

## Factors Determinants Affecting Satisfaction Customer in Retail Business

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**Abstract:** This research analyzes the determinant factors that affect customer satisfaction in the retail business in the city of Makassar. The determinant factor includes the variables of service quality and marketing relation influence on customer satisfaction in the retail business in the city of Makassar. This research is a survey research with a quantitative approach with a sample of 369 customers in retail business Alfamart in Makassar. Collecting data using questionnaires as a data collection tool as well as direct interviews and literature review. The results of data analysis showed that service quality effect on customer satisfaction both directly and indirectly through the variable relationship marketing. Marketing relation effect on customer satisfaction both directly and indirectly through the variable quality of service. The results of the analysis states that the better the quality of service will improve the satisfaction of customer satisfaction as well as better marketing relationships will result in increased customer satisfaction at retail businesses Alfamart in Makassar.

**Key words:** Quality of service, relation marketing, customer satisfaction, retail, business, services

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### INTRODUCTION

The development progress of Makassar running so fast and dynamic over the last 5 years is proof that the city of Makassar has high investment attractiveness with respect to its position as the gateway of Eastern Indonesia.

The existence of supermarkets increasingly years has mushroomed in the city of Makassar, even it's existence as if it does not care anymore about competition with other similar companies. Even some previous studies found the presence of supermarkets has the potential to absorb labor and bring products consumption needs of consumers with modern marketing strategies and techniques.

The development of the existence of supermarkets in Makassar kind Indomaret grew from 15 in 2010 to 68 supermarkets in 2014, up Menjai approximately 100% over the last 5 years as well as similar Alfamart supermarkets, Alfamidi and supermarkets are like the mean average progressing very significant amount.

Achieving the highest level of customer satisfaction is the main goal of marketing. In reality, lately a lot of attention devoted to the concept of satisfaction "total", the implication is achieve the satisfaction of the majority is not enough to keep customers loyal and back again. When, customers feel satisfied with the service obtained at the time of the transaction process and also satisfied with the goods or services they get, most likely they will come back again and do purchases another and would recommend to friends and family about the company and

products. Also, less likely they turn to competitors of the company. Maintain customer satisfaction over time will build a good relationship with the customer. It can increase profits in the long term. However, companies must be careful not to get caught on the belief that customers should be satisfied no matter how much it costs. Not all customers have the same value for the company. Some customers are eligible to receive care and services more than other customers. There are customers who will never give feedback no matter how much attention we give to them and no matter how satisfied they are. Thus, the enthusiasm of customer satisfaction should be supported by analyzes good.

Spreng *et al.* (1996) states that, the customer satisfied feeling arises when consumers compare their perceptions of the performance of the products or services to their expectations. Tse and Wilton (1988) expressed satisfaction and dissatisfaction is the customer response to the mismatch (disconfirmation) are perceived between the expectations of the previous (or other performance norm) and the actual performance of the product that is felt after use. Furthermore, Tse and Wilton (1988) describes two main variables that determine customer satisfaction, the expectations and perceived performance. If the perceived performance exceeds expectations, the customer will be satisfied but if otherwise, the customer was not satisfied. Kotler and Keller (2006) states that, customer satisfaction is the feeling of pleasure or disappointment with someone after comparing the performance or perceived results as compared to expectations. From the explanation, it is known that

customer satisfaction resulting from the comparison between the perceived performance with expectations which produces disconfirmation paradigm.

Fornell *et al.* (1996) in its findings stated that the overall consumer satisfaction is the result of the evaluation of the experience of current consumption derived from the reliability and standardization of services, customer satisfaction overall is the comparison of the level of satisfaction of a similar business and that the customer satisfaction as a whole is measured based on experience with indicators of expectations overall, expectations relating to customs and expectations related to the reliability of the service. Oliver and DeSarbo (1988) looked at the levels of satisfaction arises because of a special deal between producers and consumers is a psychological condition that is generated when emotional factors encouraging expectations and adapted to consume previous experience (perception). Also, according to Zeithaml *et al.* (1996) customer satisfaction is a comparison between the services expected by the performance (perceived performance).

This research aimed to analyze the determinant factors that affect customer satisfaction, especially, in retail business Alfamart in Makassar. In addition this study also aims to develop theories of strategic management theory primarily on the development of marketing strategies.

## MATERIALS AND METHODS

This research is using quantitative method with the type explanatory research that looked at the relationship between one variable with another variable that has a relationship causality relationship. Quantitative research is intended to test the theory with observations preceded by proposing hypotheses and operationalization of variables.

In this study the research object as well as a population in this study were 123 retail (supermarkets). To determine the sample set of customers 3 customers every supermarket with the method by accident or impromptu samples that can be encountered when the observation lapngan. By using this method, the sample of customers of  $3 \times 123 = 369$  respondents.

