

# **CHAPTER I**

## **INTRODUCTION**

### **1.1 Background of the Study**

Service companies are now starting to emerge and have various types, thus providing many choices for consumers to choose existing service providers. One of these service providers is salon services. In a beauty salon service company, which is a type of service that is people processing, which is aimed directly at the physical property of the consumer. These services have a high level of sensitivity to services provided by service providers because consumers are the type of people processing, if something goes wrong it will be difficult to fix so that consumers will try to find the best service provider to reduce non-financial costs and at the service encounter stage the type of people processing does not have a standard so that consumers in using service providers will judge subjectively what they feel from the service process received.

In people processing type services, consumer interaction with service provider employees is very high because the service process is carried out directly on the physical consumer. After receiving a service provider (service encounter) at this stage it is a post purchase where the consumer will evaluate the service provider's actions and evaluate how much is expected of what the service provider provides.

The development of the beauty salon service business is currently so fast. Therefore, various ways are done by company management to attract their customers. In the midst of conditions of increasing competition, it requires companies to continue to improve services to their clients. One way that can be used to win the competition is through service quality.

Maximizing the service quality in the company has in order to add a pleasant customer experience and minimize unpleasant customer experiences. For example, the services provided by the hospital will be closely related to customer satisfaction that arises from what and how the services are received by customers. If the customer is satisfied, then he/she will show the possibility to return to using the same service. Satisfied customers tend to provide good references for services to others, which will lead to an increasing level of purchase.

Improving the service quality in a company is a very important and inseparable part of a company. All parties involved in the company, from the leadership to the employees, need to know that. Therefore, they become an integral part in an effort to improve the quality of service which will result in a satisfaction felt by customers.

According to Desiyanti et al. (2018), mentioned that it is found that service quality has positive and significant effect to customer satisfaction and customer delight, service quality has no significant effect to customer loyalty, but service quality will influence customer loyalty through customer satisfaction mediation and customer delight, customer satisfaction and customer delight have positive effect significant to customer loyalty.

Customer satisfaction, namely the response or responses given by clients after fulfilling their needs for a product or service, so that customer get a sense of comfort and pleasure because expectations have been met, besides that customer satisfaction is also often used as one of the main goals of business marketing strategies, either businesses that are run by producing goods or service businesses.

According to Aminudin et al. (2020), mentioned that customer satisfaction is important for an organization due to its effect on the financial standing of a company and the positive impact towards the company's public perception. Due to this, it is important for a company to ensure customers are satisfied, by offering the best product, good services experiences and effective post-purchase solution.

Customer satisfaction is determined by the service quality desired by customers, so quality assurance is a top priority for the company. Customer satisfaction concerns the wants and needs by customers regarding their perceptions and expectations of the services provided by the company.

According to Hirata (2019), consumers are unlimited and rapturous in their need and desire for value for their money. Consumers want to experience the joy of every hard-earned dollar they spend on products and services.

This research was conducted to determine the influence of service quality towards customer satisfaction at Bradja salon located at Cambridge City Square. This business was established in 1994. According to the review taken from Google reviews, Bradja Salon has received 4.6 out of 5 stars which is consider good. Someone also commented that Bradja Salon sells Serie Expert product which is a brand that is widely known.

**Picture 1.1**  
**Bradja Salon, Medan**



Source: Bradja Salon, Medan

These are some of Bradja Salon's competitor in Medan, which are:

**Table 1.1**  
**Bradja Salon's Competitors**

no	Bradja Salon's Competitors	Since
1.	Johnny Andrean Salon	1978
2.	Johan Salon	1994

Source: Writer (2021)

Unfortunately, these past few months, there are several complaints from customers mentioned that service is not satisfied and the existence of employee inaccuracies in performing services. This is the complaint data from August – January.

**Table 1.2**  
**Complaint Data from August 2020 – January 2021**

Months	Amounts of Complaints
August	0 complaints
September	1 complaint
October	1 complaint
November	3 complaints
December	4 complaints
January	6 complaints

Source: Bradja Salon, Medan

From the data in August – January, it can be seen that Bradja Salon has increased in complaints in the last 6 months.

**Table 1.3**  
**Complaints Frequency in August 2020 – January 2021**

No	Complaints	Frequency
1	Employee didn't give full attention to customers	4
2	Results are not as expected	1
3	Employee doing services incorrectly	2
4	Employee response is slow	5
5	Employee product knowledge	3
<b>Total Complaints in 6 months</b>		<b>15</b>

Source: Bradja Salon, Medan

The reason for this occurrence, the writer did some interview with some of the customers and discover a phenomenon problem regarding the service quality of Bradja Salon. According to a customer with initial "G" mentioned that, she has been one of Bradja Salon's customer since she was a little child and agreed that the service quality has decreased. This shows that service quality plays such an important role in a beauty industry. Another person with initial "F" who happened to get their scalp treatment service done stated that, she was satisfied with the services that Bradja Salon has offered and planning on coming back to Bradja Salon.

Based on the discussion above, the writer is interested in conducting a research with the title "**The Influence of Service Quality Towards Customer Satisfaction at Bradja Salon Medan**".

## **1.2 Problem Limitation**

The writer focuses on the service quality and its influence towards customer satisfaction at Bradja Salon, Medan. The indicators of service quality are measured by

making use of five dimensions: tangible, reliability, responsiveness, assurance, and empathy or as known as Servqual Methode by Prentkovskis et al. (2018), that has been used in measuring various service qualities.

As for the customer satisfaction are measured by overall customer satisfaction, customer satisfaction dimensions, confirmation of expectations, re-purchase interest, willingness to recommend, and customer dissatisfaction by Haeruddin et al. (2020)

### **1.3 Problem Formulation**

According to the data background that has been described, the problem formulation in this study will be discussed as follows:

1. How is the service quality implemented at Bradja Salon, Medan?
2. How is the customer satisfaction at Bradja Salon, Medan?
3. Does service quality has influence towards customer satisfaction at Bradja salon, Medan?

### **1.4 Obejective of the Research**

The purposes of this study are:

1. To evaluate the service at Bradja Salon, Medan.
2. To determine customer's satisfaction at Bradja Salon, Medan.
3. To find out the influence of service quality towards customer satisfaction at Bradja Salon, Medan.

## **1.5 Benefit of the Research**

### **1.5.1 Theoretical Benefit**

The result of this study is expected to contribute ideas for additional consideration and evaluation in determining the next steps for improve service quality and customer satisfaction. On the other hand, for researchers, research contributes to increasing knowledge and insight into the service industry.

### **1.5.2 Practical Benefit**

This practical benefit will help out the service quality at Bradja Salon, Medan. For other researchers, this research is expected to be used as a reference material that can be used as a comparison in conducting research in the future, especially those related to the quality of beauty salon.