

## **QUALITY IN A PROPERTY DEVELOPMENT PROJECT: A CASE IN RUSUNAMI KALIBATA CITY**

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*Abstract— Rusunami of Kalibata Residence is one of 3 (three) residences group at Kalibata City Super Block area at Kalibata, South of Jakarta that is developed by AgungPodomoro Group as a respond to government program of 1000 tower Rusunami/Rusunawa in Indonesia. Consist of 7 towers that now already complete its construction, it has been lived in by tenants and now at operation management step. Rusunami as the name “RumahSusunSederhanaHakMilik” is property business as like apartment that have unique characteristic of business, because combination of product delivered and service quality with no direct repeat order activity. There are three main business, project management at development step, marketing at promotion and transaction step and property operation management as after sales service at normal operation. At the operation management step, the main objective of business is to ensure customer that staying at Kalibata Residence is satisfy for all of product and service delivered. It should cover all customer main needs and the promised thing at marketing promotion step. The main business issue also related to the main objective, it is unsatisfied respond from customer of product and service quality delivered. The cost of unsatisfied impact will be more expensive that cost of best service quality. Based on observation and research at the field, the source of unsatisfied customer come from quality of product and service accepted compare their expectation. There are some expectation the people to by and stay at Kalibata Residence as his need and concept of live, it is also be stronger by marketing promised from developer. Developer already delivered the room unit tenant /customer and make service quality program of daily operation management to comply the customer expectation and developer promised. So the main source can come from high expectation of customer and there are some quality problem the product and service delivered. As property operation management should respond this issue to achieve the business objective, increase customer satisfaction. The recommended solution is quality service improvement at all dimensions of service quality (tangible, responsiveness, reliability, performance and empathy) with priority based on the breakdown of unsatisfied customer respond and timing schedule.*

*Keywords: quality of property, service quality*

### **I. INTRODUCTION**

Residence is one of human basic needs. There is a phenomenon of Jakarta people to stay back in Jakarta area to prevent high cost and long time commuting,

called Back To The City. At the other side, there is new trend to transform a landed housing into vertical housing due to the limited space of construction.

Government already have policy to improve the access for the people to have a better quality of residence with development of a thousand towers private own flats (Rusunami). This policy is stated in Keputusan Presiden No.22 year 2006, about Coordination Team to speed up Rusunami development at city area.

"KalibataCity" is an implementation of 1000 tower Rusunami program from government. It is superblock integrated with Rusunami at strategic location. Developed by a well-known and trusted property developer, AgungPodomoro Group (APG), it is a complete mixed use development and has been integrated with access from all area of Jakarta using mass public transportation like train and public bus. With distance around  $\pm$  1km from Tugu Pancoran, Kalibata City is close to business and office center of GatotSubroto-Semanggi-Sudirman and Jakarta Outer Ring Road toll access as well. Kalibata City gives comfort living for all tenants by provides complete facility for residences, working, playing, shopping, etc.

Kalibata City superblock with total area 12.5 Ha consists of :

- Rusunami Kalibata Residences ( 6000 units at 7 tower : Akasia, Borneo, Cendana, Damar, Ebony, Flamboyan, Gaharu )
- Kalibata Regency ( 2500 units at 3 tower : Kemuning, Hebras and Jasmine),
- Green Palace Apartment ( 6 tower : Lotus, Mawar, Rafles, Nusa Indah, Tulip and Palem),
- Shopping Center Kalibata City Square, and public facility.

The study is limited to Rusunami Kalibata City which means Kalibata Residence, with 7 towers. The other type of residence in Kalibata City will not be discussed.

There are three main stages this business : project construction, product marketing and property operational management. At this moment, Kalibata

Residence already fully sold out and has completed the project execution of physical development and step into operation management phase. The management operator is PT Prima Buana Interbusa (PT PBI), a member of Agung Podomoro Group, with yearly contract.

