

# Study of Service Quality, Trust and Brand Image on Customer Satisfaction and Customer Loyalty of Beauty Clinic Consumers: Literature Review

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## Abstract

The purpose of this study is to better understand MSME Alunicorn's Instagram-based digital marketing approach for increasing sales of its headscarf goods. The study was carried out qualitatively, with a case study design. Data collection methods include interviews, observations, and documentation. The study participants were Alunicorn MSME owners and marketing personnel. The study's findings suggest that Alunicorn has utilized digital marketing methods such as content optimization, promotions, and digital consumer services. However, the approach in place is still not optimal in terms of SEO optimization, content variety, promotional frequency, and consumer review management. Alunicorn's digital marketing approach is still limited in terms of human resources and finance. As a result, Alunicorn is encouraged to enhance human resource capacity, digital marketing skills, implement the latest technology, and analyze consumer data in order to optimize its strategy and boost product sales in a sustainable manner.

**Keywords :** Service Quality, Trust, Brand Image, Customer Satisfaction, Customer Loyalty.

## Introduction

Nowadays, beauty treatments have become a necessity for everyone who wants healthy skin. The lifestyle of women today demands more attention to appearance, for that skin care is very important for everyone. Skin and facial care is one of the main needs of modern women who will support their activities. This need is so considered by skin health and beauty care service companies, so that various skin and facial care clinic businesses have sprung up, especially in big cities .

Beauty clinics have become an increasingly important necessity for many people, not only to maintain their appearance, but also to boost their self-confidence and personal well-being. This need has led to skincare entrepreneurs competing to offer the best beauty clinics that offer a range of excellent services.

According to a Statista report, revenues in the beauty & self-care market will reach US\$7.23 Billion or IDR111.83 trillion by 2022. The market is expected to grow annually by 5.81% (cagr or growth rate per year from 2022-2027). In detail, the largest market segment is the self-care segment with a market volume of US\$3.18 billion in 2022. Followed by skin care at US\$2.05 billion, cosmetics at US\$1.61 billion, and fragrances at US\$39 million. Relative to the population, revenue from the beauty and personal care market per person in Indonesia of US\$25.90 was generated in 2022. In the beauty & personal care market, 15.8% of the total revenue will be generated through *online* sales by 2022.

Based on the results of the Katadata Insight Centre (KIC) and sirclo survey in 2021, there has been a shift in the product categories most favoured by consumers when [shopping online](#). The number of

transactions for health and beauty products increased to 40.1% during the Covid-19 pandemic. This is up from 29.1% in 2019. The increase in health and beauty product transactions surpassed *fast-moving consumer goods (fmcg)*. Noted, fmcg transactions only grew from 30.5% in 2019 to 31.2% in 2020/2021. ([databoks.katadata.co.id/datapublish/2022](https://databoks.katadata.co.id/datapublish/2022)).

## Literature Rievew

### Service Quality

The concept of *service quality* comes from a marketing background and is able to build relationships with customers (Williams & Buswell, 2003) because it is evaluated by customers. As a consequence, the customer's own evaluation can influence his or her future behaviour; the customer may or may not be satisfied buying a product or service. (zeithaml, v. A., bitner, m. J., & gremler, 2013).. Service quality can only be determined by customers who meet customer needs (metters, king-metters, pullman, 2008).. Perceived service quality is a multidimensional aspect. Measurement of service quality in general is to compare expectations and perceptions consisting of five factors (servqual): tangible evidence, reliability, responsiveness, assurance and empathy (Parasuraman et al., 1994). (Parasuraman et al., 1994).

According to (Kotler & Armstrong, 2014) According to Kotler & Armstrong, service quality is any action or activity that can be offered by a party to another party, basically intangible and does not result in any ownership. Meanwhile, (Tjiptono & Chandra, 2016)(Tjiptono & Chandra, 2016) states that service quality is about understanding the quality of service itself, then expanding it to fitness for use and conformance to requirement. Quality is a dynamic condition related to products, services, people, processes, and the environment that exceeds expectations (goetsh and davis, 2008). According to Gronroos (2008) service is an activity or a series of activities that are invisible (not palpable) that occur as a result of interactions between customers and employees or other things provided by the service provider company which are intended to solve customer / customer problems. According to (Rangkuti, 2009) Therefore, in formulating service strategies and programmes, companies must be oriented towards customer interests by paying attention to service quality components. According to (Tjiptono & CChandra, 2016) service quality is something that is perceived by customers. Customers will assess the quality of a perceived service based on what they describe in their minds. Customers will switch to other service providers who are better able to understand the specific needs of customers and provide better service.

