

# Adding Value of Train Service in Indonesia through Online System: Initial Review

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## Abstract

*Rail Transportation is one of solution for land transport problem that dominated by road transport until now. Development of train services became a major focus for better service. Independency and privacy become special for train then others. The purpose of this research is innovation through online system of train service in Indonesia. Indonesia has only PT.KAI as train service company. Descriptive method is a main method for review and chance for online systems. Good example for online system was provided by SJ AB from Sweden. Online system that implemented in SJ AB and SWOT analysis from PT.KAI Indonesia would be chance for Indonesia that applied online system as central development of Train service in the future. Creating value with technology from transport company would be significant positive value for customer. Value in public transport service divided by five parts, Customer engagement, self-service, experience, problem solving, and co-design. The results showed train service through online was a better value especially for train service. Innovation about train service could be done by reschedule, refund for the ticket before travelling or check in by online system. In addition, warranty service can be offered as responsibility from the company for the services. As the conclusion, innovation in all of train service is expected to improve quality service and became positive developments for the performance on the consumer side.*

*Keyword: Rail Transportation, Service Quality, Online System, PT.KAI (Persero), SJ AB.*

## 1. Introduction

Rail transportation was one of public transportation that has different characteristics with other land transport, which has a special road for its operational, differ with general road type. Currently, rail transport as known as train has been applied in many countries and was mentioned as one and only future mass transport mode used as the backbone for all travel activity especially in the city. Rail transport itself has been known as public services when it served customers. Nowadays, people still focusing with road when they travel to their destinations. It makes affect why rail transport must be taken a business strategy as an answer to solve road transport problems so that people can shift their modes and it would make positive value for train services to upgrade constantly about their services. Constant and sustainable service development was able to bring innovation that makes people can interest and recommend other people to use the service in the future.

Information and technology development had already affected for all sector, no except in train services. Currently, online based services were needed as result of quality service improvement that showed from operator to customer. Travel information, security, and comfortability became vital areas for service quality, especially in train services. Online system was expected to make simplify the service, then it can decrease regular costs from operational of train services. In addition, online system could serve to maintain customer loyalty and reach a lot of consumers from private modes to rail transportation. For instance, online based service in the sales system would closely relate with customer decision when they choose to travel. It means online system could expected to be one of indirect promotion especially for new customer with their capability to influence others to choose rail transportation as their decision modes (Wasiun et al,2015)

Based from text above, this research was intended to give overview about how implementation of online system in train services, especially in Indonesia which people still use private modes for land transportation

as their decision to travel. Improvement of service quality from train services could give more expectation to provide innovation from online system and make main value for them. Furthermore, adding value for service quality through online system had aims to provide service innovation from train operator to give new style and brands especially in Indonesia based from customer side.

## **2. Method and Material**

This research used case study method by applying descriptive and comparative process between train service in Indonesia as the research object and train services in Sweden that already known using online system as a basic service for rail transport. In Indonesia, rail transport activity held by PT.KAI (Persero) as service provider of train service. On the other side, rail transport activity in Sweden held by SJ AB Train who become limited company since 2001. Descriptive method would be used to give exploration about concept of service and problem solving from train service company, whether in Indonesia and Sweden when they serve customer. Train service as one of public transport service has same concept which service started from pre-sales system which people plan their travel until people finish their travel.

Besides, this research was used comparative method to reach more how different service between PT.KAI (Persero) in Indonesia and SJ AB in Sweden. Furthermore, its method would be an evaluation especially for PT.KAI in Indonesia through using online system as a main key to adding service value to customer.

Data which needed in this research obtained from secondary source, like article, report, paper or another source especially related with adding value service of rail transport and online system as a method to reach them.

