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Analysis of the Impact of the Implementation of Priority Service Policy on Customer Satisfaction

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Abstract

The change in the reliability service policy from Premium Service to Priority Service raises concerns about the potential decline in customer interest in this service. Priority Service is expected to be an alternative for customers with power capacities above 200 KVA, who require higher power supply reliability and service beyond regular standards. This study uses the Mixed Methods Research approach, where data collection is carried out both quantitatively and qualitatively. Quantitative data was obtained through a Likert scale questionnaire and analyzed using Structural Equation Modeling - Partial Least Squares (SEM-PLS) to assess customer satisfaction based on the SERVQUAL approach, which included the variables Reliability, Assurance, Tangibility, Empathy, and Responsiveness, combined with additional variables such as Service Price, Service Delivery, and Expected Service. Meanwhile, qualitative data was collected through interviews to support the findings obtained from the quantitative analysis. The findings of the study show that Assurance, Empathy, and Reliability have a significant influence on Service Quality, while Tangibility and Responsiveness have no significant impact. In addition, Service Delivery, Expected Service, and Service Quality have the most dominant influence on Customer Satisfaction, while Service Price also affects satisfaction but with a lower level of significance. However, the results of the study may vary depending on the characteristics of each unit's customers. Most customers come from the industrial sector.

Keywords

Priority Service, Responsiveness, Servqual, Customer Satisfaction

1. Introduction

PT PLN (Persero) as a strategic SOE in the provision of electricity continues to innovate to improve service reliability. In 2018, PLN introduced Premium Services that attract customers with large power needs. Ong et al. (2023) study shows that industrial customers prefer services with high reliability over cheaper standard services but are at risk of disruption. In January 2024, PLN will re-brand to Priority Services, which offers higher technical and non-technical reliability at a more expensive price than regular services. Research by Lambert et al. (2024) also shows that customers with high electricity needs are willing to pay more (willingness to pay) if the services provided are in accordance with their expectations of electricity reliability (Astuti, 2012; Purnamasari & Yuliansyah, 2020; Darmawan et al., 2024).

While it aims to improve customer satisfaction, this policy change presents challenges such as the unification of the four classes of services, price adjustments, and revisions to SLAs and financing systems. A study by Kasiria et al. (2017) shows that re-branding in the service industry can affect customer perception and loyalty. In addition, research by Chakraborty & Sengupta (2014) found that service changes without an effective communication strategy can lead to customer dissatisfaction and encourage them to switch to cheaper services. This is reinforced by Farooq et al. (2018) who show that customers will abandon the service if they do not get value that is worth the price. Lambert et al. (2024) also assert that prices and service mechanisms greatly influence customers' decisions in retaining or abandoning their services.

To understand the factors that affect customer satisfaction with Priority Services, this study uses the Structural Equation Modeling - Partial Least Squares (SEM-PLS) method. The analysis was carried out on the variables Service Price, Service Delivery, Expected Service, and Service Quality, which are supported by the five dimensions of SERVQUAL: Reliability, Assurance, Tangibility, Empathy, and Responsiveness (Parasuraman et al., 1988; Ikhwana & Nurhamdani, 2023). A study by Sumi & Kabir (2021) shows that the SERVQUAL dimension has a significant influence on customer satisfaction in various service industries. Thus, this research is expected to provide strategic recommendations for PT PLN (Persero) in increasing the attractiveness and sustainability of Priority Services to retain existing customers and increase the company's revenue.

The purpose of this study is to understand the factors that influence customer satisfaction with PT PLN (Persero)'s Priority Services following the rebranding from Premium Services. This research aims to analyze the effects of Service Price, Service Delivery, Expected Service, and Service Quality variables on customer satisfaction using the Structural Equation Modeling - Partial Least Squares (SEM-PLS) approach. The study also adopts the five SERVQUAL dimensions—Reliability, Assurance, Tangibility, Empathy, and Responsiveness—to evaluate service quality more comprehensively. The results of this study are expected to provide strategic recommendations for PT PLN (Persero) to enhance the attractiveness and sustainability of Priority Services, to retain existing customers and increase the company's revenue.

2. Literature Review

Customer satisfaction is a person's feeling of happiness or disappointment that arises after comparing the perception of the performance or results of a product with their expectations (Lubis et al., 2019; Tjiptono, 2020; Sulistyo et al., 2022). Meanwhile, according to Kotler & Armstrong (2018), customer satisfaction is one of the main drivers that connect companies and customers in the long run. In this study,

several factors that affect satisfaction are service quality (SERVQUAL), price, expected service, and service delivery.