## II. BUSINESS ISSUE EXPLORATION

The main objective of operation management business is to deliver product and service quality to tenant as customer in order to get customer's satisfaction. The source of stimulus to have the customer responded are organization and system of operation management, environment situation, product delivered and service quality running. If focus on customer respond issue, it also will cover the organization, product delivery, service quality and environment issue (Zeithaml, et al, 1990).

The main issue from customer side is unsatisfied respond of product delivery and the service quality program. At Rusunami Kalibata City, all product already delivered as promised by marketing in promotion and transaction phase. The service quality of property operation management also already delivered, however many customer still get unsatisfied of service quality. The customer has many ways in expressing their dissatisfaction. Some of them will complaint to the customer service, some of them will publish it in mass media or online media, some of them will just have word of mouth, even some of them choose to not expressing it and act quietly to move out. Unsatisfied condition can come from the customer expectation, selling value or some problem of product and service quality delivered.

If the management does not give well respond to the complaint, it will impact at current time and prediction for future like word of mouth, bad image and reputation of Kalibata City and APG as Holding Company at this project and the future project, decrease the selling price of rusunami units, or at least there will be no increasing in its selling value.

### A. Conceptual Framework

PT PBI, the property management company of Agung Podomoro Group will deliver all product and service as regulation, marketing promised with quality standard of residence. Then Customer as tenant of Rusunami Kalibata City that has expectation to stay based on needs and marketing promised will give respond of service and product quality delivered as level of satisfaction and perceived value. Customer responds based on comparison the product and service accepted with his expectation. Therefore Operation management can identify the quality based on customer responds. Operation Management can control and improve the quality based on respond from customer of product and service quality has been delivered. In the result, customer will increase the level of satisfaction and perceived value based on control and improvement of quality.



Figure 1. Conceptual Framework

### B. Method of Data Collection and Analysis

Qualitative method, narrative-descriptive is used for this research. The reasons are because the purpose of this paper is to find out the expectation and reason of tenants at Kalibata City, the quality opinion and satisfaction level of Kalibata City then in depth interviews are an effective method of obtaining qualitative information because they can provide great detail and give insight into what individuals think (Cresswell, 2003). The number of respondent is not the case, but respondent live in different tower and have covered all of 7 (seven) towers in Rusunami Kalibata City, those are Tower Akasia, Borneo, Cendana, Damar, Ebony, Flamboyan, Gaharuto give a better description of overall problem situation and understanding of the aspects being studied.

### C. Analysis of Business Situation

Infact now there is not good enough facility area to Jakarta and make impact of traffic jam and long time travelling. People want to back to Jakarta, but residence with standard facility has expensive price. If people select the lower price, the condition of buiding and infrastructure is not suitable for standard quality live in physically, spiritually, psicologic, social, economic and cultural of life. Rusunami development was promised the better facility in the city with achievable price.

Alternative solutions are developed based on variables that effects to the quality of residence. The activities include the process of data collection, identifying the problems, searching for solutions and problems and implementation plan of the business solution.

## III. BUSINESS SOLUTION

List of variables that effect to the quality of Rusunami Kalibata City is developed. The step are involving primary data collection by interview with the tenants, and categorizing it into a bigger pattern using coding method. Then the variables is analyzed based on observation and interviewing with the management.

For the simplified qualitative method, the respondents consist of tenants who are still staying at

RusunamiKalibata City. The access to the respondents are based on their availability, therefore there are no specific target sample number from the population.

Categorizing it in the broader pattern :

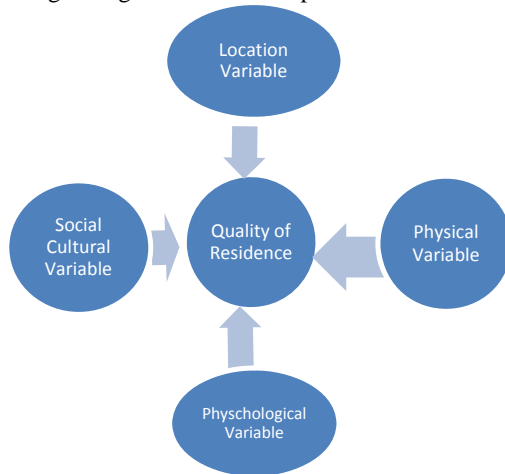


Figure 2. Factors to Determine Quality of Residence

The main variables that determine the expected quality of RusunamiKalibata City are :

