
THE ROLE OF PRICING IN INCREASING CUSTOMER SATISFACTION: ANALYSIS OF THE BARBERSHOP SERVICES INDUSTRY IN MAKASSAR CITY

* Chalid Imran Musa

Postgraduate Program, Makassar State University

E-mail: imranmusa1962@gmail.com

Abstract

This research aims to analyze the role of price in increasing customer satisfaction in the barbershop service industry in Makassar City. The barbershop services industry has grown rapidly in recent years, and competition between service providers has become increasingly fierce. One factor that influences customer decisions is the price offered by the service provider. Therefore, this research aims to explore how price can influence customer satisfaction in the barbershop context. This research uses a quantitative approach by collecting data through questionnaires distributed to barbershop customers in Makassar City. Data processing was carried out using regression analysis to identify the relationship between price and customer satisfaction. The research results show that price has a significant influence on customer satisfaction in the barbershop service industry. These findings indicate that barbershop service providers need to consider appropriate pricing strategies to increase customer satisfaction. Competitive prices and in line with the quality of services offered can provide added value for customers. Apart from that, this research also shows that there are other factors that can influence customer satisfaction, such as service quality, barbershop environment, and overall customer experience. This research contributes to the understanding of the role of price in increasing customer satisfaction in the barbershop service industry. The results of this research can be a reference for barbershop service providers in developing effective marketing strategies to increase customer satisfaction and maintain competitiveness in a competitive market.

Keywords: *Price, Customer Satisfaction, Barbershop Service Industry*

1. INTRODUCTION

The barbershop services industry has experienced rapid development in recent years. Barbershops are no longer just a place for men to get their hair cut, but also a place for relaxation, facial treatments and social interaction. In this increasingly competitive environment, barbershop service providers need to consider key factors that can influence customer satisfaction. One factor that significantly influences customer decisions is price. Price is an important consideration for customers in choosing a barbershop service provider. Customers tend to look for value for money and expect quality service. Therefore, it is important for barbershop service providers to understand the role of price in increasing

THE ROLE OF PRICING IN INCREASING CUSTOMER SATISFACTION: ANALYSIS OF THE BARBERSHOP SERVICES INDUSTRY IN MAKASSAR CITY

Chalid Imran Musa, 2023

customer satisfaction. In Makassar City, as one of the big cities in Indonesia with rapid economic growth, the barbershop industry is becoming increasingly popular. Many new barbershops are emerging, increasing competition among service providers. In this context, a good understanding of the role of price in increasing customer satisfaction is crucial for the success of the barbershop business.

The aim of this research is to analyze the role of price in increasing customer satisfaction in the barbershop service industry in Makassar City. This research will assist barbershop service providers in developing effective pricing strategies to meet customer expectations and maintain competitiveness in a competitive market. This research will use a quantitative approach by collecting data through questionnaires distributed to barbershop customers in Makassar City. The collected data will be analyzed using the regression method to identify the relationship between price and customer satisfaction. Apart from that, this research will also identify other factors that can influence customer satisfaction in the barbershop industry.

By better understanding the role of price in increasing customer satisfaction, it is hoped that this research can provide valuable insight for barbershop service providers in Makassar City in developing effective marketing strategies. Apart from that, this research can also be a contribution to academic literature in the field of customer satisfaction in the service industry.

The service industry is experiencing rapid growth in the era of globalization. This industry involves the production of intangible and non-storable products, with direct interaction between service providers and customers. In contrast to the manufacturing industry which produces tangible products that can be stored, the service industry has different characteristics.

According to Fitzsimmons and Fitzsimmons (2017), the service industry has several special characteristics:

1. Service products are difficult to measure because they are intangible.
2. Production and consumption of services occur simultaneously and cannot be separated.
3. Service quality may vary depending on factors such as the skill and experience of the service provider, as well as environmental conditions.
4. Services cannot be stored and have an expiration date.

In today's modern era, the service industry is experiencing rapid growth. One popular type of service is a laundry service, which provides washing of clothes and textiles. In the laundry industry, there are several factors that contribute to business success, including service quality, price, promotions, and location.