SERVQUAL developed by Zeithaml et al. (1990) provides five factors (reliability, assurance, tangibility, empathy, and responsiveness) that affect the quality of certain business services. The five dimensions identified by Parasuraman et al. (1991) set benchmarks for assessing the quality of services among service providers.

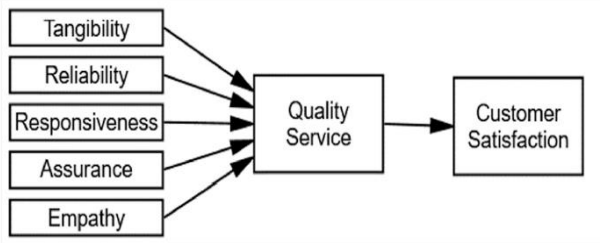

Figure 1. Dimension SERVQUAL

Expected Service, according to Parasuraman et al. (1988), refers to the customer's expectations of the quality of service to be received, which is shaped by previous experience, company reputation, advertisements, and recommendations from other customers. This expectation creates an internal evaluation standard that customers will use to assess the actual services provided by the company. The results of the service quality assessment based on the customer's internal evaluation standards after receiving the service will determine the value of the perceived quality. This definition is supported by Parasuraman et al. (1985) who argue that perceived quality is determined by how well the actual service meets or exceeds the customer's expected service.

According to Imamul Arifin (2007), price is the compensation that must be paid by consumers in order to obtain goods or services. The relationship between price and consumer satisfaction is highly dependent on a variety of interrelated and complex factors. A price that matches the value of the product or service, good quality, a satisfactory experience, and the fulfillment of consumer expectations can increase overall consumer satisfaction (Emaputra, 2020). Some of the things that need to be considered regarding the relationship between Service delivery and consumer satisfaction are the availability of options and choices, responsiveness to changes, ease of use, and Service Customization. By considering these factors, we can better understand the relationship between service delivery and customer satisfaction

H1. Reliability has a significant influence on Service Quality
H2. Guarantee has a significant influence on Service Quality
H3. Tangible has a significant influence on Service Quality
H4. Empathy has a significant influence on Quality of Service
H5. Responsiveness has a significant influence on Service Quality
H6. Service Prices have a significant influence on Customer Satisfaction
H7. Service Quality has a significant influence on Customer Satisfaction
H8. Service Delivery has a significant influence on Customer Satisfaction
H9. The expected service has a significant influence on Customer Satisfaction