- Location Variable
- Physical Variable
- Psychological Variable
- Social-Cultural Variable

1. Location Variable

Based on Data Collected, the main reason of people’s choice to live at Kalibata City is because of its’ strategic location and simplicity of access. In South Jakarta, Kalibata is an area that not too far from central business of Jakarta like Kuningan, Sudirman, Cawang and Jakarta Outer Ring Road toll access. By living in Kalibata City, they expect to have a short time to commute especially in using road access. But after living in Kalibata City, they find the reality that they need a long time to commute because of traffic jam in the main street in front of Kalibata City, even only getting to a nearby area.

While the management stated that the Traffic Jam happened because of too many tenants using car as the main transportation. In the planning, the management thought that the tenants will not use cars as many as now.

Rusunami and middle-class apartments that developed by AgungPodomoro are integrated with public mass transportation RusunamiKalibata City is located nearby Kalibata train station. So the management expects that the tenants will get easy commute access by using mass transportation because the superiority of Kalibata City is its location which just foot steps away from Train Station.

Kalibata City also will build an underground connecting tunnel to Kalibata train station It will make tenants easier to reach the station and will reduce the volume of tenant cars using road in front of RusunamiKalibata City.

2. Physical Variable

Physical variable is tangible infrastructure that provided inside RusunamiKalibata City area. It divided into three sectors :

- Main Infrastructure

The main infrastructure means the main unit of apartment where tenant lives in. Kalibata City is a new building complex and the construction just has been completed in 2011. As a brand new building, the tenants expect to have building condition in a perfect quality. There are some findings from tenants that material quality in the Rusunami unit is not as good as a new building. Although the findings of low-level material quality are just get a little attention from tenants at this moment, they worry that in some years ahead, the material quality will be getting worst. There are also some minor uncompletion in room facility, but it is important for security of the unit room .

Regulation of Public Ministry No. 05/PRT/M/2007 about Guideline of Rusunami Construction mentioned that there are two type of physical construction cost :

- 1. Cost that can be optimized.

The cost that allowed to be reduced as long as able to get the minimum standard. Cost that can not be reduced and mandatory to fulfill the best standard, e.g cost of jobs related health and safety requirement.

- 2. Cost that can not be optimized.

Cost that can not be reduced and mandatory to fulfill the best standard, e.g cost of jobs related health and safety requirement.

The material used in the unit room is classified into the first cost. It means that all of material used is in minimum standard of quality in order to reduce the construction cost.

- Supporting Facilities

Servicing a high-rise superblock with many towers needs a very good support of utility. Sometimes there are problems with the utilities like bad quality of water in some towers and limited capacity of powers in each unit. One major problem that always becomes a complaint by tenant is the very bad of mobilephone signal in the room. This problem is found in all of tenants’ interview data. As mobile phone and wireless internet nowadays become a primary needs for almost everybody in Metropolitan city like Jakarta, it decreases the overall quality of KalibataCity jump into lowlevel. This means that the tenants are having bad communication and information access when entering the room. It is clear that the bad mobile phone’s signal is out of tenants’ prediction before.

Based on interview data, the tenants generally feel satisfy enough of the Rusunami quality aspects, but not for this problem of mobile phone signal. This has a big effect to the tenant satisfaction level. Tenants feel unhappy and facing lot of problem because of lack of mobile phone signal. If the mobile phone signal problem can be solved, the tenants’ satisfaction will be improved significantly.

The management of RusunamiKalibata Residence should make the facility has been installed and running well as soon as possible. They should match

the moving-in volume of tenants and the project schedule.

#### . Public Facilities

Having 1,000 units per tower, Kalibata Residence population is up to 21,000 assuming each unit is lived by three persons. With such big population, people need space for walking in access ways inside the towers. But the walking space is filled by chairs and tables of kiosks located in ground level of each towers. The kiosks put their tables, chairs, and even stalls in the walking corridors, so it is difficult to walk. Then people choose to keep away from walking near the kiosks and choose to walk in walking space of the motorcycle parking area which located in front of every tower. But many difficulties to pedestrian in having access to enter and exit tower building.

