# THE EFFECT OF CUSTOMER SERVICE QUALITY AND SATISFACTION ON BUSINESS SUCCESS OF ES PUTER BANG BENNY IN SUB DISTRICT KEMUNING SEKIP KEBON SEMAI PALEMBANG

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This study examines the effect of service quality and customer satisfaction on the success of the business of ES Puter Bang Benny in Kemuning sub-district, Kebon Semai, Palembang. The purpose of this study was to find out whether service quality and customer satisfaction had an influence on the success of ES Puter Bang Benny Business in Kemuning Subdistrict, Kebon Semai, Palembang. One of the important element and needs attention in the business world is the existence of consumers. Consumers are users of goods or services available. Consumers will definitely look for products or services according to their needs, so they can satisfy themselves. A consumer in deciding the purchase of an item or service, certainly has several considerations. Therefore, in achieving a business that has the potential to increase market share through meeting the level of quality of customer service. Service quality starts from customer needs and ends with satisfaction. perception or impression with the performance of a product and its expectations. Based on multiple linear regression equations obtained results:  $Y = 2.236 + 0.357X_1 + 0.422X_2$ 

Key: Service Quality, Consumer Satisfaction

### Background

One of the important element and needs attention in the business world is the existence of consumers. Consumers are users of goods or services available. Consumers will definitely look for products or services according to their needs, so they can satisfy themselves. A consumer in deciding the purchase of an item or service, certainly has several considerations. The considerations of someone in deciding the purchase of a product include: the choice of a product brand, and a store. Understanding consumer needs and the buying process is the basis for successful marketing because the company can thus develop effective strategies to support attractive offers for target markets (Simamora, 2009: 99) At present the business competition is getting tighter.

An effort that has the potential to increase market share through meeting customer service quality levels. Service quality starts from customer needs and ends with satisfaction. (Tjiptono, 2008: 86). Perception or impression with the performance of a product and its expectations.

Marketing home processed products is indeed not easy. This also happened to home ice cream products. Although ice cream, it turns out marketing to consumers is very difficult. So the way to market home ice cream to consumers needs to be studied before producing it. Actually the way to market home ice cream to sell quickly is easy. Most importantly, you meet the following requirements:

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# -Affordable prices

The home ice cream that we created may not have been able to compete with the production of famous ice cream brands. So it is very difficult for us if we want to win this competition. The most appropriate step is to compete for sale. Understand the market conditions. If you are going to sell ice cream for elementary school children. Of course the price of Rp. 1,000, - is the ideal price. In this way, home ice cream will be able to compete in the ice cream market.

#### -Packaging

Children who are first thought of are not feelings. But the colors are tempting. So how creative are you to make ice cream packaging very interesting and more hygienic. What needs to be noticed is that you have to label and close. Also include the BPOM code printed on the powder product.

## -Taste

Taste is number 3 because technically home ice cream will not be able to compete with the taste of ice cream made by a well-known brand. The step you can choose is to increase the variety of flavors in the ice cream. You can mix 2 flavors of ice cream in 1 cup or the other according to the creative and innovative ideas you have. After the 3 things above are fulfilled, the next step is the home ice cream marketing strategy. There are 2 ways you can do to sell home-produced ice cream. Among them:

### -Marketing

To market yourself, you must have a place and also an ice cream box that costs quite expensive. If you market at home this won't be a serious problem. If you are going to sell around, prepare equipment that makes the ice cream not melt. The advantage in marketing itself is the profits that are gained more. But you will work harder to market the home ice cream product

## - Depositing to another shop

Another most effective way to sell home ice cream is to leave the ice cream in the stalls or the school canteen. Try to establish good cooperation with several canteens in elementary and junior high schools. If each canteen is able to sell 20 cups of ice cream a day, you just multiply by how many canteens you work with. That's how to market home ice cream to sell quickly. Maybe there are several other ways that are more suitable for you. However, you can also apply the tips we gave above to get maximum sales results.