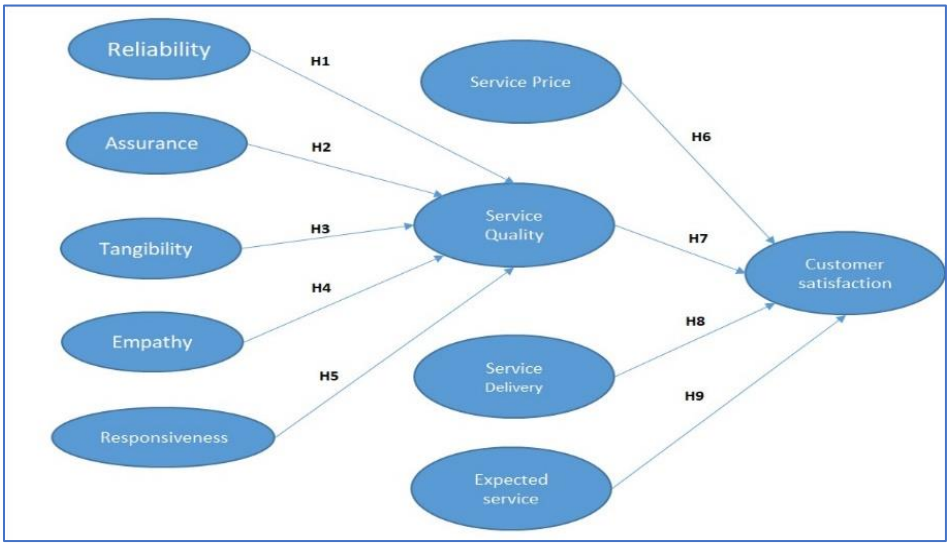

Figure 2. Conceptual Framework

3. Methods

This study employs a Mixed Methods Research approach, combining both quantitative and qualitative techniques through the Explanatory Sequential Design Model. The research process begins with the collection and analysis of quantitative data, followed by qualitative data to provide deeper explanation and interpretation of the findings. Quantitative data was collected using a questionnaire based on a Likert scale from 1 to 5, designed to measure customer perceptions of Priority Services at PT PLN (Persero) UP3 Depok. The population in this study consists of 277 medium-voltage customers, segmented into industrial, business, social, government, and residential categories. To ensure representativeness, a Stratified Random Sampling technique was applied by dividing the population into specific strata based on customer types. The final sample includes 90 respondents, consisting of 44 industrial customers (I3), 25 business customers (B3), 10 government customers (P2), 1 residential customer (R3), and 10 social customers (S3/S3K). The customers within each stratum were randomly selected to ensure accurate representation from all segments. Data validation was conducted using Structural Equation Modeling - Partial Least Squares (SEM-PLS) to ensure the reliability and validity of the questionnaire items. This method includes Confirmatory Factor Analysis (CFA) and Construct Reliability testing using the SmartPLS software. These tests are essential to verify whether the questionnaire items accurately represent the latent variables being measured, thereby ensuring the overall quality of the research instrument.

4. Results

Data collection was carried out through the distribution of questionnaires via WhatsApp to Medium Voltage (TM) customer representatives with a power of above 200 KVA at PT PLN (Persero) UP3 Depok. From about 100 questionnaires, 93 valid responses were obtained. The proportion of samples per tariff segment was also achieved, with 27 business respondents, 45 industries, 10 social, 1 household/residential, and 10 government. The characteristics of the respondents consisted of age, gender, last education and the business segment run by the company. The proportion of each research variable is as shown in table 1 below. The majority of PT PLN (Persero) UP3 Depok's medium voltage customers come from the industrial segment (48.4%), followed by business (29%), government and

social/education (10.8% each), and households/residential (1.1%). In terms of education, most respondents were S1/Bachelor graduates (54.8%), followed by D3/Diploma (29%), S2/S3 (10.8%), and High School/Equivalent (5.4%).

Table 1. Characteristics of respondents

Characteristics	Sum	Propose
TM Customer Segments		
Business	27	29.0%
Industry	45	48.4%
Government	10	10.8%
Social/Educational	10	10.8%
Household/Residence	1	1.1%
Final Education		
Junior High School/Equivalent	0	0.0%
High School/Equivalent	5	5.4%
D3/Diploma/Equivalent	27	29.0%
S1/Bachelor/Equivalent	51	54.8%
S2/S3/Equivalent	10	10.8%
Gender		
Man	74	79.6%
Woman	19	20.4%
Age		
18-24 Years	0	0.0%
25-34 Years	8	8.6%
35-44 Years	41	44.1%
44-54 Years	36	38.7%
> 55 years old	8	8.6%

Most of the respondents were male (79.6%), who generally played the role of Person in Charge in the management of electricity in the company. In terms of age, the majority were in the range of 35–44 years (44.1%), followed by 45–54 years (38.7%), the 25–34 years and >55 years groups 8.6% each. This shows that respondents generally have enough experience and occupy managerial positions, so their opinions in the questionnaire are considered credible.

Analysis of research data using SEM involves validity and reliability tests using CFA and Construct Reliability using the SmartPLS program. The validity test is intended to find out whether the questions in the questionnaire are sufficiently representative. The second measuring instrument test is the feasibility test, which is an index that shows the extent to which the measuring instrument is reliable or trustworthy.

The results of the validity and reliability test in table 2 show that all indicators have a loading factor > 0.7, with a T-statistical value of > 1.96, which indicates that each indicator is significant in measuring its construct. In addition, the Composite Reliability (CR) value of > 0.7 on all variables indicates that the research instrument has strong internal consistency and high reliability. Thus, the data in this study is declared valid and reliable for use in further analysis.

Table 2. Validity and Reliability Tests

Indicator	Loading Factor	T value	CR Value
(RL1)	0.891	44.308	0,930
(RL2)	0.918	57.044	
(RL3)	0.918	60.308	
(RL4)	0.893	36.713	
(AS1)	0.904	51.544	0.923
(AS2)	0.902	49.983	
(AS3)	0.905	48.202	
(AS4)	0.905	52.061	
(TG1)	0.871	42.256	0.923
(TG2)	0.902	44.545	
(TG3)	0.895	42.181	
(TG4)	0.888	39.101	
(EM1)	0.873	32.744	0.927
(EM2)	0.894	48.484	
(EM3)	0.905	45.418	
(EM4)	0.885	44.732	
(RS1)	0.910	57.346	0,930
(RS2)	0.895	42.874	
(RS3)	0.879	35.616	
(RS4)	0.915	46.762	
(SP1)	0.909	54.909	0.936
(SP2)	0.865	36.091	
(SP3)	0.885	38.691	
(SP4)	0.916	58.236	
(SQ1)	0.912	51.357	0.940
(SQ2)	0.922	70.711	
(SQ3)	0.897	41.560	
(SQ4)	0.918	60.948	
(SD1)	0.879	35.868	0.922
(SD2)	0.887	36.032	
(SD3)	0.883	35.151	
(SD4)	0.838	27.409	
(ES1)	0.851	29.076	0.933
(ES2)	0.867	34.749	
(ES3)	0.880	36.766	
(ES4)	0.877	31.901	
(CS1)	0.932	68.298	0.945
(CS2)	0.918	58.170	
(CS3)	0.904	45.956	
(CS4)	0.879	39.736	

