The Influence of Product and Service Quality towards Customer Satisfaction in "Wulandari" Female Beauty Center, Joglo, West Jakarta

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ABSTRACT:
The purpose of the study is to analyze the influence of product and service quality towards customer satisfaction in a Female Beauty Center called "Wulandari" located in Joglo, West Jakarta. Survey is conducted to 49 respondents who are selected as samples through the convenience sampling method. Questionnaires, in the form of close-ended questions, are distributed to the respondents; the variables in the questionnaires are later analyzed using the Likert scale. The multiple linear regression models are selected as the method of data analysis; the SPSS for Windows is used to facilitate the data analysis. The findings show that product and service quality have positive and significant influence towards the customer satisfaction.
Keywords: *product quality, service quality, customer statisfaction*

1. INTRODUCTION

Background of the Study

Marketing is one of the efforts taken by business persons or entrepereneurs to achieve any goals they set when they established their business. Another definition of marketing is a social process to inform customers about certain goods or service.

In general, marketing can be defined as a paradigm or mindset that realizes that a company will not be able to survive without any transaction or purchase. A company should be able to sell their products, goods or service, to customers in order to stay in the business and compete against its competitors. Product quality is a potential, strategic method to win business competition. Hence, a company with the best product quality is the one that can grow rapidly, and in the long run will be more successful compared to other companies.

Product quality is the ability a product has to fulfill its functions that involves durability, reliability, accuracy, operating and repairing convenience and other valuable attributes. Customers are going to buy products that can meet their needs repeatedly; it, in other words, means an increase in sales. Rapid increase in sales results in company profitability. Good customer service leads to customer satisfaction and loyalty as well as helps the company to anticipate competitors. Besides product and service quality, price and competitors are two factors for a company to consider.

The effect of tight business competition, both locally and globally, is that a company should carefully think about suitable strategy to face the business competition.

In facing such competitive atmosphere, one factor a company should prioritize is customer satisfaction since it eventually is going to attract customer's attention to buy certain goods or use certain service repeatedly. When customers buy the products from a company or use its service regularly, the company can survive, compete and dominates the market. Once customers accept and experience benefits of certain goods or service from a company, they are going to be loyal customers who have achieved customer satisfaction and commitment to the products or service. Customer satisfaction and loyalty are two drives that cause the customers to buy the goods or use the service in the future. Satisfied customer brings positive impact toward the use of certain goods or service. Therefore, the researcher is interested in conducting a study on the influence of product and service quality towards customer satisfaction.

Limitation of the study

The study is limited to the customers of "Wulandari" Female Beauty Center in Joglo, West Jakarta between January 1, 2012 to January 31, 2012 or one month.

Purpose of the Study

To find out whether product quality and service quality have any influence towards customer satisfaction in "Wulandari" Female Beauty Center located in Joglo, West Jakarta.

Significance of the Study

The finding of the study is expected to give some information about the influence of product quality and service quality towards customer satisfaction in "Wulandari" Female Beauty Center of which location is in Joglo, West Jakarta.

2. THEORETICAL OVERVIEW

Definition of Marketing

According to Kotler and Gary Armstrong (2004:6), marketing is "the process of creating value for the customer and build strong customer relationship to capture value from customer in return."

Product of Marketing Management Philosophy

Kotler and Keller (2009:19-20):

a. Production Concept

The concept states that customers prefer products available in large number and affordable ones.

b. Product Concept

The concept assumes that customers tend to buy products with the best quality, performance and features.

c. Sales Concept

The assumption of the concept is that customers and business, when they are taken for granted, are not going to buy sufficient amount of products as expected by the companies. Therefore, the company should have agresive sales force and promotion.

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d. Marketing Concept
    Marketing concept states that the key to achieve company goal is to become more effective than any competitors in creating, distributing and conveying customer value to targeted customers.
e. Holistic Marketing Concept
    The bases of the holistic marketing concept are the development, design and implementation of marketing program, proses and activities that realizes their broadness and nature of mutual dependence. Holistic marketing is aware of the fact that "every single thing counts" in marketing and broad and integrated perspective is needed most of the time. Thus, holistic marketing is an approach that attemptsat realizing and synergizing the scope and activities of marketing.