One of the other problems associated with public facility is the limitation of parking lot. The amount of parking car is more than the parking lot available, especially on the ground area of the building towers. Even there are still parking lots available in third level basement, but a lot of car owners choose to park their cars parallel. The parallel car is become obstacle of car those parking in the parking lot and it is narrowing the road as well. Although parallel parking car is not allowed by the parking staff, the cars owners keep doing it every single time. There is no clear information which parking lot is unoccupied and how many parking lot are available in the basement Refer to Regulation of Public Works Ministry No. 05/PRT/M/2007 about Technical Guidance of high-rise Rusunami construction, article 4.e, the Rusunami Developer have to provide 1 (one) car parking lot for every 5 (five) unit of Rusunami. The parking lots can not reduce the green area and can not disturb the traffic and or the environment.

Based on the above, it is clear that RusunamiKalibata Residence basically is not provided with a lot of car parking lot facility. The developer thought that the tenants parking car will not be as many as now. Developer built the basement parking facility to serve the Kalibata City mall. But as RusunamiKalibataResidence is located in the same complex with Kalibata City mall, then tenants automatically park their car in the basement.

Associated with Rusunami management regulation to prohibit parallel parking car, the system to not allowing the parallel parking car, is not running yet. The car parking management chooses to not being strict in regulation enforcement. A strict action in regulation enforcement at RusunamiKalibata often leads to an open friction with tenant.

### 3. Psychological Variable

Psychological variable of residence is the condition that makes tenant feel safe and comfort to stay. It consists of assurance, security, safety-health-environment, and daily operation service. One of tenant's reason staying at RusunamiKalibata City is to get comfort, because developed and operated by a professional company. However some tenants got

some condition that made unhappy condition. At the moment, RusunamiKalibataCity's service is operated by PTPBI with yearly contract. After that, there is no assurance who is operator and how the quality of the service.

Psychological variable is an intangible aspect that should get attention from developer. The psychological variable gives big impact to make customer happy and comfort to stay at RusunamiKalibata City. There are two main problems that is classified to psychological variable at RusunamiKalibata City: problems associated with Customer Service and Security issue associated with the elevator.

Tenants feel difficult to reach Customer Service. Lack of communication is happened in two ways, both from Customer Service department to the tenants, and from tenants to Customer Service as well.

Customer Service can use other media to deliver any information effectively to the tenants, like using brochures, pamphlets, etc, especially to the urgent information that need to be delivered fast to tenants. The tenants wish to have Customer Service staff easily, so it will be good to place a customer service staff in every tower to easier the both way communication with the tenants.

### 4. Socio Cultural Variable

The big number of tenant living in a tower will bring effect of lifestyle change from horizontal residence (landed housing) into vertical housing. The total change of people life pattern in the middle and middle-low class level in RusunamiKalibata City should be taken care carefully because it can lead into social problems.

The tenants should get education and socialization from the management and or even from government. The tenant should be introduced to a new social-culture and adapted. Many behavior of landed-house living not match to be applied in a vertical residence. Therefore many new norms and ethics in neighborhood should be educated in vertical housing.

From the problems and discussion as above, we can identified the needs to improve the quality of RusunamiKalibata City.

At Kalibata City, Customer Service Department is serving all the people not only tenant of RusunamiKalibata Residence, but it serves all tenants in Kalibata City Superblock including Kalibata Regency and Green Palace Apartments. They serve 18.000 units in total, with estimated 40.000 person lives in Kalibata City Superblock.

A property developer should be able to measure the buying power of the people. That is why APG does not build residences only for a high-end people, but also for middle-end and lower-end people. When APG build residences with affordable price, it will be sold-out. And the buyer of RusunamiKalibata City is mostly the end-user (Haliman, 2012). Giving service to an end-user, there are many factors that need to be considered to keep a quality. The end-user will have more sense of belonging and expect a long term quality maintenance.