Low quality will lead to customer dissatisfaction. Therefore, disappointed customers will tell at least 15 other people. As a result, potential customers will make their choice to competitors. (issock & mpinganjira, 2020) Service quality encourages customers to commit to the products and services of a company so that it has an impact on increasing the market share of a product. Service quality is crucial in retaining customers for a long time. Companies that have superior service will be able to maximise company performance. (lu, 2019).

### Trust

Trust is the positive belief or conviction one has in the reliability, integrity and ability of another person, organisation or product to deliver on expectations or promises. In a business context, trust is an important foundation in building long-term relationships with customers. Trust creates a sense of security and comfort for customers, so they feel confident to interact and transact with a particular company or brand. With trust, customers tend to be more loyal and willing to make repeat purchases. Therefore, companies must strive to build customer trust through consistency, transparency, and good communication. (leninkumar, 2017).

### Customer Satisfaction

Customer satisfaction is the level of customer satisfaction or satisfaction with the products or services provided by a company. It reflects the extent to which customer expectations and needs are met by the product or service received. Customer satisfaction can be measured through customer evaluations of product quality, service performance, price, user experience, and other factors that affect their perception of the value provided by the company. (hamzah, 2022). Customer satisfaction is an important factor in maintaining long-term relationships with customers, because satisfied customers tend to be loyal, provide positive recommendations, and have the potential to make repeat purchases. Therefore,

understanding and fulfilling customer needs and expectations is the key to achieving long-term business success. (HHamzah, 2022)

Customer satisfaction is part of creating customer value. Because the creation of customer satisfaction means providing benefits to the company, including the relationship between the company and its customers becoming harmonious, providing a good basis or the creation of customer satisfaction and forming a word of mouth recommendation that is beneficial to the company, so that there is interest from customers to buy or use the company's services.

According to Kotler in (tjiptono, f., & chandra, 2016) states that in measuring customer satisfaction there are four methods, namely: (1) complaints and suggestions system, (2) customer satisfaction survey, (3) ghost shopping, and (4) lost customer analysis. Recent research related to customer satisfaction includes (gunawan, 2022), (alonso-dos-santos et al., 2020), (singh et al., 2020), (rangriz et al., 2020).

### Customer Loyalty

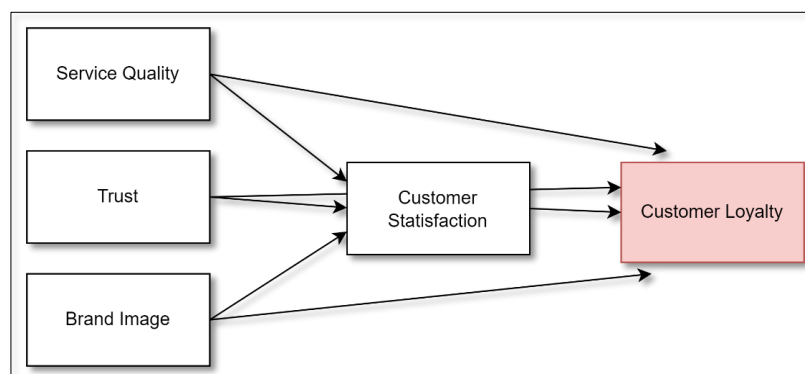
Customer loyalty is the level of customer loyalty or loyalty to a particular brand, product, or service. It reflects the extent to which customers are willing to consistently choose and use products or services from a particular company or brand compared to its competitors. Customer loyalty can be reflected in the tendency of customers to make repeat purchases, recommend products or services to others, and remain loyal to the brand or company over a longer period of time. (tannady & purnamaningsih, 2023). Customer loyalty describes the level of customer loyalty or loyalty to a particular brand, product, or service. This includes the tendency of customers to consistently choose and use products or services from a company compared to its competitors. Customer loyalty can be reflected in a positive attitude towards the brand, the desire to continue using the product or service, and the tendency to recommend it to others. (cui et al., 2023)

Customer loyalty refers to the level of customer loyalty and engagement with a particular brand, product or service. Loyal customers tend to choose to continue using products or services from a company without being influenced by competitors' promotions or price changes. They also tend to give positive recommendations to others and maintain a long-term relationship with the company. Customer loyalty is a valuable asset for companies because it can increase customer retention, increase sales, and create strong relationships between companies and customers. (chen et al., 2023).

