The Influence of Innovation, Service Quality and People on Service Visitor Satisfaction at the Banyuwangi Regional Government Lounge

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ABSTRACT: This study aims to determine and analyze the effect of innovation, service quality and people on official visitor satisfaction at the Banyuwangi Regional Government Lounge. The population in this study were official guests who visited the lounge of the Banyuwangi Regency Government, amounting to 6,923 people. Determination of the number of samples using the Slovin formula so as to obtain the number of respondents as many as 100 visitors. To measure the measuring instrument in the form of a questionnaire, the validity test and data reliability test were used. Research data were analyzed using SEM with Warp-PLS. The results of the tests carried out in the study showed that the innovation variable had a significant effect on visitor satisfaction. The service quality variable has a significant effect on visitor satisfaction. The people variable has a significant effect on visitor satisfaction at the Banyuwangi Regional Government Lounge.

KEYWORDS: innovation; service quality; people; visitor satisfaction; Lounge.

I. INTRODUCTION

One of the Government's policies as outlined in the Presidential Instruction Number 3 of 2003 concerning the development of electronic government is aimed at encouraging and realizing fast, precise, and accurate information in the development of electronic government. This development is also supported by the instruction of the President of the Republic of Indonesia Number 3 of 2003, dated June 9, 2003 concerning the National Policy and Strategy for the Development of electronic government. Internet-based electronic government is an advancement in public sector services. Basically, electronic government applications are a basic need for today's society, so that people can easily get information that is fast, accurate and affordable. In the context of public sector service innovation, it can change the quality of services in the public sector. The problem of public services today must be services that can be accessed by all people. People who can access public services easily will be satisfied with the existing public service offerings. Public services are currently still provided by the government, both central and local governments. Regarding public services organized by the government, employees who provide these public services must be able to provide satisfaction to the community.

According to (Kotler & Keller, 2016), satisfaction is a person's feelings of pleasure or disappointment that arise after comparing the performance of the product thought to the expected performance. Meanwhile, according to (Lovelock & Wright, 2012), consumer satisfaction is an emotional state, their post-purchase reaction can be anger, irritation, dissatisfaction, excitement or pleasure. A person's feelings related to the products and services provided if expectations exceed product performance then consumers will feel satisfied (Qomariah, 2016). For every organization engaged in services, the thing that needs attention is the problem of satisfaction felt by consumers. Many factors can increase customer satisfaction. Innovation in the field of services organized by the government can also be categorized as one of the factors that can increase the satisfaction of the public using public facilities. The quality of services provided by the government can also increase people's satisfaction. In addition, people or staff who provide services can also increase community satisfaction.

Innovation is the ability to provide new value to the community or interested parties (Makmur, 2015). Innovation is more than creating and launching new products. Innovations can be in the form of services, such as search engines or price comparison systems on the internet, ideas such as the earth orbiting the sun or humans evolving from apes, ideologies such as democracy, capitalism and communism (Dhewanto et al., 2014). Social includes Public health, welfare, new types of sports, processes such as total quality management or new teaching...
methods, as well as business strategies such as launching a company or joining another (Indradewa et al., 2015). Every organization that provides services or produces a product is required to innovate on the services and products it produces. If the organization does not innovate on its products and services, customers will switch to services or products from other companies. By innovating, there will be new variations related to the services or products produced so that there is satisfaction for consumers. Research on product innovation and customer satisfaction has been done by many previous researchers. Research conducted by (Sukarmen et al., 2013), (Muslichati & Warthini, 2015), (Ghani & Brahmanto, 2015), (Antanegoro et al., 2017), (Aditi & Hermansur, 2018), (Rahman, 2019), (Woor & Meliana, 2019), (Putra P & Kusumadewi, 2019), (Fillayata & Mukaram, 2020), (Fadhli et al., 2021) states that product innovation can increase customer satisfaction.

