

Factors Affecting Customer's Perception of Service Quality: Comparing Differences among Countries **- Case study: Beauty salons in Bandung and Tokyo -**

Nakashima, Keiko¹, Putro, Utomo Sarjono¹, Mulyono, Nur Budi^{1*}, Takeshi, Arai²

¹School of Business and Management, Institut Teknologi Bandung, Indonesia,

²Tokyo University of Science, Japan

ABSTRACT

This paper examines a holistic study of analyzing several factors affecting service quality and their correlation with characteristic of customers based on value and life style. Furthermore, customer's perception of service quality can be drawn from those relationships. Exploratory factor analysis and quantitative analysis is employed with case study of beauty salon service at Bandung and Tokyo. The results indicate how the quality of services is perceived differently by customers who have different value and life style, and also describe significant relationship between value and life style with the affecting factors of service quality.

Key words : service quality, value and life style, customer perception, beauty salon.

Introduction

Nowadays, services are increasingly important to the economy, because service industry has grown significantly and the working populations in the service industry have increased steadily worldwide.

Based on theoretical perspective, the quality has become an important factor in promoting the service industry and has contributed significantly to the position of the market. Service quality in various service activities has gain a lot of attention from researches and practitioners. The origins of numerous instruments measuring service quality can be traced back the pioneering work of Parasuraman (1988) who developed the widely popular scale termed as SERVQUAL to evaluate service quality which contains tangible. Another study regarding intangible

dimensions is FAIRSERV (Carr, Christopher L, 2007) which became an alternative or additional conceptualization of consumer reactions to services. Even though combination of SERVQUAL and FAIRSERV consider tangible and intangible dimensions of service quality, there is a possibility of addition or reduction of the element for specific case of service industry at specific location. This research tries to find appropriate dimensions of service quality using SERVQUAL and FAIRSERV as a basis in which service quality is measured using cases of beauty salon industry. In addition, correlation between dimension of service quality and customer characteristic based on VALS will be explained.

*Correspondence author. Email: nurbudi@sbm-itb.ac.id

Literature Review
Service Quality-definition

SERVQUAL is a multi-item scale developed to assess customer perceptions of service quality in service and retail businesses. This consists of 5 dimensions such as: tangible, reliability, responsiveness, assurance, and empathy. FAIRSERV is established based on these multiple dimensions of fairness such as distributive fairness, procedural fairness, interactional fairness,

Value and Life style –definition

VALS (Value and Life Style) divide person into several type based on their value and life style. They consist of survivors, innovators, thinker, achiever, experiencer, believers, striver, and makers.

Methodology
Conceptual Model Building

This research focuses on extending service quality dimension and find out relationship between those dimensions with customer characteristic. The beauty salon operation at Bandung and Tokyo were selected as appropriate case study expressing the dynamic of service their associated variables. The conceptual model build in this research is presented at FIGURE 1.

Regarding factors of service quality, the original SERVQUAL dimension is added using FAIRSERV dimension to recover weaknesses of SERVQUAL. Those two theories are perfect basis for developing new model of service quality and also express better about beauty salon service operation complexity as case study for this research.

The conceptual model resulted in the change of service quality dimension with new factors founded (i.e. Brand, Exterior and etc.) and eliminates the existing dimensions based on the exploratory study. This situation is best described by left side square of the conceptual model (FIGURE 1).

Right side square of the conceptual model presented characteristic of customer values and life-styles (VALS). VALS can be derived from personalized social and cultural learning and identification of consumer demographics (i.e. age, occupation). All characteristic of VALS Framework will be reviewed and eliminate if necessary, depends on the customer characteristic at specific location (Bandung and Tokyo).

Knowing correlation between factors of service quality and customer’s characteristic based on their value and life style, researchers are able to understand customer perception of service quality in beauty salon. Finally, the result of this research can be utilized as a foundation to build service strategy.