Product

Based on Tjiptono (2008:95) in his book called "Strategi Pemasaran," product is "subjective understanding of producers that 'something' can be offered as an effort to achieve one's purpose to fulfill the need and desire of a consumer, in line with organization's comepetence, capacity and buying power."

Service

Service is range of intangible activities taking place as the result of interaction between consumers and staffs or other activities offered by a company in order to overcome consumer's or customer's problems. According to Tjiptono (2012:3), service is any activity carried out by certaing party (either individual or group) for the benefit of the other party (either individual or group).

Four major elements of service is speed, accuracy, friendliness and convenience. The four elements form one unified, and integrated services. It means service given to customers is non excellent one when one of the four elements is missing. In order to achieve service excellence, customer service should have certain level of skills, competence, good competence as well as be friendly and able to communicate and create good relationship with customers.

Significance of Service Quality

Based on (2005:38-40) in creating and providing the best service for customers, there are five dimensions of service quality to be taken into account, namely:

a. *Reliability*; the ability to provide the type of service that matches what has been previously offered.
b. *Responsiveness*; staff's responsiveness or effectiveness in helping customers and provide fast and perceptive service, which involves staff's quick response in dealing with customers, staff's speed in dealing with transaction and customers' or patients' complaints.
c. *Assurance* that involves staff's ability to have sufficient knowledge of a product, be friendly, attentive and polite in providing service, be skillful in giving information, be able to guarantee safety of service a company provides and have ability to create customer's trust toward the company. The dimension is the combination of two following dimensions, namely:
d. *Competence* that means skills and knowledge staffs have to give service
e. *Courtesy* that involves politeness, attention and attitude of the staffs.

Characteristics that Influence Customer Behavior

Act of purchase is influenced by cultural, social, personal and psychological characteristics; producers or marketing staffs are unable to control most of them, but they need to take them into consideration. Based on Kottler & Amstrong (2004: 200), customer behavior is affected by some of the following factors, namely:

a. Cultural Factor
    It has the broadest and deepest influence in customer behavior. Marketing staffs should understand the role culture, subculture and buyer's social class play.
b. Social Factor
    Customer behavior is also influenced by social factor such as small group, family, social role and social status surrounding a customer.
c. Personal Factor
    Customer's decision is affected by his/her personal characteristics for example, age and stage of life cycle, occupation, economic condition, lifestyle, personality and self-concept.
d. Psychological Factor
    Four main psychological factors that influence buyer's decision are motivation, perception, learning and trust and attitude.

Customer Satisfaction

Every single act of buying brings consequence to a buyer. The consequence takes place as the effect of buyer's behavior that reconsiders and reevaluates after buying something. After transaction, each buyer has certain amount of expectation and make comparison between what benefit s/he obtains from the product and his/her expectation from the product. When the product benefits him/her, the buyer can be categorized as a satisfied customer.

Kotler and Keller (2009: 139) states that satisfaction is one's happiness or disappointment that becomes the result of his/her comparison between the actual performance or the result of a product and his/her expection prior to buying the product. Satisfaction is function of perception or impression towards perception and expectation. When the performance meets their expection, the customers are satisfied. If the performance exceeds their expection, the customers become really satisfiedor happy. Based on Tjiptono (2008:24), customer satisfaction involves the gap between expectation and performance or result the customers get. Furthermore, Handi Irawan (2002:2) claims that customer satisfaction is the accumulation of goods customers buy and/or service they use.

Kotler and Keller (2009: 138) argue that whether or not customers are satisfied after the act of buying relies heavily on promotion and performance of certain product they are going to buy in relation to customers' expectation.

Factors that Drives Customer Satisfaction

There are several factors that drive customer satisfaction, i.e.:
1. Product Quality
2. Service Quality
3. Emotion
4. Price
5. Price and Convenience

Tjiptono (2008: 34) mentions three methods to measure customer satisfaction, complaints and suggestions, namely:
a. Ghost shopping
b. Lost customer analysis
c. Customer satisfaction survey

3. RESEARCH METHODOLOGY

Object of the Study

The objects of the study are the customers of "Wulandari" Female Beauty Center who consist of adult and young adult female between 20 to 60 years old.
Causal study is a study of which purpose is to find out the influence of dependent variable toward independent variable. The study requires hypothesis testing with statistical measurement.

