



OPTIMISM

Journal of Management
Business Entrepreneurship
and Organization

<https://jurnal.untan.ac.id/index.php/optimism/index>

ANALYSIS OF TREATMENT SERVICE QUALITY, PRICE COMPETITIVENESS, AND SKINCARE PRODUCT QUALITY TOWARD LOYALTY WITH CUSTOMER SATISFACTION AS MEDIATING VARIABLE (EMPIRICAL STUDY AT ERMUST DERMATOLOGIST CLINIC, PONTIANAK)

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Abstract

The purpose of this study is to analyze Service Quality, Price Competitiveness, and Skincare Product can affect Loyalty through The Mediation of Customer satisfaction at Ermust Dermatologist Clinic. In today's world, the trend of skincare has been rapidly developed no less than development from other sectors which evidently affects the growth of the businesses in the field of skin health (e.g. there are many newly opened skincare businesses). Those businesses are required to be able to create something unique and different from similar businesses. They need to think creatively and innovatively in creating more attractive things, at competitive prices and maintaining the quality of service and quality of skincare products. Service quality is an important part that is always given by business actors to retain consumers and win the business competition. Ermust Clinic is one of the skin health clinics in Pontianak and has been established in 2009 until now. Ermust Clinic needs to know the factors that make consumers loyal in terms of facilities and infrastructure as well as in terms of service. This research will be conducted on patients who have had treatment at Ermust Clinic, Pontianak. Researchers will provide questionnaires to patients of Ermust Clinics which the number of samples is 642 respondents. The data collected in this research will be analyzed in Structural Equation Model Partial Least Square (SEMPLS). This analysis SmartPLS 3.0 software was utilized. The hypothesis construct in this study are H1: Treatment Service Quality has a positive effect towards Customer Satisfaction. H2: Price Competitiveness has positive effect towards Customer Satisfaction. H3: Skincare Product has positive effect towards Customer Satisfaction. H4: Treatment Service Quality has a positive effect towards Loyalty. H5: Price Competitiveness has positive effect towards Loyalty.

Article Info

History Of Article
Received: 27/7/2022
Revised: 5/8/2022
Accepted: 2/9/2022

OPTIMISM Journal of
Management Business
Entrepreneurship and
Organization

Volume 1, No. 1, Sept 2022,
Page. 14-26

H6: Skincare Product has positive effect towards Loyalty. H7: Customer Satisfaction has positive effect towards Loyalty. H8: Customer Satisfaction mediates the positives influences between Treatment Service Quality and Customer Loyalty. H9: Customer Satisfaction mediates the positives influences Price Competitiveness and Customer Loyalty. H10: Customer Satisfaction mediates the positive influences of Skincare Product and Customer Loyalty.

Keywords: Treatment Service Quality, Price Competitiveness, Skincare Product Quality, Loyalty, Customer Satisfaction

INTRODUCTION

Along with several developments that occur in all sectors, the world of skincare is now increasing drastically. The world of skincare is not only for women, most of the men are also interested in it. This happens because they want their skin to be healthy always and can look good in public. The world of skincare is in demand by women and men among teenagers and adults. The high awareness of men and women will make many companies engaged in this service also begin to grow rapidly. A variety of products and services are offered to attract people.

In companies in the service sector, customer service and value are the main keys to achieving corporate success. Customer value will influence purchasing decisions customer. This is because some customers perceive customer value to be Stimulates purchase by simplifying decisions over a wide variety of product choices marketed and offered to them. In this context, customer value becomes an attitude and trust related to customer satisfaction.

Ermust Clinic is one of the skin health clinics in Pontianak and has been established in 2009 until now. Ermust Clinic needs to know the factors that make consumers loyal in terms of facilities and infrastructure as well as in terms of service. Therefore, Ermust Clinic needs to know how high the ideal consumer expectations are for themselves when they are going to do skincare and also need to know how high consumers rate the service performance after they experience skincare for themselves. Thus the Ermust Clinic has information about this, information about which service factors have been able to make loyal consumers with satisfaction that has occurred based on expectations. Based on the background above and the phenomenon, this study has a purpose to examine “The Analysis of Treatment Service Quality, Price Competitiveness and Skincare Product Quality towards Loyalty with Customer Satisfaction as Mediating Variable”.

