



The Impact of Service Quality and Satisfaction on Customer Loyalty at AFZL Barber Shop

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Abstract: The rapidly growing barber shop industry has heightened competition, making understanding the factors influencing customer loyalty crucial. This study explored the impact of service quality and customer satisfaction on customer loyalty at AFZL Barber Shop in Sukaramé, Bandar Lampung. Using a quantitative approach, the research surveyed 109 respondents and analyzed the data through descriptive analysis, validity and reliability tests, and multiple regression analysis. The results showed that service quality and customer satisfaction significantly positively affect customer loyalty. Higher service quality and customer satisfaction levels lead to stronger customer loyalty. The study concludes that businesses must improve service quality and customer satisfaction to maintain customer loyalty in a competitive market.

Keywords: Service Quality, Customer Satisfaction, Customer Loyalty, Barber Shop, Competition

Introduction

The fashion and grooming industry has grown rapidly, increasing competition among barber shops. As consumers become more conscious of their appearance, their expectations for service quality have also risen. Service quality is critical in determining a company's success, particularly in the service sector (Atmaja, 2018). High-quality service enhances customer satisfaction and fosters customer loyalty, essential for long-term business sustainability. Customers who are satisfied with a service are more likely to continue using it and recommend it to others, thus strengthening the business's competitive position (Johnny, 2024).

The rising demand for modern, stylish haircuts, particularly among young males, has led to the proliferation of barber shops offering specialized grooming services (Zaki Akhmad Hanif & Abadi, 2023). This market shift has intensified competition, making it crucial for barber shops to focus on delivering superior service quality. With increasing customer options, businesses must prioritize customer satisfaction and loyalty to maintain their competitive edge (Song, 2024).

Numerous studies highlight the importance of service quality in the grooming industry. Ardiansyah et al. (2024) found that service quality directly impacts customer satisfaction, which is vital for building trust and loyalty. Budiarno et al. (2022) further emphasized that consistency and precision in service delivery significantly affect the customer experience, leading to long-term customer retention. Some researchers have also explored how customer expectations are evolving and how businesses must adapt to meet these changing needs (Indrawati & Dewi, 2014). However, despite these valuable insights, there is a gap in research specifically examining the relationship between service quality, customer satisfaction, and loyalty in the context of barber shops, especially in an increasingly competitive market (Arora, 2024).

In addition, recent studies on business sustainability underscore the importance of risk management for long-term success. Handayani et al. (2024) concluded that risk management is essential for small and medium-sized enterprises (SMEs) as it helps mitigate challenges while creating opportunities for innovation. Their research also highlights the need for collaborative support from various stakeholders, including government bodies, business owners, and others, to provide policies, training, and technological resources to sustain business growth (Kim, 2024).

Against this backdrop, this study examines the relationships between service quality, customer satisfaction, and customer loyalty in the context of barber shops. The primary objective is to assess the current level of service quality at AFZL Barber Shop and its impact on customer satisfaction and loyalty while providing recommendations for improving customer retention in the competitive grooming industry.

Table 1. Data AFZL 2021- 2024

Year	Total Customers
2021	2,811
2022	8,173
2023	7,586
2024	5,698
2021	2,811
2022	8,173

Source: AFZL Barber Shop

Given this, it is crucial to understand the factors that drive customer loyalty and identify the service quality dimensions contributing to customer satisfaction. This study explores the impact of service quality and customer satisfaction on customer loyalty at AFZL Barber Shop in Bandar Lampung. The research aims to provide actionable recommendations for enhancing service quality and fostering customer loyalty in the barbershop industry by examining these factors (Kanchanawongpaisan, 2024).

Research Method

Research Design

This study adopts a quantitative research design within the positivist paradigm. A quantitative approach enables a thorough investigation of a specific population and sample, utilizing numerical data for hypothesis testing. According to Sugiyono (2012), this methodology is suitable for collecting data that can be statistically analyzed. The primary objective is to generate clear, measurable outcomes based on empirical evidence and objectively examine the relationships between variables (Singh, 2024).

Population, Sample, and Sampling

1. Population

Sugiyono (2012) defines the population as the larger group from which a sample is drawn. In this study, the population comprises the customers of AFZL Barber Shop in Bandar Lampung who received services from January to March 2024. The total population for this period is as follows:

Table 2. Afzl Barber shop customer data for the last 3 months.