The Customer Service Department use Complain and Advise method in measuring customer satisfaction. Their responsibility is to respond to tenant's complain by processing every complaint and forward it to related Department for handling. It means that they only respond if there is a complaint and passively waiting tenant's initiative to give complaint or comment to them. So it will be difficult to get complete description about tenant's satisfaction or dissatisfaction through this system. Not all of unsatisfied tenant will express their problems or complaint to the Customer Service. They may leave Kalibata City and may not want to live again in any residence built by AgungPodomoro because of bad experience. They also may choose to rent their unit. While the renter will not have sense of belongings to the unit and its surroundings, then they may not feel responsible to the unit and the public facilities very well. For an example, a renter may not keep the park clean as they think that they only live there temporarily.

Many research show that 25% of consumer is having tendency of unsatisfied, but less than 5% unsatisfied customer have willingness to complaint, most of them will leave or change the product. The effort to get good input from tenant is also difficult to be done with this system. Especially when the management does not give feedback and adequate follow-up for them who have willingness to "think" (give idea or advise) to the management. They need to remember that blank advice column or no complaint coming can not interpreted that all of tenants are satisfied (Kotler, 2000).

Service Quality Cost is cost incurred or may incurred as an impact of bad quality. The benefit gained by create and maintain quality is much bigger than cost to make it or service quality cost (Zeithaml, et al, 1990). So it is better for RusunamiKalibata City management to choose to improve the quality.

**IV. CONCLUSION AND IMPLEMENTATION PLAN**

As a pioneer of government national program of a thousand Rusunami towers, AgungPodomoro Group (APG) developRusunamiKalibata City and start aiming low-level class market. With its cheap price, the Rusunami should fulfill the tenants' satisfaction as well. There are 4 (four) factors to determine quality of RusunamiKalibataCity :

- Location Variable
- Physical Variable
- Psychological Variable
- Social Cultural Variable

In term of Location Variable, tenants have gap between expected value and perceived value. Although they choose to live there because of its strategic location, they are unsatisfied by traffic jam around Kalibata City that impact to long time commuting from RusunamiKalibata City.

In term of Physical variable, basically tenants already satisfied of main infrastructure but their judgement for Overall Satisfaction is still bad because the mobile

phone signal coverage problem. This means only one problem can give big impact to tenants' judgment of quality. The management also should match the moving-in volume of tenants with infrastructure project schedule.

In term of Psychological variable, the most problem is difficulties of tenant to communicate both way with service management because lack of communication media.

In term of Social Cultural Variable, the big community of middle level and middle-low class level in RusunamiKalibata City has a change of life pattern from landed housing into vertical housing.. It should be taken care carefully because it can lead into social problems.

To measure satisfaction of the tenant, developer needs to be proactive and not passively waiting for feedback and complaint. Less complaint does not always mean that tenant has been highly satisfied.

The overall quality of RusunamiKalibata City is generally satisfied the tenant unless there is a supporting facility and communication method that decrease the quality jump down. It is important to handle the fourth factors above together and they can not be separated, in order to get a good quality.

Table 1. Implementation Plan

No	Improvement Service Quality program	Unit.Person In Charge	Month/ week	1			2			3				
1	<b>Proactive Communication Program</b>													
	a Communication Roadshow to all tenants of all tower	Customer Service												
	( Getting more detail of problem, Action Plan and Problem Solving Progress)													
b	Create Website Online Communication	Customer Service												
	(change existing website from marketing function to be operation management function)													
2	<b>Infrastructure and Supporting Facility</b>													
	a Normalize Signal Repeater	Engineering												
	b Normalize key card at all tower	Engineering												
3	<b>Public Facility</b>													
	a Change management car parking , divided the way for tenant and non tenant	Secure Parking												
	b Stronger of Regulation for usage of Car park and walking access.	Security												
4	<b>Social Interaction Program</b>													
	a Education of Social Interaction at Rusunami	Customer Service												
	b Facilitate Tenants to form the Community Organization	Customer Service												

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