The discriminant validity test aims to ensure that the indicators in a construct have a higher value compared to other constructs. It is tested through cross loadings and Average Variance Extracted (AVE). The test results showed that the cross loadings value of each indicator was higher on its own construct, indicating good validity. In addition, AVE > 0.5, which indicates that the construct variable has a satisfactory discriminant validity.

In table 3, the results of the AVE value for the indicator block that measures the construct can be stated to have a good discriminant validity value. This means that all indicators used in this study are declared valid as a measure of each construct variable because all these indicators have a predominantly higher discriminant validity value when compared to the value of each of these indicators in measuring other construct variables. This is clarified by cross-loading value of the indicator on each latent variable. The largest outer loading value from the cross-loading results of each variable obtained the highest value in the variable it measured. This shows

that all indicators in this study have good discriminant validity which means that all indicators used in this study are declared valid.

Table 3. Nilai Average Variance Extracted (AVE)

Variable	Average Variance Extracted	Fornell-Larcker Criterion
Reliability (RL)	0.82	0.905
Assurance (AS)	0.817	0.904
Tangibility (TG)	0.79	0.859
Empathy (EM)	0.791	0.859
Responsiveness (RS)	0.81	0.9
Service Price (SP)	0.79	0.894
Service Quality (SQ)	0.832	0.912
Service Delivery (SD)	0.76	0.872
Expected Service (ES)	0.755	0.869
Customer Satisfaction (CS)	0.825	0.908
Reliability (RL)	0.82	0.905
Assurance (AS)	0.817	0.904

After the validity and reliability test was carried out on all latent variables with valid and reliable results, a structural model conformity test was carried out on Customer Satisfaction (CS). The complete model of Customer Satisfaction (CS) is presented in the form of the following diagram.

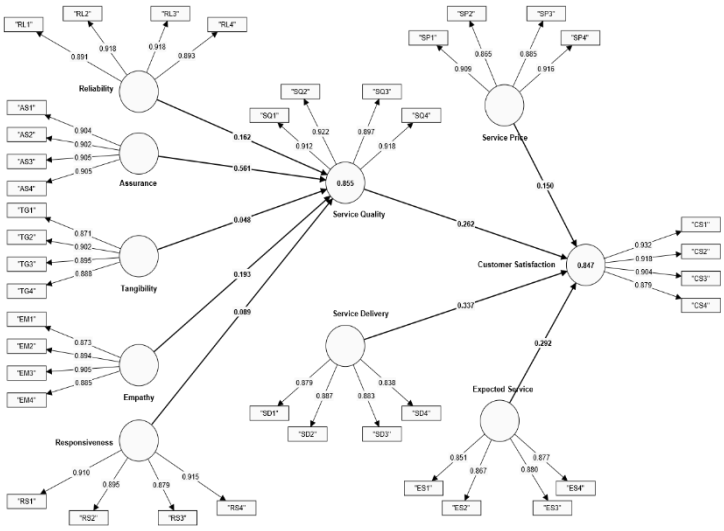

Figure 3. Exogenous To Endogenous Relationships with Bootstrap Estimation

The results of the complete model test above with the SmartPLS program can be seen from the R-Square Value which describes the Goodness-of-Fit of a model. The recommended R-Square value is greater than zero. The results of data processing in this study using SmartPLS provide an R-square value as shown in table 4. The table shows that the variables Reliability (RL), Responsiveness (RS), Assurance (AS), Tangibility (TG), and Empathy (EM) were able to explain 85.5% of the variance in Service Quality (SQ), while Service Delivery (SD), Expected Service (ES), Service Price (SP), and Service Quality (SQ) explains 84.7% variance in Customer Satisfaction (CS).