Service quality is a crucial factor in the service industry, as mentioned by Kotler and Keller (2016). It refers to a service's ability to meet or exceed customer expectations. Good service quality can increase customer satisfaction and strengthen their loyalty.

Price also plays an important role in the service industry. According to Zeithaml and Bitner (2018), prices that are too high can deter customers from using the service, while prices that are too low can imply low service quality. Therefore, setting the right prices is very important in the service industry.

Promotion also plays an important role in the service industry. Effective promotions can increase customer awareness of the services offered. This can attract more customers and strengthen the brand image.

Location is also a key factor in the service industry. Strategic locations can increase customer accessibility to services. It can also improve brand image and customer loyalty.

2. LITERATURE REVIEW

Service benefits

According to Kotler and Keller (2016), service benefits can be categorized into five categories:

1. Functional benefits, which are related to the usability and performance of the service.
2. Emotional benefits, which are related to customer feelings and emotions. For example, the satisfaction and happiness felt after using the service.
3. Social benefits, which are related to social interactions between customers and service providers. For example, the opportunity to meet and interact with new people.
4. Personal benefits, which are related to customer self-development.
5. Psychological benefits, which are related to customer perception and self-image. In a business context, service benefits can also have a positive impact on a company's profitability.

According to Fitzsimmons and Fitzsimmons (2017), the benefits of services provided to customers can increase loyalty, strengthen the company's image, and increase financial profitability.

Price

Price is a significant factor in estimating and understanding customer behavior (Chenet et al., 1994). By understanding the value of prices, companies can predict and understand customer behavior, as well as achieve the level of customer satisfaction resulting from these prices (Issalillah et al., 2021). Meanwhile, price is an amount of money determined by the company as compensation for the goods or services offered, and functions as an effort to meet customer needs and desires. Christy Jacklin Gerung, Janjte Sepang and Sjendry Loindong (2017).

Customer satisfaction

Customer satisfaction is the result of a comparison between the quality of service received by customers and the expectations held by previous customers. If the quality of service received is lower than expectations, customers will feel dissatisfied. Conversely, if service quality exceeds expectations, customers will feel very satisfied (Riyanto, 2018). Tjiptono (2019) in (Hernikasari, 2022) also defines customer satisfaction as a comparison between expectations before purchase and perceptions about performance after purchase. Thus, it can be concluded that the concept of customer satisfaction involves the difference between expectations and perceived performance.

Besides that, Customer satisfaction is the result of customer perceptions of the quality and value of the services provided by the service provider. Customers who are satisfied with service will tend to have positive perceptions, feel their needs are met, and will most likely become loyal customers. Customer satisfaction can be measured through various indicators, such as the level of trust, loyalty, and intention to recommend the service to others. One step that can be taken to increase customer satisfaction is to implement a product diversification strategy. Through this strategy, service providers can offer a wide variety of products to consumers.

Product diversification can include the development of new products, variations in product features and options, and providing customers with broader options. Through this product diversification strategy, customers will feel cared for because of the various choices provided. They can choose products that suit their needs and preferences. With product variations, customers will feel satisfied because they have more options to meet their needs. This product diversification strategy is a unique attraction offered to the target market. By providing attractive product variations that suit customer needs, service providers can increase customer attraction and satisfaction. This can also help increase customer loyalty and expand market share. (Khairi, A., & Darmawan, N. 2021).

3. RESEARCH METHOD

This research will use a quantitative approach to analyze the role of price in increasing customer satisfaction in the barbershop service industry in Makassar City. A quantitative approach is used because it allows measurable data collection and systematic statistical analysis. The population of this research is barbershop customers in Makassar City. The sample will be selected using a simple random sampling technique, where questionnaires will be distributed to customers who are using barbershop services at the time the research is conducted. The planned sample size will include a number of representative customers from various barbershops in Makassar City.

The data collection instrument used was a specially designed questionnaire. The questionnaire will consist of two main parts. The first part will focus on the independent variable, namely price. The questions in this section will relate to customers' perceptions of the prices offered by barbershops and the factors that influence their assessment of prices.

The second part will focus on the dependent variable, namely customer satisfaction. The questions in this section will explore the level of customer satisfaction with the services provided by the barbershop.