The quality of services provided by service providers must meet the criteria that have been proposed by (Parasuraman et al., 1985), which is related to the service quality approach with the SERVQUAL method (Service quality) with five SERVQUAL dimensions, namely tangibles, empathy, reliability, responsiveness, and assurance. According to (Kotler, 2019), service quality is the ability of service companies to retain their customers. That is, according to them, customer retention is the best measure of service quality. Good service quality is service quality that can provide satisfaction to service users. Therefore, the service provider must always provide the best quality service that has ever been owned so that customers feel satisfied. Research on the relationship between service quality and customer satisfaction has been widely carried out, with some supporting and refusing. Research which states that service quality can increase satisfaction is carried out by: (Saidani & Arifin, 2012), (Shanka, 2012), (Saputra, 2013), (Mardikawati & Farida, 2013).(Amin & Nasharuddin, 2013), (Samal & Pradhan, 2014), (Shi et al., 2014), (Hasniati, 2015), (Aliman & Mohamad, 2016), (Djanas, 2016), (Mulyawan & Rinawati, 2016), (Harpadelies et al., 2016), (Kuntari et al., 2016), (Maskur et al., 2016), (Verriana & Anshori, 2017), (Sutrisno et al., 2017), (Gera et al., 2017), (Sitinjak et al., 2017), (Muzammil et al., 2017), (Gunawan & Wahyuni, 2018), (Sofiati et al., 2018), (Firmansyah & Prhando, 2018), (Jumantara & Sukawati, 2018), (Atmanegara et al., 2019), (Ratnasari & Gumanti, 2019), (Pahlevi et al., 2021). While the research which results state that service quality has no effect on customer satisfaction is carried out by: (Qomariah, 2012), (Chinomona et al., 2014), (Solihah et al., 2019), (Solihah et al., 2019), (Fahmi et al., 2020), (Sukamuljo et al., 2021), (Qomariah et al., 2021).

In the problem of providing services by service providers, the problem of people or who provide services also needs special attention. This is because these people will deal directly with service recipients or consumers. According to (Lovelock & Wright, 2012), people are individuals who have interpersonal skills and positive attitudes who interact directly with consumers. Opinions from other experts state that participants (people) are all people who play a role in the presentation of services that can influence consumer perceptions (Zethamal et al., 2006). People who play a role in providing services must provide services that can provide satisfaction to customers. Research on people associated with visitor satisfaction has been done by many previous researchers. Research conducted by: (Sanjaya & Yuliastanty, 2017), (Fadli, 2018), (Daulay & Ikrarn, 2019), (Setianto et al., 2020), (Aisyah et al., 2022) states that people affect customer satisfaction.

The Banyuwangi Regency Government is one of the Regency Governments in the Eastern region of East Java that has developed services in the field of electronic government. The Banyuwangi Regency Government Secretariat Office now has special facilities for guests who come to the office area. The facility is an exclusive and comfortable lounge or waiting room called the Public Service Lounge. In this room, all guests can access various data needed within the Banyuwangi Regency Government. This lounge is also one of the efforts to cultivate transparency in the district government. There are four large computer screens connected to the internet. It contains various data regarding the performance of SKPD and APBD reports that can be accessed easily. In addition, various programs such as home renovations, scholarships, youth training, and grants can be monitored. Activities at hospitals, health centers, a number of markets, to offices can be monitored via CCTV connected to a computer in the lounge.

In addition to electronic government facilities, the Banyuwangi Regency Government Lounge has another attraction by providing a variety of special foods as one of its services. Although the facilities provided at the lounge are fairly complete, the services provided are also an addition to the benchmark for official guests who come. Providing the best service for visiting official guests is a benchmark for the success of a product. Regardless of visitors to the Banyuwangi Regency Government Lounge, it is presented in Figure 1.

Based on the data in Figure 1, that there was an increase from 2015 to 2017, but after 2017 visitors to the Banyuwangi Regency Government Lounge experienced a decrease until 2019. This phenomenon indicates that there is a potential that is not optimal in the Banyuwangi Regency Government Lounge, so efforts need to be made to increase the number of visitors. Based on theories related to customer satisfaction, innovation, service quality, people who provide services, and previous research that has been done as well as the phenomena that occur in the Banyuwangi Regency Government Lounge, the question in this study is how to increase visitor satisfaction. While the purpose of this study was to analyze and find out the influence of innovation, service
quality and people on the satisfaction of visitors to the Banyuwangi Regency Government Lounge. Based on the theory and previous research that has been described previously, the conceptual framework (Figure 2) and the research hypothesis will be presented in the following explanation.

**Figure 1.**
Number of Visitors to the Banyuwangi Regency Government Lounge

![Figure 1. Number of Visitors to the Banyuwangi Regency Government Lounge](image)

**Figure 2. Conceptual Framework**

![Figure 2. Conceptual Framework](image)

**Research Hypothesis**

H1: Banyuwangi Regency Government Lounge Innovation has a positive and significant effect on official visitor satisfaction.

H2: The service quality of the Banyuwangi Regency Government Lounge has a positive and significant effect on the satisfaction of official visitors.

H3: The Banyuwangi Regency Government's People Lounge has a positive and significant effect on official visitor satisfaction.