Table 4. Goodness of fit R square

Variable	R-square
Reliability (RL), Responsiveness (RS), Assurance (AS), Tangibility (TG), Empathy (EM) → Service Quality (SQ)	0.855
Service Delivery (SD), Expected Service (ES), Service Price (SP), Service Quality (SQ) → Customer Satisfaction (CS)	0.847

An R-square value greater than zero indicates that this study model has met the required Goodness of Fit criteria, so it can be considered feasible for use in follow-up analysis. Based on the results of the calculation of the Q-square value, a Q^2 value of 0.978 was obtained which was calculated through the formula $Q^2 = 1 - (1 - 0.855) \times (1 - 0.847)$. This value indicates that the model used in this study can explain the Customer Satisfaction (CS) variable of 97.8%, while the remaining 2.2% is explained by other variables outside the model. In other words, the model's predictive ability on customer satisfaction is at a very high level.

Furthermore, from the structural model that has been formed, it can be interpreted that each of the path coefficients is the result of testing the hypothesis in the study. The structural equations that describe the relationships between variables in the model are as follows: Service Quality (SQ) = 0.162 Reliability (RL) + 0.561 Assurance (AS) + 0.048 Tangibility (TG) + 0.193 Empathy (EM) + 0.089 Responsiveness (RS); and Customer Satisfaction (CS) = 0.150 Service Price (SP) + 0.262 Service Quality (SQ) + 0.337 Service Delivery (SD) + 0.292 Expected Service (ES). This equation shows that service quality is greatly influenced by the five dimensions of SERVQUAL, namely reliability, assurance, tangibility, empathy, and responsiveness, with assurance having the greatest influence. Meanwhile, customer satisfaction is influenced by service prices, service quality, service delivery, and expected services, where the service delivery factor has the most dominant influence on customer satisfaction.

Table 5. Direct Influence of Research Variables

Direct Influence		Variable	
		Variable intervention	Variable endogenous
Variable Exogen	Reliability (RL)	0.162	
	Assurance (AS)	0.561	
	Tangibility (TG)	0.048	
	Empathy (EM)	0.193	
	Responsiveness (RS)	0.089	
	Service Price (SP)		0.150
	Service Delivery (SD)		0.337
	Expected Service (ES)		0.292
Variable Intervening	Service Quality (SQ)		0.262

From table 5 above, it can be explained how direct the effects of exogenous latent variables on endogenous latent variables are. Assurance (AS) has the largest direct effect on Service Quality (SQ) at 0.561, then Service Delivery (SD) has the largest direct effect on Customer Satisfaction (CS) at 0.377 and then Expected Service (ES) on Customer Satisfaction (CS) at 0.292.

Table 6. Test Inner Weight on Customer Satisfaction (CS) Model with Bootstrap samples

Direct Influence	(O)	(O/STDEV)	values
Reliability (RL) → Service Quality (SQ)	0.162	1.992	0.046
Assurance (AS) → Service Quality (SQ)	0.561	4.617	0.000
Tangibility (TG) → Service Quality (SQ)	0.048	0.615	0.539
Empathy (EM) → Service Quality (SQ)	0.193	2.066	0.039
Responsiveness (RS) → Service Quality (SQ)	0.089	1.735	0.083
Service Price (SP) → Customer Satisfaction (CS)	0.150	2.027	0.043
Service Quality (SQ) → Customer Satisfaction (CS)	0.262	3.732	0.000
Service Delivery (SD) → Customer Satisfaction (CS)	0.337	4.778	0.000
Expected Service (ES) → Customer Satisfaction (CS)	0.292	3.757	0.000