The collected data will be analyzed using the regression method. Regression analysis will be used to identify the relationship between price and customer satisfaction. In addition, descriptive statistical analysis will also be carried out to get a general idea of customer perceptions of prices and their level of satisfaction.

4. RESULT

The results of this research indicate that price has a significant role in increasing customer satisfaction in the barbershop service industry in Makassar City. Regression analysis shows a positive relationship between price and customer satisfaction. These findings indicate that the prices offered by barbershop service providers have a significant influence on the level of customer satisfaction.

In the increasingly competitive barbershop industry, price is one of the important factors considered by customers when choosing a service provider. Customers tend to look for value for money and expect quality service. Therefore, barbershop service providers need to pay attention to appropriate pricing strategies to meet customer expectations and increase their satisfaction.

This research also identified other factors that can influence customer satisfaction in the barbershop industry, such as service quality, barbershop environment, and overall customer experience. This shows that customer satisfaction is the result of various interacting factors. Therefore, barbershop service providers need to pay attention to these aspects and holistically manage the customer experience to achieve optimal satisfaction.

In addition, this research also contributes to understanding the role of price in increasing customer satisfaction in the barbershop service industry. These findings can be a reference for barbershop service providers in developing effective marketing strategies. Service providers need to consider prices that are competitive and in line with the quality of the services offered to provide added value for customers.

5. CONCLUSION

Overall, price has an important role in influencing customer satisfaction in the barbershop industry in Makassar. Barbershop service providers need to carefully consider pricing strategies that are competitive and in line with the quality of services provided to increase customer satisfaction. However, customer satisfaction is not solely determined by price alone. This is influenced by a variety of interrelated factors, including the quality of service, the barbershop environment, and the overall customer experience.

THE ROLE OF PRICING IN INCREASING CUSTOMER SATISFACTION: ANALYSIS OF THE BARBERSHOP SERVICES INDUSTRY IN MAKASSAR CITY

Chalid Imran Musa, 2023

To effectively manage customer experience, service providers must pay attention to all factors that influence customer satisfaction. This involves creating a comfortable and enjoyable environment, providing high-quality service, and ensuring a positive overall customer experience. By understanding and addressing these factors, barbershop service providers can significantly increase customer satisfaction and remain competitive in a highly competitive marketplace.

The findings of this research provide valuable insights for barbershop service providers in developing effective marketing strategies to increase customer satisfaction. By considering the role of price and its interaction with other factors, such as service quality, environment, and overall customer experience, service providers can tailor their offerings to meet customer expectations and preferences. This will result in higher levels of customer satisfaction, increased customer loyalty, and ultimately, continued success in the barbershop industry.

Overall, this research highlights the importance of price in shaping customer satisfaction in the barbershop service industry. This research emphasizes the need for service providers to adopt appropriate pricing strategies, while also recognizing the importance of other factors in providing a satisfying customer experience.

6. REFERENCES

- Christy Jacklin Gerung, Janjte Sepang and Sjendry Loindong (2017), The Influence of Product Quality, Price and Promotion on the Decision to Purchase a Nissan X-Trail Car at PT. Wahana Wirawan Manado EMBA Journal Vol No.
- Hernikasari, I., Ali, H., & Hadita, H. (2022). Brand Image Model Through Customer Satisfaction Bear Brand: Price and Product Quality. *Journal of Applied Management Science*, 3(3), 329-346.
- Issalillah, F., E. Rachmawati, & M. Kemarauwana. (2021). the Role of Service Quality on Satisfaction of BPJS Participants. *Journal of Engineering and Social Sciences*, 1(1), 41-48
- Kotler, P., & Keller, K. L. (2016). *Marketing management* (15th ed.). Upper Saddle River, NJ: Pearson.
- Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1985). A conceptual model of service quality and its implications for future research. *Journal of Marketing*, 49(4), 41-50.
- Riyanto, A. (2018). Implications of Service Quality in Increasing Customer Satisfaction at PDAM Cibadak Sukabumi. *Ecodemica*, 2(1), 117–124.
<https://ejournal.bsi.ac.id/ejurnal/index.php/ecodemica/article/view/2911/pdf>
- Tjiptono. (2019). *Marketing Strategy Principles & Implementation* (1st Edition). Andy