**II. RESEARCH METHODS**

The type of research used is survey research, namely research that takes samples from a population and uses a questionnaire as a tool to collect basic data. In accordance with the object in this study, the population who became the subject of this study were official guests who visited the Banyuwangi Regency Government, amounting to 6,923 people as of the time this research was conducted. Determination of the sample size is determined by the Slovin formula with an error of 10% and the total is 99 which is finally rounded up to 100.
respondents. Meanwhile, the method of determining the sample to be addressed is the convenience sampling method. Data analysis used description analysis which was used to describe respondents and research variables, namely innovation variables, service quality, people and visitor satisfaction. To answer the test of measuring instruments, the validity and reliability of the data are used. The research hypotheses were answered by using SEM analysis tool with WarpPLS.

III. RESULTS AND DISCUSSION

Research Data Validity Test Results

This validity test shows the suitability of each indicator with the theories used to define a construct (Ghozali, 2014). The validation test criteria in this study used the loadings factor criteria. The value scale used is a value of more than 0.70 and the average variance extracted (AVE) with a value exceeding 0.70 for the convergent validity test. As for the discriminant validity test, it uses a comparison of the roots of the AVE with the correlation between variables. The construct AVE value should be higher than the correlation between latent variables (Solihin & Ratmono, 2013). The results of the convergent validity test are presented in Table 1.

<table>
<thead>
<tr>
<th>Variable</th>
<th>X1</th>
<th>X2</th>
<th>X3</th>
<th>Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation (X1)</td>
<td>0.712</td>
<td>0.812</td>
<td>0.834</td>
<td>0.865</td>
</tr>
<tr>
<td>Service Quality (X2)</td>
<td>0.745</td>
<td>0.774</td>
<td>0.768</td>
<td>0.843</td>
</tr>
<tr>
<td>People (X3)</td>
<td>0.875</td>
<td>0.824</td>
<td>0.854</td>
<td>0.0787</td>
</tr>
<tr>
<td>Satisfaction (Y)</td>
<td>0.791</td>
<td>0.732</td>
<td>0.735</td>
<td>0.624</td>
</tr>
</tbody>
</table>

Research Data Reliability Test Results

Reliability testing in this study was carried out with the aim of ensuring that the research instrument used could provide a consistent measurement of the concept without any bias. The results of data processing calculations with WarpPLS 5.0 for data reliability tests are presented in Table 2.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Alpha Coefficient</th>
<th>Comparison</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation (X1)</td>
<td>0.616</td>
<td>0.6</td>
<td>Reliable</td>
</tr>
<tr>
<td>Service Quality (X2)</td>
<td>0.670</td>
<td>0.6</td>
<td>Reliable</td>
</tr>
<tr>
<td>People (X3)</td>
<td>0.661</td>
<td>0.6</td>
<td>Reliable</td>
</tr>
<tr>
<td>Satisfaction (Y)</td>
<td>0.636</td>
<td>0.6</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

The basis used in the reliability test is the value of composite reliability coefficients and Cronbach’s alpha coefficients above 0.6. The results, which are presented in Table 2, indicate that the questionnaire instrument in this study has met the requirements of the reliability test.

Path Coefficient Calculation Results

Each path tested shows the direct effect of innovation (X1), service quality (X2), and people on visitor satisfaction (Y) at the Banyuwangi Regency Government Lounge. By knowing whether or not each path is significant, it will answer whether the proposed hypothesis is accepted or rejected. Each path tested represents the hypothesis in this study. The path coefficient values are presented in Table 3.

<table>
<thead>
<tr>
<th>Correlation</th>
<th>Path Coefficient</th>
<th>P Values</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1 → Y</td>
<td>0.761</td>
<td>0.010</td>
<td>Significant</td>
</tr>
<tr>
<td>X2 → Y</td>
<td>0.711</td>
<td>0.010</td>
<td>Significant</td>
</tr>
<tr>
<td>X3 → Y</td>
<td>0.741</td>
<td>0.012</td>
<td>Significant</td>
</tr>
</tbody>
</table>
The Result of Calculation of the Coefficient of Determination

The results of statistical calculations show that the R-squared value for Y reaches 70.7%. This means that the effect on customer satisfaction can be affected up to 70.7% on the variables used in this study. While the remaining 29.3% is influenced by other variables that are not used in this study.

Discussion

The Effect of Innovation on Service Visitor Satisfaction at the Banyuwangi Regency Government Lounge