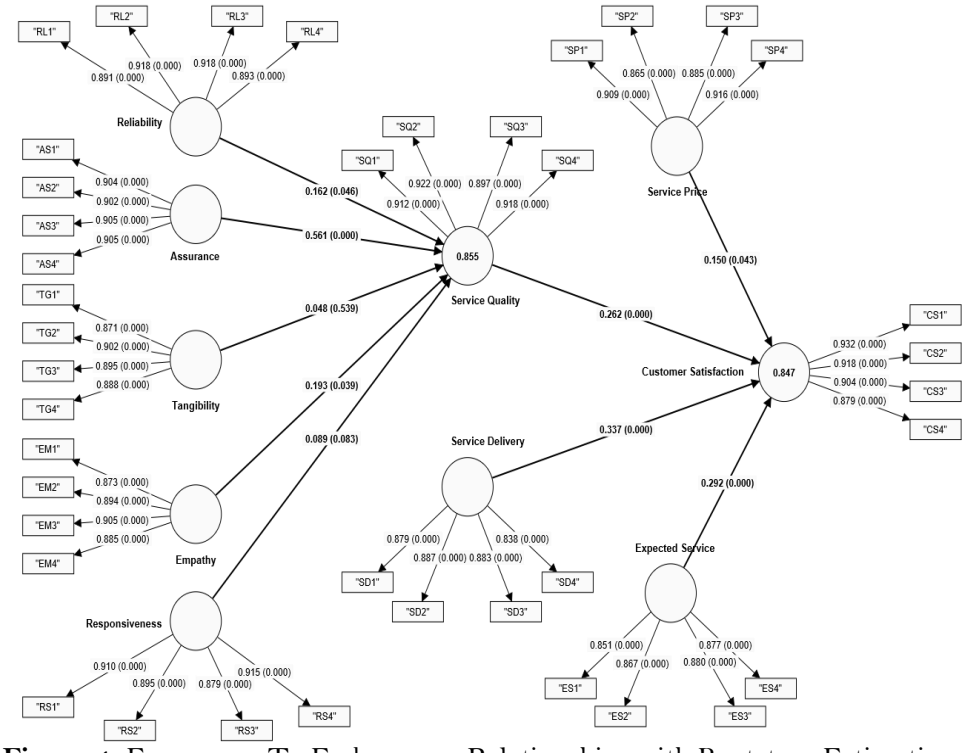

Figure 4. Exogenous To Endogenous Relationships with Bootstrap Estimation

Based on the results of the interpretation of Table 6, it can be explained that the Reliability (RL) variable has a significant and positive influence on Service Quality (SQ), shown by the path coefficient of 0.162 with a t-statistical value of 1.992 which exceeds the t-value of table 1.96 and a p-value of 0.046 which is smaller than 0.05. This indicates that an increase in Reliability will improve Service Quality. Similarly, Assurance (AS) also had a significant and positive effect on Service Quality with a coefficient of 0.561 and a t-statistical value of 4.617, indicating that an increase in Assurance would directly improve Service Quality. However, Tangibility (TG) did not show a significant influence on Service Quality, because although the path coefficient was positive of 0.048, the t-statistical value was only 0.615 and the p-value was 0.539, which is greater than 0.05. This means that the increase in Tangibility

does not have a direct impact on Service Quality. Meanwhile, Empathy (EM) has been shown to have a significant and positive influence on Service Quality, with a path coefficient of 0.193 and a t-statistical value of 2.066, indicating that the higher the Empathy, the more Service Quality will also increase. Likewise, Responsiveness (RS), which had a significant and positive effect on Service Quality with a coefficient of 0.089 and a t-statistical value of 1.735 which exceeded t-table 1.65 at a significance level of 10%, indicating that Responsiveness also contributed to improving Service Quality even at a looser level of significance.

The variable Service Price (SP) has a significant and positive effect on Customer Satisfaction (CS), shown by a coefficient of 0.150 and a t-statistical value of 2.027, which means that the higher the perception of service prices, the more customer satisfaction will also increase. Service Quality (SQ) also has a significant and positive influence on Customer Satisfaction, with a coefficient of 0.262 and a t-statistical value of 3.732, indicating that improving service quality will have a positive impact on customer satisfaction. In addition, Service Delivery (SD) has a very strong and significant influence on Customer Satisfaction, with a coefficient of 0.337 and a t-statistical value of 4.778, so that the better the service delivery, the higher the customer satisfaction. Finally, Expected Service (ES) also has a significant positive effect on Customer Satisfaction, with a path coefficient of 0.292 and a t-statistical value of 3.757, which shows that the higher the customer's expectations for the service, the more their satisfaction level with the service received.

Table 7. Indirect Influence of Research Variables

Direct Influence	Variable	
	Variable Intervening	**Variable Endogen**
Reliability (RL)	0.162 x 0.262	0.042
Assurance (AS)	0.561 x 0.262	0.147
Tangibility (TG)	0.048 x 0.262	0.013
Empathy (EM)	0.193 x 0.262	0.051
Responsiveness (RS)	0.089 x 0.262	0.023

Detecting the influence of mediation can also be seen from the nature of mediation, if the direct influence of exogenous variables on endogenous variables is significant, and its indirect influence through intervening variables is also through significant channels, then it is said to be partially mediation. On the other hand, if the direct influence of exogenous variables on endogenous variables is not significant, while the indirect influence is through intervening variables through significant channels, then it is said to be fully mediation or perfect mediation (Ghozali, 2011).

