multiple regression equation for the influence of venue quality to customer satisfaction can be expressed as:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3$$

$$Y = 8,276 - 0,502X_1 + 0,204X_2 + 3,327X_3$$

Explanation:

Y = Customer Satisfaction

X<sub>1</sub> = Interaction

X<sub>2</sub> = Environment

X<sub>3</sub> = Value

The analysis result shows constant value 8,276 meaning if X<sub>1</sub>, X<sub>2</sub>, X<sub>3</sub>, are ignored then customer satisfaction level is equal to 8,276. The coefficient X<sub>1</sub> of 0,502 means that for each decrease one unit of interaction value will decrease the value of customer satisfaction equal to 0,502. The coefficient X<sub>2</sub> of 0.204 means that for every increase one unit of environment value will increase customer satisfaction value equal to 0,204. While the coefficient X<sub>3</sub> of 3.327 means that for each increase one unit value value will increase the value of customer satisfaction of 3.327. So the human resources should continue to improve how to interact from the staff by doing training to improve this because this dimension is considered as one that affects customer satisfaction.

**V. CONCLUSION**

*A. Conclusion*

Based on the results of research that has been done by using descriptive and verificative analysis and multiple regression analysis techniques, between venue quality in Jakarta Convention Centre to customer satisfaction, then from the research can be concluded as follows:

1. At venue quality with acceptable performance, the client responds and gives the highest rating on the interaction dimension because the client receives a positive thing about the treatment by Jakarta Convention Centre staff. While the lowest valuation on the value dimension caused by the client still not too focused on the value of Jakarta Convention Centre.
2. The result of client satisfaction using venue quality venue quality which is expected to give good response to Jakarta Convention Centre obtained by comparing the expected performance and performance received. The interaction satisfaction response has the highest appraisal, which means the venue clients are satisfied with the Jakarta Convention Centre staff's service in treating clients.
3. Based on the results of the study there is a significant influence with the dimensions of X<sub>3</sub> or Value

provided by the management of Jakarta Convention Centre gives very significant impact on customer satisfaction to customer satisfaction. Strong customer satisfaction should be supported with supportive aspects to create a positive venue quality.

4. Venue quality, which consists of interaction, environment and value, has a significant influence on customer satisfaction.

#### *B. Recommendation*

Based on the results of research that has been done, the authors provide recommendations on the venue quality in Jakarta Convention Centre against customer satisfaction, which is:

1. Based on the client's response regarding the perceived quality venue at the Jakarta Convention Centre consisting of interaction, environment, and value. According to the response given by the client, the client is less concerned about the value provided by the Jakarta Convention Centre so that the value dimension has a low rating. Therefore, the management of Jakarta Convention Centre should increase the value so that clients can feel the values in order to imprint the client. Good in the value that exists in the product or service offered.
2. Clients at the Jakarta Convention Centre are quite satisfied with the implementation of venue quality which consists of interaction, environment, and value. But on the client satisfaction, the client felt less satisfied on the dimensions of the environment caused despite having a strategic location but there is a lack of parking space for organizer, exhibitor or participant. So it is better that the Jakarta Convention

Centre try to expand the parking area from which only loads of vehicles into enough vehicles in accordance with the available quota.

3. Based on the results of research, there is a significant influence of the value dimension to customer satisfaction. So it should be the responsibility of Jakarta Convention Centre to maintain and improve the existing value either in terms of products or services offered.

Limitations in this study is one of the objects studied only one in Jakarta so that researchers cannot provide comparison to other venues, the authors suggest for further research to examine the venue quality but in other venues considering there are many other venues in Indonesia other than Jakarta Convention Centre.

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