#### **CHAPTERI**

#### INTRODUCTION

#### 1.1. Background

Electrical energy is a basic need that is very important for people's lives. because almost all community activities are always related to electrical energy. With economic growth and a higher human population, the demand for electrical energy will increase. The lights will not illuminate the city or village if there is no electricity. Apart from being electric lighting, it is also very useful for developing all forms of business and daily needs such as cooking, washing, and others.

PT. PLN (Persero) is one of the State-Owned Enterprises (BUMN) that handles electricity issues in Indonesia. PT. PLN (Persero) is obliged to provide maximum public service. The community, as electricity users, of course, has expectations in terms of administrative and electricity services. and want the quality of electricity service by PT. PLN (Persero) to be guaranteed. As stated in Law No. 30 of 2009 concerning electricity, PT. PLN (Persero) Bengkalis is a service company in charge of generating and distributing electricity to customers in the Bengkalis area. As a company that has the right to profit in business, it cannot be forgotten that PT. PLN Bengkalis is a development agent that should provide optimal services so as to accelerate the achievement of a prosperous society.

Service quality is described as a statement of attitude, the relationship that results from a comparison between expectations and performance. Customer expectations are formed and based on several factors, including past experiences, opinions of friends, company information, and promises. According to Tjiptono (2016), service quality can be summarized into 5 dimensions: (1) physical evidence (tangible) in the form of the appearance of physical facilities, equipment, employees, facilities and infrastructure; (2) reliability (reliability), namely the company's ability to carry out services that are promised accurately and reliably,

(3) responsiveness (responsiveness), which demonstrates a willingness to assist customers and provide services quickly or in a timely manner.(4) Assurance shows the extent of knowledge and courtesy of employees and the ability to create a good image or perception for the company by fostering trust and confidence in the minds of consumers towards the company, (5) Empathy (empathy), namely the ease with which relationships can be established, effective communication, personal attention, and understanding of the individual needs of customers.

PT. PLN issued a product to improve the quality of its products, namely by issuing smart electricity products (prepaid electricity), where the advantages of this product are that there is no monthly electricity charge, privacy is better maintained, it is efficient and time-saving, and the service for buying credit is extensive. Since the launch of this product for the first time in January 2008, prepaid electricity has become an option for the community, namely customers pay first and then enjoy electricity. The filling is in the form of refill vouchers which are already available at several counters throughout Indonesia. It is also hoped that this smart electricity voucher will be able to reach a wider range of people through partnerships with banks, PT. POS Indonesia, Alfamart, Indomaret, and other third parties. This prepaid electricity service is different from postpaid electricity, which is called prepaid kWh/meter (electricity meter).

Before the existence of prepaid products, PT. PLN (Persero) already had another product, namely, postpaid electricity, or commonly known as an electricity meter. We can use this postpaid electricity product without having to pay first. Payment of the usage bill will be made after the date or time of use set by the service provider. The service system needs to be supported by service quality, adequate facilities, and ethics or good manners.

A the purpose of providing services is to provide satisfaction to consumers, adding value for the company is not. Consumer satisfaction is the main indicator of the standard of an electrical facility and is a measure of the quality of service. Low customer satisfaction will have an impact on the number of customers, which will affect the profitability of the electricity facility. The attitude of officers towards consumers will also have an impact on customer satisfaction. As

consumer needs increase from time to time, so will the demand for the quality of service provided.

According to Simatupang, (2017) Postpaid electricity is electricity whose bill is paid at the end of the month according to the energy used. Postpaid electricity payments can be made through banks or payment counters with admin fees charged as electricity bill payment service fees. According to Qalby, (2016) Prepaid electricity is electricity whose payment is made in advance using a credit system, and customers can control their own electricity consumption. Electricity meters are no longer analog but digital. The system is designed to be like buying credit on a mobile phone.

However, prepaid electricity also has weaknesses, namely: electricity pulses run out at unexpected times, they often have problems when going to charge or buy credit while the electricity at home is dead, and another weakness is that the meter is more sensitive and easily damaged. Due to PLN's policy that stipulates that customers who want to make new power connections use prepaid electricity, the demand for prepaid electricity is increasing. And having an impact on the process of installing new services and migrating to prepaid electricity, some customers have not been served properly. PT. PLN (Persero) has suspended the service for applicants for a new connection for prepaid electricity, so applicants must be put on a waiting list. Prepaid electricity innovation is included in the top five reports received by the National Consumer Protection Agency (BPKN). One member of the BPKN, Abustan, said that PLN's policy of only providing new electricity installation services with one option (prepaid KWh meter) shows PLN's attitude of forcing consumers. In fact, not a few people still want to use postpaid electricity.

Another common problem is that, with the regulation on users of new prepaid electricity pairs being set at 1,300 volts (VA), PLN is considered to have discriminated against because this policy only applies to households. Meanwhile, for industrial needs such as factories, office buildings, and hotels, it is still permissible to apply for postpaid meter installation.

Prepaid meters provide information on the amount of kWh of electrical energy that can still be consumed. Inventories of kWh can be added at any time according to customer needs and desires. Thus, customers can optimize electricity consumption by setting their own schedules and amounts of electricity purchases. From this phenomenon, it can be seen that the use of prepaid electricity is more efficient than postpaid electricity. Through the following table comparing the use of prepaid and postpaid electricity, we can see the efficiency of the use of prepaid electricity.