### Method

The method of writing this scientific article uses qualitative methods and literature studies, including analysing reference books related to the theme studied, namely marketing management. In addition, scientific articles and reputable journals were also reviewed. All scientific articles were cited and obtained through mendeley and google scholar. In qualitative research, researchers need to use literature review consistently based on methodological assumptions so that it is used inductively so as not to lead to the questions that researchers ask. The main basis for carrying out a qualitative study is that the study is inclined (Ali & Limakrisna, 2013). Then, it is reviewed in detail in the section with the title of related literature and literature review as a basis for formulating hypotheses, and will be used as a basis for comparing the results or findings in the study.

### Conceptual Frame Work



## **Results and Discussion**

### **Service quality on customer satisfaction**

Good service quality when the company can provide services based on customer desires/expectations, hear various complaints from customers so as not to create a bad assumption of the quality of service the company provides. In order to gain an edge in competition, service quality can be an important tool and function in order to gain new customers.

Through the study, it was found that the service quality variable has a crucial influence on the variables of customer satisfaction and loyalty. Service quality is assumed to be ideal if the service obtained matches or exceeds consumer expectations. Service quality is assumed to be poor if the service consumers receive is poor so that it will have an impact on the development of the company and trigger a decrease in the level of consumer confidence. Providing the best service for customers is an indicator of company success. For companies that successfully market their services / products to customers with satisfactory service, of course they get a positive image from customers (Assauri, 2015).

Previous research from kaura et al (2015), rachelia (2018), and qin & prybutok (2009). Shows that service quality has a positive and significant effect on customer satisfaction. This proves that customers who feel they are given the best service by the company or driver will be satisfied, on the other hand, customers who are not given the best perceived service quality will be dissatisfied with the company's services. The company should pay attention to the perception of the quality of service provided to its customers.

### **Trust on customer satisfaction**

Customer trust and customer satisfaction are intertwined in business relationships. When customers have trust in a company or brand, this tends to increase the level of customer satisfaction. When customers believe that a company will provide consistent, honest, and responsible services or products, it can create a positive experience for customers. Customer satisfaction can also strengthen customer trust. When customers are satisfied with the products or services provided by the company, they tend to be more trusting and loyal to the company. Conversely, if customer trust in the company is damaged, this can have a negative impact on the level of customer satisfaction

The study entitled shows that social presence and trust in social media have an effect on customer loyalty in the context of online shopping. Trust was found to mediate the effect of social presence on loyalty. Satisfaction arising from social media interactions was found to increase user behavioural loyalty, reflecting the indirect influence of trust in social media on brand loyalty. Brand trust was found to have a positive impact on loyalty, including aspects such as electronic word of mouth and repurchase intentions. (Attar et al., 2023).. Another study entitled The Factors Influencing Users' Trust in and Loyalty to Consumer-to-Consumer Secondhand Marketplace Platform shows that there are two types of trust that play an important role in developing user loyalty to the Karrot platform, namely trust in Karrot and mutual trust between Karrot users. Trust between users has a positive relationship with trust in Karrot, which in turn has a positive effect on loyalty. (Jang, 2023).

Thus, building and maintaining customer trust and increasing the level of customer satisfaction are important goals for companies in maintaining good relationships with customers and achieving long-term customer loyalty. (EElizar et al., 2020). Studies conducted show that there is a significant positive relationship between customer trust and customer satisfaction. Customer trust in a service or product can affect the level of customer satisfaction. With high trust, customers tend to feel satisfied with the service or product provided. Conversely, lack of trust can reduce the level of customer satisfaction. Therefore, it is important for companies to build and maintain customer trust in order to increase customer satisfaction and strengthen long-term relationships with them.(leninkumar, 2017).

### **Brand image on customer satisfaction**

Brand image has a positive and significant effect on customer satisfaction. A strong brand image can also increase customers' trust in the brand, which in turn can increase their satisfaction. When customers feel confident in the quality, consistency and reputation of a brand, they tend to feel more satisfied with their purchasing experience. In addition, a positive brand image can also increase customer loyalty. Customers who are satisfied with a brand are likely to become loyal customers and may even recommend the brand to others, which in turn can increase sales and overall brand reputation.

The results of this study are in line with previous research from. The higher the perception of service quality provided by the company to customers, the higher the customer will be loyal to the company. The study entitled *The Relationship Between Service Quality, Corporate Image, and Customer Loyalty of Generation Y: An Application of S-O-R Paradigm in the Context of Superstores in Bangladesh* shows that service quality and corporate image have a positive and significant influence on customer loyalty of Generation Y shoppers in Bangladesh superstores. (Singh et al., 2020).