The model used in this research is a model of causality or relationships or influences and to test the hypothesis, the analysis technique used is SEM (Structural Equation Models). The use of SEM for SEM analysis method can identify the dimensions of a construct and at the same time is able to measure the degree of influence or relationship among factors that have been identified dimensions in Fig. 1.

A complete model of the paths between the frame of a variable based on the hypothesis proposed in the study as seen in Fig. 1:

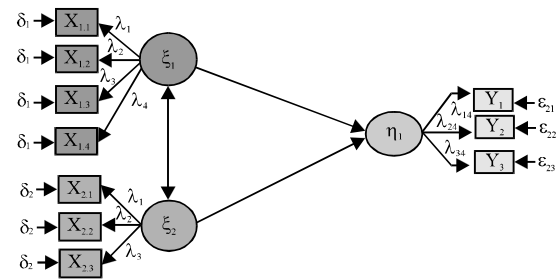


Fig. 1: Model of the research framework

- $\xi_1$ : Quality of service (exogenous latent variables) [ksi<sub>1</sub>]
- $\xi_2$ : Relation marketing (latent variable exogenous) [ksi<sub>2</sub>]
- $\eta_1$ : Customer satisfaction (endogenous latent variable) [eta<sub>1</sub>]
- $\zeta$ : Error models [zeta] is a structural disturbances or errors inequation
- $\gamma$ : Coefficient influence latent variable exogenous to the endogenous [gamma]
- $\beta$ : Coefficient influence endogenous latent variables to other endogenous
- $\lambda$ : The coefficient measurements manifest variables to a latent variable [lambda: loading factor]
- $\delta$ : Measurement error in the manifest variables to a latent variable exogenous
- $\varepsilon$ : Measurement error in the manifest variables to endogenous latent variables

## RESULTS AND DISCUSSION

**Research object description:** The growth of the retail market or the so-called supermarket in Makassar over the last 5 years has increased significantly. The average growth of the retail market in the city of Makassar by 9-10% spread into 14 subdistricts by several names including: Alfamart, Indomaret, Alfamidi and other brand. The number of workers absorbed between 2-3% of the labor force annually. Growth in the number of retail market in the city of Makassar due to population growth of Makassar growing year increasing with the level of income per capita increased significantly.

Retail market development or supermarkets in Makassar is also supported by regional government regulations that provide ease in granting permission for the establishment of the market retail/supermarket.

**Effect of quality of service customer satisfaction retail market in makassar:** Based on data analysis using structural equation modeling with the help of program LISREL obtained results of the quality of service on customer satisfaction in Table 1.

Table 1: Test results effect of quality of service customer satisfaction

Hypothesis	The effect coefficients	T-count	T-table	Conclusion
There effect quality of service and relation marketing customer satisfaction	0.63 KL to CS	1.9786	1.9665	T-count>T-table = H <sub>0</sub> rejected, there is significant effect KL to Customer Satisfaction (CS)
	0.71 RM to CS	2.3722	1.9665	T-count>T-table = H <sub>0</sub> rejected, there is significant effect relations marketing to Customer Satisfaction (CS)

The results of data analysis using a model of Structural Equation Model (SEM) showed that the quality of service berpengaruh against Customer Satisfaction (CS) in the market retail in Makassar. This means that the application of the method nice services to consumers will increase satisfaction to the customer and will create a need back of consumers to shop. Likewise, relation marketing positive and significant impact on the customer satisfaction. It shows that with the increase of service with relations marketing methods will give satisfaction to customers shopping in the retail market Makassar.

The results of this study are consistent with Kotler and Keller (2006), states that customer satisfaction is the feeling of pleasure or disappointment with someone after comparing the performance or perceived outcome compared with expectations. Likewise, Fornell *et al.* (1996) in its findings stated that, the overall consumer satisfaction is the result of the evaluation of the experience of current consumption derived from the reliability and standardization of services, customer satisfaction overall is the comparison of the level of satisfaction of a similar business and that the customer satisfaction as a whole is measured based on experience with indicators of expectations overall, expectations relating to customs and expectations related to the reliability of the service. Likewise, Zeithaml *et al.* (1996) who found that customer satisfaction is a comparison between the services expected by the performance (perceived performance).

## CONCLUSION

Based on the descriptive data, data analysis and discussion of the research results it can be concluded as follows:

- The growing of number retail markets or supermarkets in Makassar growing year increasing it caused because the demand for consumer goods is getting the community is also increasing
- Retail markets/supermarkets management is largely serve the modern market where customers are given the freedom to choose their own items/needs at a very affordable price
- The quality of service and relationship marketing effect on customer satisfaction

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