Based on the phenomena described earlier, the researcher is interested in conducting research with the title "**The Effect of Customer Service Quality And Satisfaction On Business Success of Es Puter Bang Benny In Sub District Kemuning Sekip Kebon Semai Palembang**"

#### LITERATURE REVIEW

#### **1. Definition of Service Quality**

To get an idea of the definition of service quality can be understood from several opinions of experts as follows: 1) Perceptions and attitudes of customers towards a company's products in accordance with expectations (Aritonang, 3: 2010); 2) Statement of feeling by comparing the expectations of the product and the reality experienced by a customer (Simamora, 4: 2009); 3) The expected level of perfection and control over perfection is to fulfill customer desires or expectations. (Wyckup, 2002); 4) Degree to which a set of inherent characteristic fulfilling requirements "means the degree achieved by characteristics inherent in meeting requirements" (ISO 9000).

## 2. Definition of Consumer Satisfaction

Consumer satisfaction is a very important thing in a company. Until now, many experts who define the definition of customer satisfaction include: 1) The results of customer assessment of what is expected by buying and consuming a product. Expectations are compared with their perceptions of the performance they receive by consuming these products (Aritonang: 2010: 2); 2) The response of consumers to perceived nonconformities between previous expectations and actual performance of the perceived product (Tjiptono: 2010: 24); 3) Consumer satisfaction is the level of one's feelings after comparing the performance or outcame that is felt with expectations of a product (Kotler, 2011: 40); 4) Consumer satisfaction is the level of one's feelings after comparing performance or perceived results compared to expectations. (Suroso, 2007: 67)

# 3. Definition of Business Success

According to Noor (2007: 397) reveals that the success of a business is essentially the success of a business reaching its goals. Indicators of business success are:

1. Ability to earn profit (profitability) Profit is the main goal of the business operating profit is the difference between income and costs. The income of a company comes from the sale of goods and services produced or produced.

# 2. Productivity and Efficiency

The size of the productivity of a business will greatly determine the size of a production. This will affect the size of a sale and ultimately determine the size of income, thus affecting the size obtained. Furthermore, the costs incurred by the company to produce goods and services that become its business, depending on the level of production efficiency produced. The higher the level of efficiency, the lower the production costs incurred. Thus this efficiency will affect costs, which ultimately affects the achievement of profits from the company concerned.

### 3. Competitiveness

Competitiveness is the ability or toughness in competing to win attention and consumer loyalty. A business can be said to be successful, if it can beat a competitor or at least still be able to survive against competitors. Consumer attention and loyalty can be grabbed if a company can satisfy the needs and desires of consumers. Therefore, the core of the competitiveness that must be owned by the company is the ability to innovate to create and seize new market opportunities that are emerging in the community.

### 4. Competence and business ethics

Competence is an accumulation of knowledge, results of research and experience both quantitatively and qualitatively in their fields so that they can produce innovations in accordance with the guidelines of the times.

5. Establishment of trust or trust from the wider community

### **RESEARCH METHODOLOGY**

### 1. Multiple Linear Regression

In this study, regression analysis was used to determine the effect of service quality (X1) and con satisfaction (X2) on the success of the Benny ES Puter Bang Business in Kemuning Subdistrict, Kebon Semai, Palembang. According to Priyatno (2011: 249) the formulations used are:

$$\mathbf{Y} = \mathbf{a} + \mathbf{b}_1 \mathbf{X}_1 + \mathbf{b}_2 \mathbf{X}_2 + \mathbf{e}$$

Information : Y: Business Success a: Constants X<sub>1</sub>: Quality of service X<sub>2</sub>: Consumer Satisfaction b: X<sub>1,2</sub> variable regression coefficient e: error term To facilitate analysis, researchers used the SPSS 16.0 for Windows program.