Month	Year	Total Customers
January 2024	2024	589
February 2024	2024	667
March 2024	2024	602

Source: AFZL Barber Shop

The total population of 1,858 customers represents recent customer activity, providing an up-to-date reflection of customer behavior and service experience.

2. Sample

The sample was selected using purposive sampling, which Sugiyono (2012) recommended. This method targets individuals who meet specific criteria relevant to the study's objectives. The final sample consists of 109 respondents, calculated using the Slovin formula with a 5% margin of error. These respondents are customers who recently used the barber shop's hairstyling services, ensuring that the sample represents the study's focus (Chao, 2024).

Data Collection Procedure

Instrument

Data collection was conducted using questionnaires, a commonly employed method for gathering structured data (Fajri, 2022). The questionnaire utilized a Likert scale, and participants rated their agreement with various statements related to the study's variables.

Data Collection Technique

The researcher distributed the questionnaires directly to participants and provided clarification as needed. If respondents were confused or had difficulty understanding specific questions, the researcher was available to assist, ensuring that responses were accurate and consistent (Sugiyono, 2013).

Data Analysis Method

Descriptive Analysis

Descriptive analysis was employed to summarize and present the data comprehensively. This method allowed the researcher to describe key patterns and trends in the data, offering a clear overview of respondents' demographic characteristics and responses to the questionnaire.

1. **Validity Test** Validity refers to the degree to which an instrument measures what it is intended to measure. In this study, validity was assessed using Pearson's Product Moment formula. An item is considered valid if its correlation coefficient (r count) exceeds the critical value (r table). Items with significant correlations to the total score are deemed valid (Shahzad, 2024).
2. **Reliability Test** Reliability refers to the instrument's consistency over repeated measurements. The reliability of the questionnaire was tested using Cronbach's alpha. A coefficient above 0.6 indicates that the instrument is reliable and yields consistent results across different administrations. If the value is below 0.6, the instrument is considered unreliable.

Multiple Regression Analysis

Multiple regression analysis examined how the independent variables (service quality and customer satisfaction) influence the dependent variable (customer loyalty). This method allows for the simultaneous analysis of multiple variables, providing insights into the strength and direction of their relationships with customer loyalty (Sann, 2024).

Hypothesis Testing

The hypotheses of the study were tested using several statistical procedures:

1. **Partial Significance Test (t-test)** The t-test evaluates the effect of each independent variable on the dependent variable. If the calculated t-value exceeds the critical t-value, the hypothesis is accepted, indicating that the independent variable has a significant effect.
2. **Simultaneous Test (F-test)** The F-test assesses the combined effect of all independent variables on the dependent variable. The hypothesis is supported if the calculated F-value exceeds the critical F-value, suggesting that the independent variables significantly impact customer loyalty.
3. **Coefficient of Determination (R^2)** The R^2 value indicates the proportion of variation in the dependent variable explained by the independent variables. A higher R^2 value suggests a better fit of the model, implying that the independent variables explain a significant amount of the variance in customer loyalty.

Result and Discussion

Demographic Characteristics

As presented, most respondents (74.3%) were between the ages of 17 and 25, with smaller percentages in older age groups (26-35 years: 10.1%, 36-45 years: 1.8%). This suggests that the sample is predominantly youthful. In terms of gender, as shown in Table 4.6, 99.1% of respondents were male, with only one female respondent (0.9%). This gender disparity may affect the interpretation of the results, as the perspectives of female customers are underrepresented in the sample.

Validity Tests

The table presented above displays the results of validity testing for each question item used to measure the three main variables in this study: service quality, customer satisfaction, and customer loyalty. The purpose of validity testing is to ensure that each question item accurately measures the aspects intended within each concept being examined. The validity test is based on several parameters, including the calculated R-value, which indicates the correlation between each question and the total score of the relevant variable; the table R-value is used as a reference to assess the significance of the test results, and the significance value (Sig), which shows the probability that the correlation between the question item and the total score occurred by chance. Typically, suppose the significance value is less than 0.05. In that case, the correlation is considered statistically significant, indicating that the relationship between the question and the total variable score is meaningful and not coincidental. In this table, the validity test results for all three variables show that all question items have a significance value of less than 0.05, meaning that each question is valid and genuinely measures aspects relevant to the respective concepts of service quality, customer satisfaction, and customer loyalty. Therefore, the instrument used in this study is reliable and can be considered valid for accurately measuring these constructs, making the findings more trustworthy and reliable. Overall, the validity test results confirm that the instrument used in this research meets the required validity criteria, which is an essential step in ensuring the research's quality and credibility and the results' reliability.

