

CHAPTER VI

CONCLUSION AND SUGGESTION

A. Conclusion

1. The willingness to pay value of the household customers to the quality improvement of PDAM Tirtamarta amounted to 0,88. The willingness to pay variable are dummy variable, 0 describes not willing to pay and 1 explains the willingness to pay for quality improvement of PDAM Tirtamarta. From 308 respondents dominated by respondents who are willing to pay for the quality improvement of PDAM Tirtamarta through bill amounting to IDR6,000.-.
2. The income variable significantly affects the willingness to pay of the household customer to the quality improvement of PDAM Tirtamarta, when there is an increase of income on the respondent it will increase the willingness to pay for the quality improvement, assuming other variables are considered fixed.
3. Educational variables has a significant influence on the willingness to pay of household customers to the quality improvement of PDAM Tirtamarta, the higher education level of a person will also increase the willingness to pay of the household customers for the quality improvement of PDAM Tirtamarta. The level of significance of the last educational variable is 0.007.

4. Water Quality variables has influence and significance to the willingness to pay. This indicates that the better the quality of water will increasingly affect the respondents for willingness to pay to improve the quality of the PDAM.
5. Customer Satisfaction variable to the service by the respondent has a significant influence on willingness to pay. The higher the customer satisfaction, the willingness to pay respondents to the quality improvement will also increase.

B. Suggestion

1. One of the ways to improve water quality of PDAM Tirtamarta is repairing leaking pipe into new pipe. Improved quality will reduce leakage occurring in the future PDAM Tirtamarta so that can reduce wasted water losses by replacing the leaking pipes with new pipes. To the tariff decision makers for PDAM programs, it is better to include the elements of willingness to pay, so that decision making can be fairer and in accordance with the ability of all parties.
2. Income has a positive and significant relationship in this research when there is increase in the income of respondents then the desire to pay also increased. So it is expected to improve the standard of living of the society because most of the respondents are entrepreneurship, of course, there must be government support to provide training for entrepreneurship, which of course will increase revenue and also the

standard of living. So hopefully can increase the willingness to pay for quality improvement from PDAM.

3. Education has a positive influence on willingness to pay for quality improvement from PDAM. The average respondent has education up to senior high school level, so it is necessary to have additional knowledge and information about the quality improvement, this can be done by socializing how important the quality improvement reduce water losses that occur in PDAM.
4. The water quality level has a significant influence on the willingness to pay of the household customer to the quality improvement of PDAM. The better water quality then will increase as well willingness to pay. Good water quality can be seen from the smoothness, cleanliness, quantity, and clarity, considering the water is one of the commodities in use every day. So it is expected that the quality improvement program with the replacement of leaking pipes into new pipes can be a sustainable program that can improve water quality in the long term, this certainly needs good cooperation between government and PDAM. So the need for good water quality can be realized.
5. The level of customer satisfaction has a significant influence on the willingness to pay of household customers to the quality improvement of PDAM Tirtamarta. Customer satisfaction with PDAM service will increase the willingness to pay. In this case the need for quick response action and review of PDAM Tirtamarta about the service, this service

can be in the form of easy access and socialization and information about PDAM quality improvement program that can facilitate the respondent. This situation indicates that PDAM need to expand access to respondents in order to obtain ease of service. With the improvement of the quality of the replacement of a leaking pipe into a new pipe is expected to increase customer satisfaction that has been a customer of PDAM Tirtamarta. Given the rapid response of PDAM to pipeline repairs, it can increase respondents' credibility in other PDAM programs.

C. Limitation of the Research

1. In this research the sample studied has a considerable amount of 308 respondents that require a long time and more funds.
2. Not everyone in Yogyakarta City be a customer of PDAM, so it is quite difficult to find respondents. In addition, interview respondents should adjust the respondent's time, generally, respondents cannot be found during working hours. So the researchers find the time when the respondent has finished working or is not working. In this research, the researchers asked each respondent and made sure that they use the PDAM so it takes more time to get data from the respondents.
3. The research location is done in the city and the average working populations are busy so to get the information from the respondents are quite difficult because some of them have other activities and do not want to be interviewed.

4. The independent variable describes the dependent variable only by 14%, while the rest is influenced by the model outside of this research. This is because this research is a research with primary data type.