#### **Customer satisfaction plays a positive and significant role as an intervening influence on service quality on customer loyalty**

An empirical investigation of the effect of employees' customer orientation on customer loyalty through the mediating role of customer satisfaction and service quality shows that customer satisfaction fully mediates the impact of employees' customer orientation on their loyalty. In addition, customer orientation is indicated to be positively correlated with service quality and customer satisfaction, and customer satisfaction has a greater impact on customers' decision to be loyal than service quality. (Aburayya et al., 2020).

This is also shown by research entitled *The effect of service quality on customer satisfaction and loyalty and the mediating role of customer satisfaction: Supermarkets in Fiji* which found that service quality significantly affects customer satisfaction and loyalty, and customer satisfaction partially mediates the relationship between service quality and customer loyalty thereby reducing customer perceptions of service quality, thereby reducing customer loyalty. (Slack & Singh, 2020). The results of this study are in line with previous research from Kurniasih (2012), Woro and Naili (2013). For this reason, to increase customer loyalty, companies can improve a quality so that customers can be satisfied and ultimately loyal to the product or service.

#### **Trust on customer loyalty with customer satisfaction as an intervening variable**

Trust on customer loyalty can be viewed as a relationship where high trust from customers towards a brand or company can increase their loyalty. However, this relationship is not always direct. There are other factors that can influence the relationship between trust and loyalty, one of which is customer satisfaction.

Customer satisfaction can act as an intervening variable or intermediary between trust and customer loyalty. This means that customer satisfaction can be a mediator or intermediary in the relationship between trust and customer loyalty. In this case, a high level of customer satisfaction can increase their level of trust in the brand or company, which in turn can increase their loyalty. Customer satisfaction can be an intermediary in strengthening the relationship between trust and loyalty. This can be done by ensuring that a satisfying customer experience can build and strengthen customers' trust in your brand or company, which in turn can increase their level of loyalty.

The study entitled *Airline satisfaction and loyalty: Assessing the influence of personality, trust and service quality* shows that service quality, trust, openness, and agreeableness positively affect satisfaction; meanwhile, satisfaction is negatively affected by extraversion. Service quality, trust, commitment loyalty, and satisfaction have a positive effect on conative loyalty (behavioural intention). (Leon & Dixon, 2023). Research with the title *The link between corporate social responsibility and customer loyalty: Empirical evidence from the Islamic banking industry* also shows that CSR directly and positively impacts loyalty. Indirectly, these two aspects have an insignificant relationship through the serial role of image-reputation and satisfaction-reputation, but are significant through the single role of reputation and the serial role of trust-reputation. (Muflih, 2021)

#### **Brand image on customer loyalty with customer satisfaction as an intervening variable.**

Brand Image reflects the customer's perception of the brand. A strong brand image creates a positive impression, trust and loyalty to the brand. Customer Satisfaction refers to the level of customer satisfaction with the products or services they receive from the brand. High customer satisfaction contributes to long-term loyalty and brand recommendations. An intervening variable, in this context, is a variable that influences or links the relationship between two other variables. In this case, customer satisfaction acts as an intervening variable between brand image and customer loyalty. This means that customer satisfaction can mediate or influence the relationship between brand image and customer loyalty.

So, the relationship between brand image and customer loyalty may not be direct, but is influenced by customer satisfaction. When customers are satisfied with their experience of the brand (which is influenced by brand image), they are more likely to become loyal and continue to buy products or use services from that brand. This is in line with research entitled *The Impact of Brand Image and Brand Awareness on Customer Loyalty Through Customer Satisfaction as an Intervening Variable on Wardah Beauty Product Consumers in Surabaya City* where the results of this study indicate that brand image has an impact on customer satisfaction, brand awareness has an impact on customer satisfaction, brand image has an impact on customer loyalty, brand awareness has an impact on customer loyalty, and customer satisfaction has an impact on customer loyalty.

## Conclusion

Based on the theory, relevant articles, and discussion, conclusions can be drawn:

1. Service quality has both positive and crucial impacts on customer satisfaction.
2. Trust has both positive and crucial impacts on customer satisfaction.
3. Brand Image has a positive and crucial impact on customer satisfaction.
4. Service quality has both positive and crucial impacts on customer loyalty.
5. Trust has both positive and crucial impacts on customer loyalty.
6. Customer value has both positive and crucial impacts on customer loyalty.
7. Service quality, trust, and brand image have a simultaneous positive and crucial impact on customer satisfaction.

## Advice

In accordance with the conclusions that have been conveyed, this article also includes suggestions, namely that there are other factors that have an impact on customer satisfaction and customer loyalty, apart from service quality, trust, and brand image at the overall organisation/company level. For this reason, in-depth analysis is still needed in order to obtain other factors that can have an impact on customer satisfaction and loyalty.

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