Table 3. Validity Test Results

R hitung	R tabel	sig	Limit conditions	Information
.701	0.1882	<,001	0,05	Valid
.750	0.1882	<,001	0,05	Valid
.681	0.1882	<,001	0,05	Valid
.721	0.1882	<,001	0,05	Valid
.708	0.1882	<,001	0,05	Valid
.384	0.1882	<,001	0,05	Valid
.629	0.1882	<,001	0,05	Valid
.765	0.1882	<,001	0,05	Valid

R hitung	R tabel	sig	Batas syarat	keterangan
.584	0.1882	<,001	0,05	Valid
.580	0.1882	<,001	0,05	Valid
.633	0.1882	<,001	0,05	Valid
.584	0.1882	<,001	0,05	Valid
.660	0.1882	<,001	0,05	Valid
.782	0.1882	<,001	0,05	Valid
.776	0.1882	<,001	0,05	Valid
.661	0.1882	<,001	0,05	Valid

R hitung	R tabel	sig	Batas syarat	keterangan
.748	0.1882	<,001	0,05	Valid
.796	0.1882	<,001	0,05	Valid
.849	0.1882	<,001	0,05	Valid
.836	0.1882	<,001	0,05	Valid
.783	0.1882	<,001	0,05	Valid
.822	0.1882	<,001	0,05	Valid
.809	0.1882	<,001	0,05	Valid
.872	0.1882	<,001	0,05	Valid

Reliability Tests:

The research instrument used in this study exhibits good reliability, as evidenced by a Cronbach's Alpha value exceeding 0.766. This value is higher than the standard threshold of 0.60, indicating that the items in the instrument consistently measure the same concept. In another case, the instrument demonstrates solid reliability with a Cronbach's Alpha value greater than 0.763, surpassing the 0.60 threshold, which suggests that the items reliably assess the same construct. Additionally, when the Cronbach's Alpha value is more than 0.791, it significantly exceeds the 0.60 threshold, confirming that the items consistently measure the intended concept.

Table 4. Reliability Test Results

Reliability Statistics			
Cronbach's Alpha	N of Items	Condition	Information
.766	9	0,06	<u>Realiablel</u>
Reliability Statistics			
Cronbach's Alpha	N of Items	Condition	Information
.763	9	0,06	<u>Realiablel</u>
Reliability Statistics			
Cronbach's Alpha	N of Items	Condition	Information
.791	9	0,06	<u>Realiablel</u>

Regression Analysis:

1. Partial Regression Test (T-Test)

The partial regression test (t-test) is used to assess the impact of X1 and X2 on Y. The results show that both X1 and X2 have a significant effect on Y, as evidenced by the minimal significance value (Sig.) of less than 0.001 and t-count values exceeding the t-table value of 1.982 for both variables. This suggests that there is no correlation between the variables. Additionally, the positive beta coefficients for both variables indicate the magnitude of their effect. When these values are notably large, it suggests a significant influence between the independent variables.

2. Simultaneous Regression Test (F-Test)

The results from the simultaneous regression test (F-test) indicate that the model used in this study is statistically significant. The F calculated value of 208.108, substantially higher than the F table value of 3.08, along with a minimal significance value (Sig.) of less than 0.001, allows for rejecting the null hypothesis. This suggests that both variables X1 and X2 have a significant collective impact on variable Y, meaning the regression model effectively explains most of the variation in the loyalty variable. Based on these findings, it can be concluded that the regression model is a suitable tool for predicting the value of Y based on the values of X1 and X2. Additionally, key components such as the Sum of Squares, which represents the total, explained, and unexplained variation; the degrees of freedom (df), which denote the number of data points available for variation after parameter estimation; the Mean Square, derived from dividing the Sum of Squares by the degrees of freedom, and the F-statistic, which compares variances, further reinforce the reliability of the model. Overall, the significance value and other statistical measures confirm that the regression model provides a valid explanation of the relationships between the variables in this study.