Table 1.1 The Difference Between Prepaid Electricity Service and Postpaid Electricity Service.

Service.			
		Program (PLN Products)	
No	Service System	Postpaid electricity (Conventional Electricity)	Prepaid Electricity (Smart Electricity)
1.	Electricity Purchase or use System	Paid at the end of the month according to usage expenses	Paid in advance with electricity pulses as needed
2.	Customer Access	PLN counter	Available outlets for providing electricity pulses
3.	Needs Requirements	Cannot be adjusted to needs because it is paid at the end of the month (every date 20)	Can be adjusted to the needs at the beginning of the purchase
4.	Termination Sanction	Termination is carried out with the first warning letter after the termination by PLN	There is no disconnection, the electricity automatically turns off when the electricity pulse runs out and the meter alarm rings during the grace period so that the electricity will not turn off suddenly
5.	Electrical Disturbance	Frequent interruptions	Slight disturbance

Source: Process Data, 2021

From the table 1.1 above, it can be seen a comparison of the use of prepaid electricity with postpaid electricity. According to Wijaya (2018), good service quality has a service strategy that is clearly defined and clearly communicated and also has a customer-friendly service system that is friendly with customers. The

government has a very big role in making public service programs and policies. Thus, the level of community life is expected to improve and progress based on the government policies that have been set. With good service quality, there will be satisfaction from the community itself.

One of the reasons, apart from improving services, the implementation of this smart electricity program, among others, many incidents of misreading meters, erratic bills, arrears, and wrong terminations, which not only harm the community, but also harm PLN. As learning and anticipating various events and problems, the Smart Electricity program was launched. With this program, the community is invited to appreciate the existence of electricity more and be wiser in using electricity. The use of electricity tends to be ignored by consumers who, in fact, are part of the wider community, so that the use of electricity sometimes costs a lot of money for home or business consumption.

Based on the results of the description of prepaid electricity and postpaid electricity, the authors are interested in researching further the satisfaction of prepaid electricity customers and postpaid electricity customers for the services provided by PLN. In conducting this research, the author took the title "One of the reasons, apart from improving services, the implementation of this smart electricity program, among others, many incidents of misreading meters, erratic bills, arrears, and wrong terminations, which not only harm the community, but also harm PLN. As learning and anticipating various events and problems, the Smart Electricity program was launched. With this program, the community is invited to appreciate the existence of electricity more and be wiser in using electricity. The use of electricity tends to be ignored by consumers who, in fact, are part of the wider community, so that the use of electricity sometimes costs a lot of money for home or business consumption.

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with Conventional Electricity Customers (Postpaid) at PT PLN Bengkalis (case study in Bengkalis District)".



#### 1.2 Formulation of the Problem

Based on the background above, the formulation of the problem to studied is, How do you compare the level of Service Quality for smart (prepaid) electricity users with conventional (postpaid) electricity users in Bengkalis District?

### 1.3 Purpose of the Study

Based on the formulation of the problem, the outhor can mention the objectives of this study are :

- 1. To find out the quality of service to prabayar electricity customers.
- 2. To findout the quality of service to postpaid electricity customers.
- 3. To find out the difference in the level of service quality for prepaid and postpaid electricity customers.

#### 1.4 Significance of the Study

By conducting research, the author can devide the significant of the study into three part as follows:

- 1. Scientifically, to add scientific treasures and contribute to the development of theories in the field of State Administration, especially those relating to the comparison of the quality of smart electricity services (prepaid) with ordinary electricity (postpaid) at PT PLN in Bengkalis.
- 2. Academically, this research is expected to contribute either directly or indirectly to the literature of the Department of State Administration.
- 3. Practically, the results of this research are expected to be input or contribution of thoughts.

## 1.5 Scope and Limitation of the Problem

Based on the background that has been described previously, the authors set problem boundaries so that problems do not occur. The researchers limit the problems in this study to: This research is only for people who live in Bengkalis District who use prepaid electricity and those who use postpaid electricity.

#### 1.6 Writing System

The author compiles this thesis using a simple systematic with the intention of making it easier to explain all the problems in order to be focused on the target problem.

#### **CHAPTER 1: INTRODUCTION**

This is an introductory chapter that describes the background, problem limitations, problem formulation, research objectives, research benefits, and research systematics.

#### **CHAPTER II: LITERATURE REVIEW**

Put forward the theoretical basis and theoretical basis that will be used in the completion of both general and specific theoretical nature consisting of previous research and theoretical foundations.

#### **CHAPTER III: METHODOLOGY OF RESEARCH**

This chapter describes the research implementation method, which consists of the location and object of research, types and sources of data, population and samples, sample collection techniques, data collection techniques, data processing techniques, data analysis methods, types of research, and definitions. Concept and operational variables.

# CHAPTER IV: RESEARCH RESULTS AND DISCUSSION SUGGESTIONS

In this chapter the author will describe the discussion of the results of research analysis that has been carried out by means of observation, questionnaires, interviews, and other sources.

### **CHAPTER V: CONCLUSIONS AND SUGGESTIONS**

In this chapter the author will describe the conclusions obtained by the discussion and suggestions that will be submitted by the author.