## **3. Results and Discussion**

### *3.1. Profile of PT.KAI (Persero) Indonesia and SJ AB Sweden*

PT. KAI (Persero) is a modified company from Perusahaan Umum Kereta Api (PERUMKA) to become a limited company. It was according to Government Regulation no. 19 in 1998 and validated on June 1<sup>st</sup>, 1999 then revised at September 13<sup>th</sup>, 1999. PT. KAI (Persero) has main business as a leading provider of rail transport services. Services from PT.KAI (Persero) contains regular public transport service, freight transport services and asset expansion [1]. PT.KAI (Persero) serves as public transport services in rail transportation including long distance route, medium distance route, and short distance routes. Another characteristic of public transport service from PT.KAI showed with there is dividing class for passenger in the train services, among others executive class, business (will be removed), and economy class. Every class has different facilities related with comfortability level along with its price. Special for short distance service, PT.KAI (Persero) still only provide rail commuter transport in Jabodetabek (Jakarta, bogor, Depok, Tangerang, and Bekasi) area operation.

SJ (*Statens Järnvägar*) AB is a state-owned passenger carrier transport service provider in Sweden. This company was founded in 1856 and became a limited company since 2001. Same with PT.KAI (Persero), SJ AB had focus in long-distance transport, both cities and inter-regional areas even as a liaison between capital city of Scandinavian countries (Denmark, Norway, and Sweden). In addition, SJ AB also focus for short distance travel activity, such as in urban areas, for instance SJ Götalandståg which provide train commuter service and regional public transport for the West Swedish region. Related with service type, SJ train has several services based on time and distance, for instance SJ Night train (Swedish: SJ Nattåg) which has sleep facility in the train, SJ InterCity, SJ Regional, and special train like higher Speed Train which worked on working hours when people want to arrive their destination as soon as possible.

### *3.2. Online System in Train Services*

Online system as new eyesight to increase service quality must be reached with train services. Basically, train service as a public service was a fulfillment activity which intangible (Stanton, 2001). In addition,

services tend to give added value as a result of the entire process from services. It was because service was all economic activity who's the result was not the real product which tangible and can be seen (Lupiyoadi and Hamdani, 2006)

Adding value in train service had different parameter with product. Train service had given value from customer as final objective of the process. PT.KAI (Persero) and SJ AB Sweden as both train operators had always consistent to make better service for their customer. Currently, service process on train had already think to implement online system as its added value to serve customer. For instance, PT.KAI (Persero) and SJ AB develop online system for ticket reservation system. Customers just used their internet media to plan until buy the ticket. Customers was not going to station anymore to do ticketing service.

PT.KAI (Persero) had provide many ways to inform any information about the services, like managing ticket, i.e refund ticket, or reschedule ticket, or problem solving for customer. All of these information could be obtained from call center KAI (121 for telephone) or social media, like @KAI121 (twitter), KAI121(Facebook) or customer can email to Kontak\_pelanggan@kereta-api.co.id.

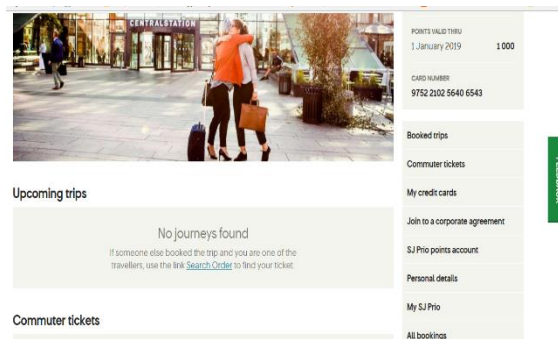
Table 1. Existing train service related with online capability

PT.KAI	SJ AB
Flexible on booking ticket with online system	Private login for customer in the website to do easier travel activity with train.
Self-service check in on the station	Flexibility on ticket type, paper or less paper, with barcode identification when validated.
Manual ticket management system (reschedule, rebooking,refund)	Online ticket management system
Call center for all purposes	Real time announcement with automatically online system, like email, sms, or in the website
Manual lost and found services	Online lost and found from
Double checking for ticket validation (in the station and in train)	Single checking for ticket validation with barcode system in train.

Differ with PT.KAI (Persero), SJ AB used customer's own page to manage all think about the service. Customer just login to the website, then make their own page. After all, customer could do reservation system, managing ticket, or plan for future travel. All of them used online system as their backbone main system, so that people just think simple, and comfortable with its self-service from train service.