Population and Samples

There are 49 adult and young adult female customers as the samples of the study. The data collection lasts for one month, January 1, 2012 until January 31, 2012. The assumption is product and service quality has influence towards customer satisfasction in "Wulandari" Female Beauty Center in Joglo, West Jakarta.

Variable and Operational Variable Scale of Measurement

In the study, the independent variables (X) are product quality and service quality, while the dependent variable (Y) is customer satisfaction. Based on the variables, the operational variables can be illustrated in Table 1.

Tabel 1. Operational Variables

Variable	Concept of Variable	Sub-variable	Indicators	Scale
Product Quality (X1)	Product Quality is ability of a product to perform its functions that involves durability, reliability, accuracy, convenience in operating and repairing, as well as other valuable attributes (Kotler and Armstrong, 2004: 354)	Performance	Performance being considered in the act of buying	Likert
		Feature	Additional items in basic features	Likert
		Reliability	Product reliability in given period of time	Likert
		Conformance	Suitability between product performance and quality and standard	Likert
		Durability	Length of time to use a product	Likert
		Serviceability	Service Availability	Linkert
		Aesthetics	Related to taste, sound, smell and flavor	Likert
		Perceived quality	Quality customers get and experience	Likert
Service Quality (X2)	Service Quality is expected benefit/ excellence and efforts to maintain the benefits/ excellence to fulfill customers need (Husein Umar, 2005:37)	Reliability	On-time and accurate food service	Likert
		Responsibility	Quick service and fast response in taking care of customer's complaints	Likert
		Assurance	Clean and halal food	Likert
		Empaty	Understanding towards customers' need and desire	Likert
		Tangible	Clean and sufficient space as well as polite and neat employees	Likert
Customer Satisfaction (Y)	Customer satisfaction is customer's happiness or	Goods being sold	Customers are satisfied with the goods being sold	Likert
		Service being		

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	disappointment that becomes the result of his/her comparison between the actual performance or the result of a product and his/her expection prior to buying the product (Kotler and Keller, 2009:139)	given	Customers are satisfied with the service being given	Likert
		Benefit being experienced	Customers are satisfied with the benefit being experienced	Likert
		How to handle complaints	Customers are satisfied with how complaints being taken care of	Likert
		Cleanliness and halal guarantee	Customers are satisfied with the cleanliness and halal guarantee	Likert
		Affordable price	Customers are satisfied with the affordable price	

Source : Kotler & Amstrong (2004:354), Husein Umar (2005:37) and Kotler & Keller (2009: 139)

4. ANALYSIS AND DISCUSSION

T-test (Partial Test)

The test is conducted to find out whether or not the model of independent variable regression has partial significant influence towards the dependent variable. The criteria are as follow:

If the probability/ significance is > 0.05, Ho is accepted
If the probability/significance is < 0.05, Ho is rejected

or by looking at the t-table:

If the value of T is < the T table, H_0 is accepted
If the value of T is > the T table, H_0 is rejected

In order to measure the t-table, the df = n-k-1 when the level of significant (α) is 5% (the level of error is 5% or 0.05) or the level of confidence is 95% or 0.95. In other words, when the level of error of a variable is more than 5%, the variable is considered not significant.

F-test (Simultaneous Test)

The test is conducted to find out whether or not the independent variables have simultaneous, significant influence towards the dependent variable. The criteria are as follow:

If the probability/ significance is > 0.05, Ho is accepted
If the probability/significance is < 0.05, Ho is rejected

or by looking at the value of F with the F-table:

If the value of F is < the F table, H_0 is accepted
If the value of F is > the F table, H_0 is rejected

5. Discussions

1. Respondents' characteristic based on sex is female
2. Respondents' characteristic based on age is most of the respondents are between 20 to 60 years ago.
3. Respondents' characteristic based on level of education is most of them are senior high school graduates, have Bachelor or Master's Degree.
4. Respondents' characteristic based on occupation is most of them are university students or employees.
5. Respondents' characteristics based on frequency of visiting the beauty center is between four to five times in a month