### 2. Hypothesis Testing

## A. Testing individually (partially) with t-test

Partial t test or regression coefficient is used to determine whether the independent variables partially have a significant effect on the dependent variable (Priyatno, 2012: 92). The steps in the t test are as follows: Testing variable coefficients:

- 1. Formulate a hypothesis
- a.Service quality (b<sub>1</sub>) for business success:

Ho:  $b_1 = 0$ , meaning that there is no influence on service quality on the success of ES Puter Bang Benny's business in Kemuning Subdistrict, Kebon Semai, Palembang. Ha:  $b_1 \neq 0$ , meaning that there is an influence of service quality on the success of ES Puter Bang Benny's business in Kemuning District, Sekip Kebon Semai Palembang

b. Consumer Satisfaction (b<sub>2</sub>) for Business Success:

Ho:  $b_2 = 0$ , meaning that there is no influence of customer satisfaction on the success of ES Puter Benny's business in Kemuning District Sekip Kebon Semai Palembang Bang Ha:  $b_2 \neq 0$ , meaning that there is an influence of customer satisfaction on the success of ES Puter Kemuning Bang Benny's business in District Sekip Kebon Semai Palembang Determining the calculated t obtained from the regression results through SPSS version 16.00 software.

#### 2. Determine t table

t table can be seen in the statistical table at the significance of  $\alpha = 5\%$  (0.05) 2-sided test then  $\alpha / 2 = 5\% / 2 = 2.5\%$  (0.025) with degrees of freedom (df = n-k-1). The results obtained for t table can be seen in attachment t table.

# 3. Test criteria:

If  $-t_{count} \le t_{table}$  or  $t_{count} \le t_{table}$  then, H0 is accepted as significant. If  $-t_{count} \le t_{table}$  or  $t_{count} \le t_{table}$  then, H0 is rejected meaning not significant.

# **B.** Simultaneous Testing of the F Test (overall)

The F test is used to find out whether the independent variables together have a significant effect on the dependent variable (Priyatno, 2012: 137). In this study, the F-test was used to determine the significance level of the influence of entrepreneurial spirit and innovation on the success of the bakery industry in East Baturaja District, OKU Regency. The hypothesis used in the overall test (simultaneous) with this F-test is:

1. Formulate a hypothesis

Ho:  $b_1$ ,  $b_2 = 0$ , meaning that there is no influence on service quality and customer satisfaction on the success of ES Puter Bang Benny's business in Kemuning District, Sekip Kebon Semai Palembang Ha:  $b_1$ ,  $b_2 \neq 0$ , meaning that there is an influence of service quality and customer satisfaction on the success of ES Puter Bang Benny's business in Kemuning District Sekip Kebon Semai Palembang.

2. Determine the calculated F obtained from the regression results through SPSS version 16.00 software

3. Determine F table

F table can be seen in the statistical table (attachment) at the significance level of 0.05 with df 1 (number of variables-1), and df 2 (n-k-1) n is the amount of data and k is the number of independent variables.

- 4 .. Testing Criteria
- 1. If F count  $\leq$  F table then Ho is accepted
- 2. If F count> F table then Ho is rejected
- 5. Make conclusions
- 1.If F count> F table then Ho is rejected
- 2. If F count <F table then Ho is accepted

The coefficient of determination (R2) is intended to determine the best level of accuracy in regression analysis, where things are indicated by the magnitude of the coefficient of determination (R2) between 0 (zero) and 1 (one). The coefficient of determination (R2) zero independent variables has no effect on the depedent variable at all. If the coefficient of determination gets closer to one, it can be said that the independent variable influences the depedent variable. In addition, the coefficient of determination is used to determine the percentage change in the dependent variable (Y) caused by the independent variable (X).

-According to Priyatno (2011: 521), the analysis of the coefficient of determination in multiple linear regression is used to determine the contribution percentage of the effect of independent variables (X1, X2, ...) simultaneously on the dependent variable (Y). The coefficient of determination is zero and one. The small value of R2 means the ability of the independent variables to provide almost all the information needed to predict the variable variation of the department.