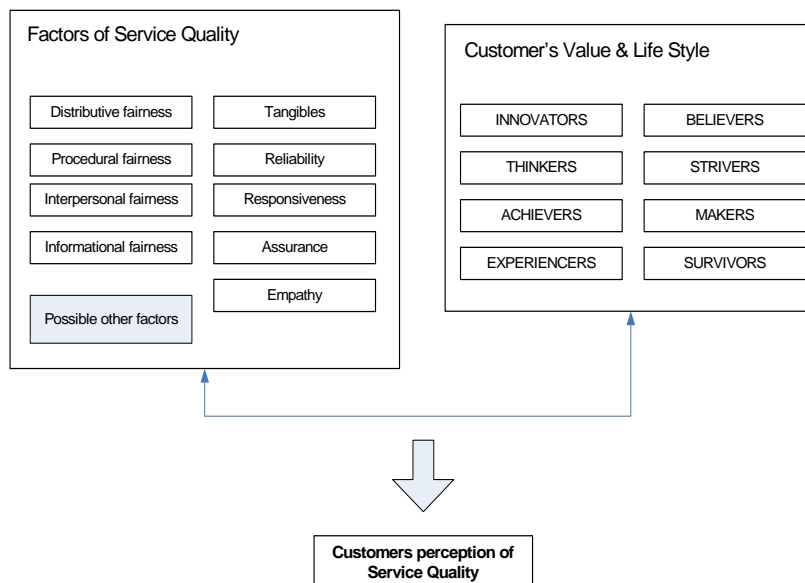


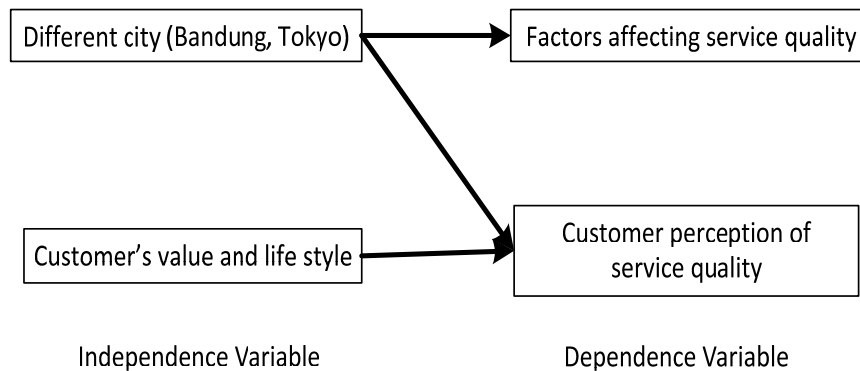
Figure 1. Conceptual Model

Hypothesis Formulation

All the variables and their relationship are drawn in the schematic diagram as shown FIGURE 2. From the figure, we specify independent variable such as different city and customer's value and life style; and dependent

variable such as factor affecting service quality and customer perception of service quality. Different city have correlation with all dependent variable while customer's value and life style only have a correlation with customer perception of service quality.

Figure 2. Research Hypotheses



Three hypotheses were established and evaluate later to answer several research question and objective in this research. Those hypotheses are:

- a) H1: Factors affecting service quality are different between Bandung and Tokyo.
- b) H2: Customers who have different value and life style have significant effect on their perception of service quality.
- c) H3: Customers perception of service quality is different between Bandung and Tokyo.

This research employs mix method which consists of two-phases such as exploratory study using open ended question in interview and explanatory study using closed ended question in questionnaire with 4 Likert scale. This scale level was used in order to reduce the bias of neutral responses. The purpose of an exploratory study is finding factors of service quality, while explanatory study trying to relate cluster of customer derived from their value and life style with affecting factor of service quality.

Six respondents were selected, from female customer of beauty salon, in the interview for each city. From the same sample segment, 60 respondents were participated in questionnaire with stratified random sampling method.

Analysis and Result

Direct interview were conducted with several customer of beauty salon at Bandung and Tokyo for exploratory study. The result showed that customer at both city required factors of service quality such as: tangibles, reliability, responsiveness, assurance, empathy, distributive fairness, interpersonal fairness and value; while Tokyo required *Brand* as their new factors of service quality. This evidenced the first hypotheses that between Bandung and Tokyo have different factors of service quality.

Regarding VALS result of explanatory study, achiever was not included to VALS at Bandung; while at Tokyo, striver and survivor were not included either. These personality types were clustered into three by cluster analysis such as; cluster 1 consists of experiencers, survivors and makers, cluster 2 consists of innovators and thinkers, cluster 3 consists of believers, achievers and strivers.

Two software package, SPSS version 13 and Microsoft Excel 2007 were used for the analysis of the data resulting from questionnaire. The statistical analysis for conducting the analysis for customer perception of service quality was descriptive and included multivariate techniques through Manova (Multivariate Analysis of Variance). The scale's reliability was assessed by calculating the cronbach alpha and validation

by face validity. The cronbach alpha for the data for both cities was positive (0.639 - Bandung and 0.707 - Tokyo) that guarantee reliability of the data. As far as the correlation between cluster of customer and factor of service quality were concerned, there are

significant correlation (value more than 0.05) for both city as shown at Table 1. This situation justified hypotheses no 2 that customer's value and life style has significant effect on customer perception of service quality.