LITERATURE REVIEW AND HYPOTHESIS

Service Marketing Theory

According to Lupiyoadi (2006), service marketing is any action offered by one party to another in principle intangible and does not cause any transfer of ownership. service marketing is the development of the marketing mix. The product marketing mix (marketing mix) includes only the 4Ps, namely: Product, Price, Place, Promotion. Meanwhile, the services for the four P's are still insufficient, so marketing experts add 3 elements, namely: People, Process, and Customer Service. According to Lupiyoadi (2006), the marketing mix consists of seven things, namely: Product, namely what kind of service you want to offer to consumers, Price is how the price strategy is, Place is how the delivery system or delivery will be applied, Promotion is how the promotion must be done, People is the type of quality and quantity of people who will be involved in providing services, Process is how the process is in service operations, Customer Service is how it will be given to consumers.

Service Quality Theory

According to Kotler (2019) defines service quality as a form of consumer assessment of the level of service received with the level of service expected. If the service received or felt is as expected, then the quality of service at perceived good and satisfactory. Satisfaction that has been formed can encourage consumers to do repeat purchase and look forward to be a loyal customer. Goesth and Davis (2019) define service quality as a dynamic condition related to service products, people, processes, and the environment that are able to meet and or exceed consumer expectations. According to Abdullah and Tantri (2019) service quality is the overall characteristics and characteristics of a product or service that affect its ability to satisfy stated and implied needs.

Price Competitiveness Theory

According to Kotler and Armstrong in Krisdayanto (2018) Price is the amount of money paid for services, or the amount of value that consumers exchange in order to get the benefits of owning or using goods or services. According to Tjiptono and Candra in Priansa (2017) said that price is an inherent part of a product that reflects how much quality the product. Based on the understanding of these experts, it can be concluded that the price is

the amount of money paid by consumers as an exchange rate to get the benefits of the goods/services provided by the providers of goods/services.

Skincare Product Theory

Many product people think the product is a real offering, but a product can be more than that. According to Kotler and Keller (2009), a product is anything that can be offered to a market to satisfy wants or needs, including physical goods, services, experiences, events, people, places, property, organizations, information, and ideas. Products can be tangible or intangible benefits that can satisfy customers. Kotler and Keller (2009) explain that product differentiation needs to be considered to attract customers' attention. Product differentiation includes form, features, customization, performance quality, quality fit, durability, reliability, repairability, style and design.

Consumer Satisfaction Theory

Consumer satisfaction is the result of a product that provides good benefits in accordance with the needs and expectations or positive feelings about the use of a product or service (Farooq et al., 2018). The desire of consumers today is not only the quality of the product or service but also the value of the goods and services themselves (Whalley, 2010:50). Satisfaction has a relationship with consumer answers when buying a product and believing that the product is in accordance with the expectations and quality they feel. (Angelova, 2011; Lien, Cao and Zhou, 2017). The result of satisfaction is a precondition for customer loyalty to a product or service of a company (McMullan and Gilmore, 2002). Therefore, customer satisfaction can be interpreted as a way to increase market share with a company's profits (Angelova, 2011).

Consumer Loyalty Theory

Consumer loyalty is generated by emotional experiences during the process of using a product brand when consumers interact with the design. Professionals also need to keep in touch when consumers have purchased goods to ensure trust and connection. If consumers are already positively associated with a company's product brand, during and after purchasing, this will result in advocacy for the product brand. Advocacy for product brands will be more oriented towards word of mouth marketing on social media (Mahoney & Tang, 2017). Consumer loyalty and retention is something that promotes customers to accept new products from the company and opens up market opportunities for new products (O'Cass & Heirati, 2015). Izquierdo & Samaniego (2007) state that consumer loyalty will

provide income and benefits to a company. When companies provide satisfaction to their workforce properly, they will provide superior service to customers. As workers, providing better service quality will have a positive influence on consumers. According to Asnawi et al. (2019), consumers are loyal to a product or service when they are satisfied with the product or service itself. Because of that, consumer loyalty is influenced by customer satisfaction.

Hypothesis

H₁: Service quality has a positive effect on customer satisfaction.

H₂: Price Competitiveness has a positive effect on customer satisfaction.

H₃: Skincare Product has a positive effect on customer satisfaction.

H₄: Treatment Service Quality has a positive effect on Loyalty.

H₅: Price Competitiveness has a positive effect on loyalty.

H₆: Skincare Product has a positive effect on loyalty.

H₇: Customer Satisfaction has a positive effect on loyalty.

H₈: Customer satisfaction mediate the effect for the relationship between service quality and customer loyalty.

H₉: Customer satisfaction mediate the effect of price on loyalty.