Multiple Linear Regression

The analysis results highlight the influence of service quality and customer satisfaction on customer loyalty. Specifically, the B coefficient for service quality is 0.547, meaning that a one-unit improvement in service quality leads to a 0.547-unit increase in customer loyalty, assuming other variables remain constant. Similarly, the B coefficient for customer satisfaction is 0.702, indicating that a one-unit increase in satisfaction results in a 0.702-unit increase in customer loyalty, with service quality unchanged. The standard error reflects the degree of uncertainty in the B coefficient, where smaller values suggest more accurate estimates. The Beta coefficient, which standardizes the coefficients, allows for comparing the relative strength of the variables' effects, even when they have different units of measurement. Based on these findings, both service quality and customer satisfaction positively and significantly impact customer loyalty, with customer satisfaction showing a slightly more substantial influence, as indicated by its higher Beta value. These results suggest that companies should prioritize enhancing service quality and customer satisfaction as key strategies to boost customer loyalty, emphasizing improving satisfaction, which plays a more central role in fostering loyalty.

Table 5. Multiple Linear Regression

Coefficients ^a				
Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	9.332	2.225	
	Kualitas pelayanan	.547	.099	.411
	kepuasan pelanggan	.702	.100	.526
a. Dependent Variable: loyalitas				

Discussion

The results of this study offer valuable insights into how service quality, customer satisfaction, and customer loyalty are interconnected, highlighting their roles in driving business success.

Relation to Initial Objective

The primary objective of this research was to examine the influence of service quality and customer satisfaction on customer loyalty. The findings support the hypothesis by confirming that service quality and customer satisfaction are vital for promoting customer loyalty. The positive relationships between these factors suggest that service quality and satisfaction improvements can substantially increase customer retention.

Scientific Interpretation of Findings

The results are consistent with established theories in service marketing, which indicate that high service quality often leads to higher customer satisfaction, ultimately fostering loyalty (Parasuraman et al., 1988). The higher regression coefficient for customer satisfaction ($B = 0.702$) compared to service quality ($B = 0.547$) suggests that customer satisfaction may have a slightly more substantial effect on loyalty. This underscores the importance of meeting or exceeding customer expectations, as satisfied customers are more likely to stay loyal over time (Oliver, 1999). Although service quality is still essential, customer satisfaction appears to have a more immediate influence on a customer's decision to remain loyal to a service provider.

Implications for Practice:

The study offers practical guidance for businesses seeking to improve customer loyalty. Given the significant impact of service quality and customer satisfaction on loyalty, businesses should focus on initiatives that enhance both areas. Specifically, ensuring that service quality meets or exceeds customer expectations is crucial, but fostering customer satisfaction through personalized and emotionally engaging experiences is equally important. With customer satisfaction showing a more substantial coefficient, strategies aimed at delighting customers could prove particularly effective. Furthermore, future

research might investigate how demographic factors, such as gender, influence loyalty behaviors, providing more tailored customer retention strategies.

Conclusion

This study explored the impact of service quality and customer satisfaction on customer loyalty at AFZL Barber Shop in Sukaramé, Bandar Lampung. The results highlight the importance of both factors in promoting customer loyalty. Service quality, which includes elements such as reliability, responsiveness, assurance, empathy, and physical features, is essential for encouraging customers to remain loyal. Customers who perceive high service quality are more likely to continue using the services at AFZL Barber Shop. Additionally, customer satisfaction, assessed through factors like problem-solving, cost, comfort, and communication, plays a significant role in fostering loyalty. Satisfied customers are more inclined to return and recommend the service to others. The study suggests that the combination of service quality and customer satisfaction is a key driver of customer loyalty, particularly in a competitive market. These findings offer valuable insights for businesses aiming to enhance customer loyalty by focusing on service quality and satisfaction. Future research could investigate the effects of external factors, such as pricing strategies or market trends, on customer loyalty, or explore the long-term impact of improved service quality on customer retention.

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