Based on the results of testing the innovation variable (X1) on visitor satisfaction (Y), the path coefficient value is 0.762 with an -value of 0.01. Because the -value is smaller than (0.01 < 0.05) then H0 is rejected, thus there is a significant influence between innovation on visitor satisfaction. This means that the hypothesis which states that innovation affects the satisfaction of official visitors to the Banyuwangi Regency Government Lounge is proven true or H1 is accepted. The results showed that the innovation variable had a positive and significant effect on consumer satisfaction. That is, after doing research, partially if the innovation variable is increased, then customer satisfaction will increase. This shows that Pemjab Banyuwangi offers a variety of lounge features and is good for being a pilot place for other districts or cities. (Amir, 2014) argues that innovation is the initial commercialization of inventions by producing and selling a new product, service, or process. One of the keys to increasing customer satisfaction in a business is to encourage the pace of innovation in a business. Innovation is not something simple and also not something that can be obtained easily by every business. With current conditions, it is necessary to develop innovations in the products produced so that visitors have satisfaction when visiting and more visitors will come. The results of this study are in line with research (Sukarmen et al., 2013), (Muslichati & Wartini, 2015), (Ghani & Brahmanto, 2015), (Antanegoro et al., 2017), (Aditi & Hermansur, 2018), (Rahman, 2019), (Woor & Meliana, 2019), (Putra P & Kusumadewi, 2019), (Fillayata & Mukaram, 2020), (Fadhli et al., 2021).

The Effect of Service Quality on Service Visitor Satisfaction at the Banyuwangi Regency Government Lounge

Based on the results of testing the service quality variable (X2) on visitor satisfaction (Y), the path coefficient value is 0.711 with an -value of 0.01. Because the -value is smaller than (0.01 < 0.05), then H0 is rejected, thus there is a significant influence between service quality and visitor satisfaction. This means that the hypothesis which states that service quality has an effect on satisfaction at the Banyuwangi Regional Government Lounge on official visitor satisfaction and official visitor satisfaction at the Banyuwangi Regency Government Lounge is proven true or H2 is accepted. The results also show that service quality has an effect on customer satisfaction. With good service, visitor satisfaction is created. After visitors are satisfied with the services received, visitors will compare the services provided. If visitors are really satisfied, visitors will make return visits and will tell many people that the Banyuwangi Regency Government lounge has good features and services. Research that also discusses the relationship between service quality and customer satisfaction includes: (Nikmah et al., 2022), (Ambarwati et al., 2022), (Kustantia et al., 2021), (Qomariah et al., 2021), (Mu’ah et al., 2020), (Fahrurozi et al., 2020), (Qomariah, Budiastuti, et al., 2020), (Yanuar et al., 2017), (Ariska et al., 2020a), (Atmanegara et al., 2019), (Nursaid et al., 2020b), (Setiawan et al., 2019), (Sutrisno et al., 2017), (Qomariah, 2012), (Swatyas & Nyomanputmartini, 2022), (Sulaiman et al., 2020), (Yulisetiarini & Prahasta, 2019), (Setyawati et al., 2018), (Iriyanti et al., 2016), (Maskur et al., 2016), (Qomariah, 2018), (Juanamasta et al., 2019), (Qomariah, Fahrurozi, et al., 2020), (Lie et al., 2019), (Anggriana et al., 2017), (Ariska et al., 2020b), (Indarto et al., 2018), (Atmanegara et al., 2019).

The Influence of People on the Satisfaction of Official Visitors at the Banyuwangi Regency Government Lounge

Based on the results of testing the variable people (X3) on visitor satisfaction (Y), the path coefficient value is 0.741 with an -value of 0.01. Because the -value is smaller than (0.012 < 0.05), then H0 is rejected, thus there is a significant influence between people on visitor satisfaction. This means that the hypothesis which states that people affect visitor satisfaction at the Banyuwangi Regency Government Lounge is proven true or H3 is accepted. According to (Zeithaml et al., 2006), people are all actors who play a role in the presentation of services so that they can influence buyer perceptions. If the person who provides the service provides the best service, the visitor will feel satisfied. Research that is in line with this research is research conducted by: (Sanjaya & Yuliastanty, 2017), (Setianto et al., 2020), (Aisyah et al., 2022).
IV. CONCLUSIONS AND RECOMMENDATIONS

Conclusion
Based on the results of the research conducted, the following conclusions can be drawn.

1. Innovation variable has a significant effect on visitor satisfaction at the Banyuwangi Regency Government.
2. The service quality variable has a significant effect on visitor satisfaction at the Banyuwangi Regency Government.
3. The people variable has a significant effect on visitor satisfaction at the Banyuwangi Regency Government.

Suggestion
Based on the results of research and discussion in this study, the following suggestions can be given.

1. For innovation, it is hoped that the Banyuwangi Regency Regional Government Lounge can continue to improve and develop creative ideas to continue to improve the features and services provided. This needs to be done with the hope that it will be able to attract new visitors as well as old visitors who return to the Banyuwangi Regency Government Lounge.
2. It is necessary to periodically assess the quality of service so that the services provided by the Banyuwangi Regency Government Lounge can be maintained as well as they are today, and can further improve them.
3. For further research, it is hoped that this research will be able to further refine this research, for example by adding other variables outside of this research so that it will be more useful.

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