Table 8. Test the Indirect Influence of Service Quality (SQ) on Customer Satisfaction (CS) with Bootstrap samples

Variable	(O)	(M)	(STDEV)	T statistics (O/STDEV)	P values
Reliability -> Customer Satisfaction	0.042	0.042	0.026	1.630	**0.103**
Assurance -> Customer Satisfaction	0.147	0.149	0.047	3.116	**0.002**
Tangibility -> Customer Satisfaction	0.013	0.014	0.021	0.587	**0.557**
Empathy -> Customer Satisfaction	0.051	0.051	0.030	1.704	**0.088**
Responsiveness -> Customer Satisfaction	**0.023**	**0.023**	**0.016**	**1.442**	**0.149**

Based on the results of the indirect effect test in Table 8, it can be explained that the direct effect of Reliability (RL) on Service Quality (SQ) proven to be significant. However, the indirect influence through Service Quality mediation on Customer Satisfaction (CS) turned out to be insignificant. This can be seen from the path coefficient of 0.041 with a t-statistical value of 1.630 which is smaller than the t-table of 1.96 and a p-value of 0.103 which is greater than $\alpha = 0.05$. This means that Service Quality does not play a mediator in the relationship between Reliability and Customer Satisfaction. Meanwhile, the influence of Assurance (AS) on Service Quality is significant at the level of $\alpha = 10\%$, and its indirect influence on Customer Satisfaction through Service Quality mediation is also significant. With a path coefficient of 0.147 and a t-statistical value of 3.116 (p-value $0.002 < 0.05$), it can be concluded that there is a significant mediating influence. Since there is no direct path from Assurance to Customer Satisfaction, this mediation is fully mediated, showing that an increase in Customer Satisfaction can only be achieved if Assurance is followed by an increase in Service Quality.

In contrast to Tangibility (TG), although the indirect influence through Service Quality on Customer Satisfaction can be seen from the direction of a positive coefficient, it is statistically insignificant. The path coefficient of 0.013 with a t-statistical value of only 0.587 and a p-value of 0.557 indicates that there is no mediating effect of Service Quality on this relationship. Thus, Tangibility does not affect Customer Satisfaction either directly or indirectly through Service Quality. Meanwhile, the influence of Empathy (EM) on Service Quality was significant, and the indirect influence on Customer Satisfaction through Service Quality was also significant, with a coefficient of 0.051 and a t-statistical value of 1.704 which was greater than the t-table of 1.65 at a significance level of 10% (p-value = $0.088 < 0.10$). Because there is no direct path from Empathy to Customer Satisfaction, the mediation that occurs is also full. This shows that Empathy can increase Customer Satisfaction only when accompanied by an increase in Service Quality.

As for Responsiveness (RS), although the direct influence on Service Quality is significant, the indirect effect through Service Quality on Customer Satisfaction is not significant. A path coefficient of 0.023 with a t-statistical value of 1.442 and a p-value of 0.149 (greater than 0.05) indicates that there was no significant mediation. In other words, Service Quality does not mediate the relationship between Responsiveness and Customer Satisfaction. Overall, these results show that not all independent variables affect Customer Satisfaction through Service Quality, and only certain variables show full and significant mediation.

The total relationship occurred between the exogenous latent variables Reliability (RL), Responsiveness (RS), Assurance (AS), Tangibility (TG), Empathy (EM), Responsiveness (RS), Service Delivery (SD), Expected Service (ES), Service Price (SP) with the intervening endogenous latent variable (SQ) and the endogenous customer satisfaction (CS) latent variable.

Table 8. Influence of Total Research Variables

Direct Influence	Variable	
	Variable Intervening (Service Quality (SQ))	**Variable Endogen Customer Satisfaction (CS)**
Reliability (RL)	0.162	0.042
Assurance (AS)	0.561	0.147
Tangibility (TG)	0.048	0.013
Empathy (EM)	0.193	0.051
Responsiveness (RS)	0.089	0.023
Service Price (SP)		0.150
Service Delivery (SD)		0.337
Expected Service (ES)		0.292
Service Quality (SQ)		0.262

From table above, it can be explained the total influence of exogenous latent variables on endogenous latent variables. Assurance (AS) has the largest total influence on Service Quality (SQ) at 0.561, followed by Service Delivery (SD) on Customer Satisfaction (CS) at 0.337, Expected Service (ES) on Customer Satisfaction (CS) at 0.292, then Service Quality (SQ) on Customer Satisfaction (CS) at 0.262.

In addition to collecting data through questionnaires, this study was also complemented by in-depth interviews with nine customers from various segments, namely business, industry, household, government, and social/education. The results of the interviews showed that six out of nine respondents highlighted the high price of priority services, while seven respondents emphasized the importance of ensuring electricity reliability. The other seven respondents also expressed the need for additional services and service flexibility. Interestingly, all respondents provided suggestions and inputs for future service improvements.