H₁₀: Customer satisfaction mediate the effect for the relationship between skincare product on loyalty.

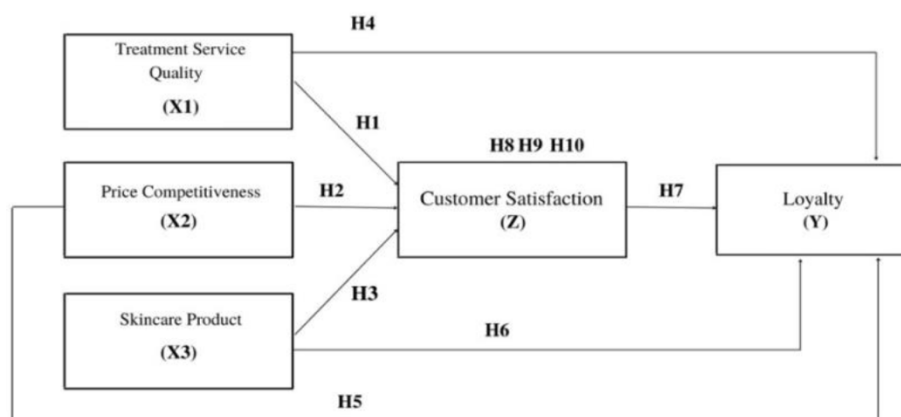


Figure 1. Conceptual Framework

RESEARCH METHODOLOGY

This research is an activity that is carried out in a planned and systematic way to get problem-solving answers to certain phenomena. This research has been determined, so this type of research is quantitative research with an explanatory approach. This research was conducted using a survey.

The data for this research will be collected by questionnaire, which is to obtain relevant data to solve the problem and analyze it. Researchers will provide questionnaires to patients who visit Ermust Clinic. The data will be used to answer research questions and try to measure the results. The sampling method for this research will be made using the purposive sampling method. The reason for using this purposive sampling technique is because it is suitable for use for quantitative research.

Purposive sampling is a sampling technique with certain considerations. The consideration taken by researchers is that consumers have met the criteriaset by the researcher. These criteria are patients aged 15 – 55 year customers at Ermust Clinic who have had at least two times treatments men and women who filled out the questionnaire. The respondent will get the questionnaire and they need to answer some questions regarding the thesis topic. The questionnaire will be distributed through online and manual distribution. The sample size was determined using slovin formula.

RESULTS

Hypothesis is one of the process researcher must conduct for the researcher to proof the hypothesis are supported or not for the completion of the research. In order to analyze hypothesis testing, therefore the researcher make a bootstrapping process:

Table 1. T-Statistics and P-Value Test Result

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values	Conclusion
X1 -> Z1	0.568	0.554	0.101	5.625	0.000	Supported
X2 -> Z1	-0.037	-0.029	0.060	0.618	0.537	Not Supported
X3 -> Z1	0.376	0.381	0.097	3.862	0.000	Supported
X1 -> Y1	0.096	0.085	0.083	1.154	0.249	Not Supported
X2 -> Y1	-0.064	-0.061	0.047	1.383	0.167	Not Supported
X3 -> Y1	0.263	0.274	0.092	2.843	0.005	Supported
Z1 -> Y1	0.475	0.468	0.067	7.064	0.000	Supported

DISCUSSION

The purpose of this study is to examine the analysis of Treatment Service Quality, Price Competitiveness, and Skincare Product toward Loyalty with Customer Satisfaction as mediating variable. Furthermore, SEM PLS 3.3.7 was used in this study to analyze the data collected from questionnaires. The data was gathered using google form filled by categorized, SEM PLS was used to collect and analyze data from 624 respondents. As the analysis test in this research, it found that all of the tenth hypotheses were supported and accepted. Thus, the relationship between the variables in this research will be discussed with the references of the raised and tested hypothesis in the previous points.

Treatment Service Quality and Customer Satisfaction

The results from the hypothesis show that Treatment Service Quality (X_1) and Customer Satisfaction (Z_1) with the T-Statistics 5,625 which is higher than 1,96. Meanwhile the P-Value is 0,000 which is lower than 0,05. And the original sample value of 0,568 indicates that the relationship between Treatment Service Quality (X_1) and Customer Satisfaction (Z_1) is supported. According to Sembiring and Suharyono (2014), Customers will feel satisfied if their expectations are met. Improving the quality of service is very important for service companies because it will attract consumers to buy the products and services offered.