Table 1. Correlation between VALS and factors of service quality

		Cluster
Tangible	Pearson Correlation	0.024687
	Sig (2-tailed)	0.89331
	N	32
Realibility	Pearson Correlation	0.034926
	Sig (2-tailed)	0.84949
	N	32
Responsiveness	Pearson Correlation	0.096678
	Sig (2-tailed)	0.598632
	N	32
Assurance	Pearson Correlation	-0.127
	Sig (2-tailed)	0.488529
	N	32
Empathy	Pearson Correlation	0.268696
	Sig (2-tailed)	0.137015
	N	32
DistFairness	Pearson Correlation	-0.06274
	Sig (2-tailed)	0.733003
	N	32
InterpersonalFairness	Pearson Correlation	-0.08334
	Sig (2-tailed)	0.650204
	N	32
Value	Pearson Correlation	0.106387
	Sig (2-tailed)	0.562237
	N	32

Table 2. Manova analysis (Bandung)

Multiple Comparisons (Bandung)					
Tukey HSD					
Dependent Variable	(I) Cluster	(J)Cluster	Mean Difference (I-J)	Std Error	Sig.
Responsiveness	1	2	-59.59	23.30	0.04
		3	-44.36	31.51	0.35
	2	1	59.59	23.30	0.04
		3	15.23	31.83	0.88
	3	1	44.36	31.51	0.35
		2	-15.23	31.83	0.88
Emphaty	1	2	-47.87	17.83	0.03
		3	-25.71	24.11	0.54
	2	1	47.87	17.83	0.03
		3	22.15	24.36	0.64
	3	1	25.71	24.11	0.54
		2	-22.15	24.36	0.64

Test of Between-Subject Effect (Bandung)						
Source	Dependent Variable	Type III	df	Mean	F	Sig.
Cluster	Tangible	2324.43853	2	1162.219265	0.330759876	0.721052163
	Realible	31287.36264	2	15643.68132	2.320396085	0.116201268
	Responsiveness	24969.94677	2	12484.97339	3.412946663	0.046656704
	Assurance	5347.335165	2	2673.667582	0.585831498	0.563095259
	Emphaty	15475.45055	2	7737.725275	3.612118867	0.039744933
	DistFairness	144.6428571	2	72.32142857	0.07347973	0.929327405
	InterpersonalFairness	12009.80769	2	6004.903846	1.833506451	0.17790343
	Brand	0	2	0	.	.
	Value	15472.33516	2	773.167582	0.9243298	0.408173348

Table 3. Manova analysis (Tokyo)

Test of Between-Subject Effect (Tokyo)						
Source	Dependent Variable	Type III	df	Mean	F	Sig.
Cluster	Tangible	5100	2	2550	0.748206912	0.482773
	Realible	7627.5	2	3813.75	0.46004222	0.636114
	Responsiveness	2497.5	2	1248.75	0.276884701	0.760269
	Assurance	17474.4	2	8737.2	1.898400834	0.169272
	Emphaty	36050.4	2	18025.2	2.773790472	0.080243
	DistFairness	978.75	2	489.375	0.107172187	0.898751
	InterpersonalFairness	3044.4	2	15217.2	2.195717419	0.130756
	Brand	9990	2	4995	0.224595324	0.800317
	Value	10800	2	5400	0.23642732	0.79106

Multiple Comparisons (Bandung)						
Tukey HSD						
Dependent Variable	(I) Cluster	(J) Cluster	Mean Difference (I-J)	Std Error	Sig.	
Tangible	1	2	-3.00	31.98	1.00	
		3	-33.00	27.17	0.46	
	2	1	-3.00	31.98	1.00	
		3	-33.00	37.68	0.71	
	3	1	33.00	27.17	0.46	
		2	30.00	37.68	0.71	

The results of Tukey test in Manova analysis for Bandung and Tokyo are shown at TABLE 2 and TABLE 3. The first table shows that between clusters of customers, there is significant perception about *responsiveness* and *empathy* while other factors are same perception. Different situation is shown in

Conclusion and Further Research

The beauty salon service has gained significance attention for service quality and therefore interested in tools and techniques which will enable it to measure and improve the quality of the services provided. This study demonstrates that both exploratory and explanatory study to service quality can help an organization to understand the factors

Tokyo that all factors of service quality are percept same for all cluster of customers. Based on this fact, hypotheses number 3 can be justified that different city (Bandung and Tokyo) has significant effect on customer perception of service quality.

affecting service quality and customer perception of service quality. Both of them are closely related with different city situation and customer value and life style.

Although the conceptual framework provides an understanding of service quality dimension and their related factors, further research can be directed to the dynamic and interaction between service quality dimensions.

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