If classified by customer segment, a consistent pattern can be seen. Customers from industry segments such as PT Yanmar, PT Kharisma Karya Pertiwi, and PT Toda Cipta Kreasi said that due to the demands for efficiency and optimization of operational costs, they decided to switch to regular services. The increase in the price of priority services is considered not to be proportional to the increase in reliability offered, especially because there is no flicker-free service (*anti-flicker*) available. They also highlighted that the implementation of the Service Level Agreement (SLA) is still not up to expectations, as well as the need for clear coordination regarding the timing and duration of the outage.

Two customers from the business segment, PT Akur Pratama and PT Dunia Virtual Online, also voiced similar things. They decided to return to regular service for reasons of cost efficiency. Price increases and the implementation of a single tariff system are a considerable operational burden. In addition, they also complained about the lack of compensation for SLA violations and expressed a desire for priority services to cover a broader range of non-technical aspects.

Unlike the previous two segments, customers from the government sector such as BI Warehousing and BSSN Data Center still choose to use priority services because of the full support of financing from the state and the importance of maintaining the reliability of public services. They continue to provide input so that there is an increase in service flexibility, the addition of service types outside of electricity supply, as well as increased reliability including flicker less services and transparency of blackout information.

Parung Hospital as a representative of the social/educational segment faces a dilemma between the need for electricity reliability and operational cost efficiency. As a BPJS referral hospital, their decision to return to regular PLN services was based on budget limitations, although humanely they still received service priority from PLN. Meanwhile, customers from the residential segment, namely PT Griya Berkat Utama or Royal Garden Apartment, also chose to return to regular services. This decision is taken by considering the urgency of the need, cost efficiency, and the ratio between the value of benefits and the price of priority services. These findings show that while priority services have added value in terms of reliability, there is still a gap between customer expectations and perceived implementation, especially in terms of price and service flexibility.

5. Conclusion

The dimensions of Reliability, Assurance, and Empathy have a significant influence on service quality. This reflects the importance of reliability, guarantee, and care in shaping customer perception of PLN services. The phenomenon of the decline of industrial and business customers in regular services is caused by price increases that are not proportional to the improvement in service quality, especially in terms of reliability. Therefore, PLN needs to improve the Service Level Agreement (SLA), the blackout coordination system, and offer tariff flexibility and additional services. Meanwhile, the Tangibility and Responsiveness dimensions are less significant because industrial customers place more emphasis on power supply stability and certainty of service rather than the physical condition of the facility or the speed of handling momentary interruptions.

Furthermore, the overall quality of service has been proven to have a great influence on the level of customer satisfaction. Therefore, PLN needs to improve the clarity and consistency of SLAs, strengthen the electricity supply reliability system, and improve communication and coordination with customers. Service pricing is also an important factor that affects customer satisfaction, where the perception of tariff fairness is key. For this reason, a more flexible price scheme that is in accordance with the quality of services provided needs to be developed. On the other hand, the service delivery aspect shows a significant influence on satisfaction, which confirms the importance of service flexibility and PLN's ability to tailor services to customer operational needs. Customer expectations (expected service) for increased reliability and flexibility have also not been fully met, so PLN needs to adjust its service strategy to be more in line with customer expectations. Managerially, PLN is required to improve electricity reliability, re-evaluate SLAs, develop flexible pricing schemes, and strengthen communication and coordination with customers to maintain customer loyalty and attract those who have switched to regular services.

As a suggestion for PLN Management, the company needs to improve supply reliability and adjust SLAs to align with the needs of industrial and business customers, as well as ensure that the increase in priority service rates is accompanied by an improvement in service quality. More competitive and flexible pricing schemes, such as tiered pricing, will give customers options as per their needs. Services also need to be made more flexible and diverse by paying attention to the specific needs of customers, including through the development of renewable energy services and smart building through cooperation with strategic partners. On the other hand, transparency and communication must be improved, especially in terms of information outages and service recovery. The role of Priority Account Executive (PAE) is important in bridging communication between PLN and priority customers. PLN is also advised to develop an evaluation system based on customer feedback, through periodic surveys and the use of complaint data as the basis for developing a more adaptive service strategy.

For further research, it is recommended that the analysis model be developed more comprehensively by examining additional factors that influence customer decisions in choosing or abandoning priority services, including analysis of long-term customer behavior. The addition of variables such as the influence of regulations, energy tariff policies, and PLN's communication strategy can also provide new insights. In addition, data collection methods can be expanded with direct observation, big data analysis, or simulation approaches, to gain a deeper understanding. Finally, the use of more varied questionnaires needs to be considered to improve the validity and consistency of research results related to customer satisfaction with PLN's priority services.

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