Price Competitiveness and Customer Satisfaction

The results from the hypothesis show that Price Competitiveness (X_2) and Customer Satisfaction (Z_1) with the T-Statistics 0,618 which is lower than 1,96. Meanwhile the P-Value for is 0,537 which is higher than 0,05. And the original sample value of -0,037 indicates that the relationship Price Competitiveness (X_2) and Customer Satisfaction (Z_1) is not supported. This result is not supported by the previous study by Anastasya and Liza (2013) that price does not have a significant effect on customer satisfaction.

Skincare Product and Customer Satisfaction

The results from the hypothesis show that Skincare Product (X_3) and Customer Satisfaction (Z_1) with the T-Statistics 3,862 which is higher than 1,96. Meanwhile the P-Value for is 0,000 which is lower than 0,05. And the original sample value of 0,376 indicates that the relationship that Skincare Product (X_3) and Customer Satisfaction (Z_1) is supported.

According to Jahanshahi (2011), Amanah (2010) and Brucks (2000) proved that the quality of a product perceived by consumers is a factor that affects customer satisfaction.

Treatment Service Quality and Loyalty

The results from the hypothesis show that Treatment Service Quality (X_1) and Loyalty (Y_1) with the T-Statistics 1,154 which is lower than 1,96. Meanwhile the P-Value is 0,249 which is higher than 0,05. And with the original sample value of 0,096 which indicates that the relationship between Treatment Service Quality (X_1) and Loyalty (Y_1) is not supported. This result is not supported by the previous study by Desiyanti, Sudja, and Martini (2018) that service quality has a insignificant effect on customer loyalty.

Price Competitiveness and Loyalty

The results from the hypothesis show that Price Competitiveness (X_2) and Loyalty (Y_1) with the T-Statistics 1,383 which is higher than 1,96. Meanwhile the P-Value is 0,167 which is lower than 0,05. And the original sample value of -0,064 indicates that the relationship between Price Competitiveness (X_2) and Loyalty (Y_1) is not supported. According to Maskur, Qomariah, and Saidah (2015) there is no effect of price on customer loyalty.

Skincare Product and Loyalty

The results from the hypothesis show that Skincare Product (X_3) and Loyalty (Y_1) with the T-Statistics 2,843 which is higher than 1,96. Meanwhile the P-Value for is 0,005 which is lower than 0,05. And the original sample value of 0,263 indicates that the relationship that Skincare Product (X_3) and Loyalty (Y_1) is supported. This means that the better and the higher the quality of the products offered to customers will be able to create customer loyalty to the products offered Gremler and Brown (2013).

Customer Satisfaction and Customer Loyalty

The results from the hypothesis show that Customer Satisfaction (Z_1) and Customer Loyalty (Y_1) with the T-Statistics 7,064 which is higher than 1,96. Meanwhile the P-Value is 0,000 which is lower than 0,05. And the original sample value of 0,475 indicates that the relationship that that Customer Satisfaction (Z_1) and Customer Loyalty (Y_1) is supported. According to Rofiah and Wahyuni (2017) The success of the company if employees are able to provide good service so that customers feel satisfied and in the eyes of customers the company's image becomes good and positive.

Customer Satisfaction mediate Treatment Service Quality to Loyalty

The result of indirect effect model shows that Customer Satisfaction has a positive result in path coefficient. Therefore, the mediating role of Customer Satisfaction (Z_1) between Treatment Service Quality (X_1) to Loyalty (Y_1) is supported. This result is also supported by the research of to Kandampully and Hu (2007), good service quality can bring satisfying results to customers, and service quality has a significant relationship for final satisfaction which can give significant impacts for customer loyalty.

Customer Satisfaction mediate Price Competitiveness to Loyalty

The result of indirect effect model shows that Customer Satisfaction has a negative result in path coefficient. Therefore, the mediating role of Customer Satisfaction (Z) between Price Competitiveness (X_2) to Loyalty (Y_1) is not supported. This result is also not supported by the research Wibowo (2019) consumer satisfaction is not able to mediate the effect of price on loyalty.

Customer Satisfaction mediate Skincare Product to Loyalty

The result of indirect effect model shows that Customer Satisfaction has a positive result in path coefficient. Therefore, the mediating role of Customer Satisfaction (Z) between Skincare Product (X_3) to Loyalty (Y) is supported. This result is also supported by the research of to Delcourt (2013); Fuentes-Blasco (2017) customer satisfaction has an important role in mediating the relationship between product quality and consumer loyalty. influence firm value.

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