To get the coefficient of determination the problem statement is used as follows:

 $\mathbf{R} = \mathbf{r2} \times 100\%$ . Where:  $\mathbf{R} =$  Determination

r = Correlation

#### **Results of Multiple Linear Regression Analysis**

The regression equation is used to see the effect of each independent variable (X) on the dependent variable (Y). Calculations with multiple linear regression models are carried out using program assistance while the summary results of multiple linear regression calculations can be seen in Table 2.

		Unstandardized Coefficients		Standardize d Coefficients		
Model		В	Std. Error	Beta	Т	Sig.
1	(Constant)	2.236	3.335		.690	.330
	Kualitas Pelayanan (X1)	.357	.144	.469	2.731	.007
	Kepuasan Konsumen (X2)	.422	.189	.455	2.574	.011

#### **Coefficients**<sup>a</sup>

a. Dependent Variable: Keberhasilan Usaha (Y)

Based on table 2, the multiple linear regression equation is as follows:

# $Y = 2.236 + 0.357X_1 + 0.422X_2$

Based on the above equation can be described as follows:

1. Constant value of 2.236 means that if the service quality variable (X1) and customer satisfaction (X2) value is zero then Y (business success) is worth 2.236.

2. Regression coefficient of 0.357. This means that if the service quality (X1) increases by one unit, it will increase business success (Y) by 0.357 units assuming the customer satisfaction value (X2) does not change or remain constant.

3. Regression coefficient of 0.422. This means that if customer satisfaction (X2) increases by one unit, it will increase business success (Y) by 0.422 units assuming the value of service quality (X1) does not change or remain constant.

# CONCLUSIONS AND SUGGESTION

# Conclusion

From the results of the analysis and discussion that has been done, conclusions can be drawn as follows:

1. Partially the quality of service and customer satisfaction have an influence on the success of ES Puter Bang Benny's business in Kemuning District, Sekip Kebon Semai, Palembang.

2. Simultaneously the quality of service and customer satisfaction have an influence on the success of ES Puter Bang Benny's business in Kemuning Subdistrict, Kebon Semai, Palembang.

3. Partially the quality of service and customer satisfaction has an influence on the success of ES Puter Bang Benny's business in Kemuning District, Sekip Kebon Semai, Palembang.

4. Simultaneously the quality of service and customer satisfaction has an influence on the success of the ES Puter Bang Benny business in Kemuning District, Sekip Kebon Semai, Palembang.

# Suggestion

Based on the previous conclusions, it can be given some suggestions that might be possible and useful for entrepreneur ES Puter Bang Benny in Kemuning Subdistrict, Kebon Semai, Palembang. As for suggestions that can be proposed are as follows:

1. We recommend that every company that will start economic activities must pay attention to several management processes including the planning process and product marketing process so that the company's goals can be achieved.

2. Entrepreneurs in the business of ES Puter Bang Benny in Kemuning Subdistrict, Sekip Kebon Semai Palembang in achieving success further improve the quality of service and customer satisfaction in realizing what they want to do in achieving the success of their business.

3. Entrepreneurs do planning products produced by the company must be truly in accordance with consumer needs. In addition, the products produced must reflect good quality. This is to be in accordance with the objectives of the company where the products produced can be accepted and in accordance with consumer needs and can satisfy consumers. Because the product is the central point of marketing activities, the success of a company can be known from the response shown by consumers.

4. It is recommended that every company that will start economic activities must pay attention to several management processes including the planning process and product marketing process so that the company's goals can be achieved.

5. Entrepreneurs in the business of Puter Bang Benny in Kemuning Subdistrict, Sekip Kebon Semai Palembang in achieving success further improve the quality of service and customer satisfaction in realizing what they want to do in achieving the success of their business.

6. Entrepreneurs do Planning products produced by the company must be truly in accordance with consumer needs. In addition, the products produced must reflect good quality. This is to be in accordance with the objectives of the company where the products produced can be accepted and in accordance with consumer needs and can satisfy consumers. Because the product is the central point of marketing activities, the success of a company can be known from the response shown by consumers

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