Fig. 1. (a) Online



system in PT.KAI (Persero) ; (b) my page for train service in SJ AB

### 3.3. Value Development through online system

Customer perception was a main key to know how service delivered from its provider to the customer.

This perception would make a special value for the result of service. Perceived service from customer compared with their expectation. If it was same means that provider did well and may great if perceived service was more than customers expectation, vice versa (Widyaningtyas,2010). This value concept would affect to customer satisfaction, future decision, and level of confidence to the service provider. Online system could increase special value for train service with following Service Dominant Logic (SD Logic) as the basic principles. SD Logic focused on customer experience, not only customer service route (travel planning until destination). Collaboration from all parties, became a main key to create value for train service development (Gebauer et al, 2010).

PT.KAI (Persero) and SJ AB train created their own value to satisfy customer and make new role model to other public transport modes to develop newer system in their services. Value creation became something that must be established in transport service. On the theory, these are five values that could reached by online system, among others, Customer engagement, self-service, experience, problem solving, dan co-design (Gebauer et al, 2011). All of values related one and another to reach new concept how service was valued, like in fig 3 below,

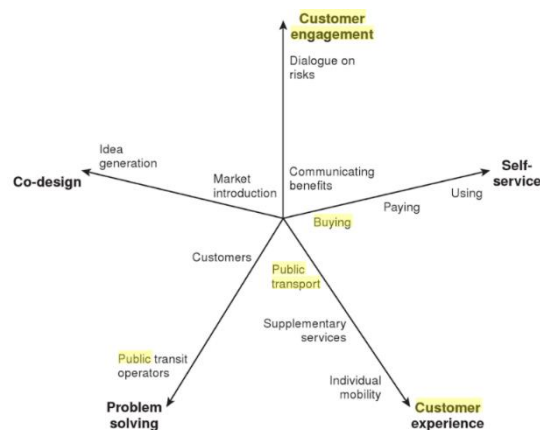


Fig. 2. Value creating scheme for public transport services

Related with theory, train service application by online system has proven increase service value for train modes. Online system was made easier to customer to find their correct routes, until they reached their destination. Online system gave new insight, whether for service provider or customer to feel experience and deliver her perceived service to right place so that service development for train service could happened faster and better in the future. List of value creation that applied by PT.KAI (Persero) and SJ AB Sweden could be shown in table below,

Table 2. Value creation of train service based from online system

Value Creation	PT.KAI	SJ AB
Customer experience	Flexible on booking ticket with online system	Private login for customer in the website to do easier travel activity with train.
Problem solving	Service warranty on the spot, like compensation for delay etc	Service warranty for customer by online form directly for the service, like not scheduled etc beside service warranty on the spot like alternative transport when there is broken etc.
Self Service	Self-service check in on the station	Flexible ticket type for check in based from passenger (can be printed or by phone or sms)

Customer Engagement	Manual ticket management system (reschedule, rebooking,refund) Call center for all purposes	Real time announcement with automatically online system, like email, sms, or in the website
Co-design	Promotion shared by media, like social media, television, etc.	Active to introduce new promo by email

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## 4. Conclusion

### 4.1. Conclusion

Increasing quality by added value through online system can be affected to the train service. Innovation in all of train service is expected to improve quality service and became positive developments for the performance on the consumer side. Customer would gave positive brand and making influence to other people for the service. Added value for train service concept is not differ by other public transport modes. Self-service, problem solving and customer engagement were working with good collaboration from service provider and also customer. Customer experience, like comfortability, warranty service, and safety would make more accountable by service provider for the service.

### 4.2. Recommendation

This research discussed more about service quality improvement through online system in Indonesia. Based from results, authors just compared between PT.KAI (PErsero) and SJ AB as primary research object. Future research could be done with opportunity and weakness from PT.KAI (Persero) as provider of train service in Indonesia related with development of RTS (Rail Ticketing Service) as a media center and one stop service in the future. Besides, potential for economic improvement for online system could be considered for further research of online system for public transport service.

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