Table 2. Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	4.079	1.424		2.864	.006		
PRODUCT QUALITY	.454	.065	.657	7.028	.000	.480	2.084
SERVICE QUALITY	.292	.092	.298	3.182	.003	.480	2.084

Dependent Variable: Customer Satisfaction

Based on the table, the equation of the regression is:
$Y = a + b_1X_1 + b_2X_2$
$(Y) = 4.079 + 0.454 (X_1) + 0.292 (X_2)$
The equation of the regression can be interpreted as follow:
- The constants is 4.079; it means the score of both (X_1) and (X_2) is 0, and therefore, the value of The customer satisfaction (Y) is 4.079.
- Regression coefficient of X_1 variable is 0.454; it means when the independent variables score increase by 1point, the score of Y variable increases by 0.454 point.
- Regression coefficient of X_2 variable is 0.292; it means when the independent variables score increase by 1point, the score of Y variable increases by 0.292 point. Since the coefficient is positive, there is a positive correlation.

Hypothesis Testing

Table 3. T-testCoefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
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SERVICE QUALITY	.292	.092	.298	**3.182**	**.003**	.480	2.084

Dependent Variable: Customer Satisfaction

In order to decide whether the hypothesis is accepted or rejected, one-tail hypothesis testing, on the right side, is carried out as follow:
Ho = Product quality does not have any partial, significant influence towards customer satisfaction.
H1 = Product quality has partial, significant influence towards customer satisfaction.
The T value of the product quality is 7.028, while the value of The T-table is 2.012 and the level of significance is 0.000 compared to 0.05. Since the T value is bigger than the T-table, 7.028> 2.012, and the level of significance is 0.000 or smaller than 0.05 (0.000 < 0.05), Ho is rejected and H1 is accepted. It means

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product quality has partial, significant influence towards customer satisfaction.

Hypotheses:
Ho = Service quality does not have any partial, significant influence towards customer satisfaction.
H2 = Service quality has partial, significant influence towards customer satisfaction.

   Based on Table 3, the T-value for the service quality is 3.182, while the T-table is 2.012 and the level of significance is 0.000 compared to 0.05. Since the T value is bigger than the T-table, that is 3.182> 2.012, and the level of significance is 0.003 or smaller than 0.05 (0.003< 0.05), Ho is rejected and H2 is accepted. It means service quality has partial, significant influence towards customer satisfaction.

Table 4. Simultaneous Hypothesis Testing (F-test)

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	448.243	2	224.122	**95.608**	.000[a]
	Residual	110.177	47	2.344		
	Total	558.420	49			

Predictors: (Constant),Service Quality, Product Quality

Dependent Variable: Customer Satisfaction

Source: Statistical Analysis on the Findings using the SPSS 17

Hypotheses:
Ho = Product quality and service quality does not have any simultaneous, significant influence towards customer satisfaction.
H3 = Product quality and service quality have simultaneous, significant influence towards customer satisfaction.

   Simultaneously, the independent variables product quality (X_1) and service quality (X_2) have significant influence towards customer satisfaction (Y), since the F-value is 95.608 and the significance level is 0.000. Since the F-value is bigger than the F-table, 95.608> 3.195, and the level of significance is 0.000 or smaller than 0.05, Ho is rejected and H3 is accepted. It means product quality and service quality have simultaneous, significant influence towards customer satisfaction.

6.   CONCLUSIONS
Based on the analysis and discussion, the conclusions to draw are as follow:
1. T-value is bigger than the T-table or 7,028>2,012. It means Ho is rejected, H1 is accepted. In other words, product quality has partial, significant influence towards customer satisfaction in "Wulandari" Female Beauty Center in Joglo, West Jakarta.
2. T-value is bigger than the T-table or 3,182>2,012. It means Ho is rejected, H2 is accepted. It is proven that service quality has partial, significant influence towards customer satisfaction in "Wulandari" Female Beauty Center in Joglo, West Jakarta.
3. T-value is bigger than the T-table or 95.608>3.195. It means Ho is rejected, H3 is accepted. It means product quality and service quality have simultaneous, significant influence towards customer satisfaction in "Wulandari" Female Beauty Center in Joglo, West Jakarta. In conclusion, product quality and service quality have significant influence towards customer satisfaction both partially or simultaneously.

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