



Impact of Service Quality and Price on Customer Satisfaction: A Case Study of Salon Waxinc in Jakarta

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ABSTRACT

Objective – To analyze the impact of service quality and price on customer satisfaction at Salon Waxinc PIK.

Methodology – This study employed a quantitative approach, utilizing purposive sampling of 125 Salon Waxinc PIK customers aged 17-60 who receive treatments at least monthly, and analyzed questionnaire data using Smart-PLS with a Likert scale to examine the relationship between variables.

Findings – The study's findings indicate that both service quality and pricing strategies significantly enhance customer satisfaction at Salon Waxinc PIK, suggesting that improvements in service delivery can lead to increased customer loyalty. Additionally, the positive perception of pricing reinforces the importance of aligning pricing strategies with customer expectations to foster repeat business and strengthen the salon's competitive position in the market.

Novelty – While previous studies have explored the general relationship between service quality, price, and customer satisfaction in the beauty industry, this study distinguishes itself by uniquely examining these factors within the specific context of Salon Waxinc PIK, a niche waxing salon, and specifically within the post-pandemic environment. The research demonstrates that both enhanced service quality, particularly employee performance, and strategic pricing are crucial for driving customer satisfaction in this niche beauty industry.

Keywords: *customer satisfaction, price, service quality, beauty salon industry*

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I. INTRODUCTION

The growth of the beauty salon industry in Indonesia reflects a heightened public awareness regarding the significance of skincare and personal appearance (Ayu et al., 2023). This proliferation of salons has intensified competition among similar enterprises, particularly in the waxing segment, which involves the removal of hair through the application of heated sugar (Wulandari, 2022). The expansion of beauty salons is closely linked to evolving lifestyle trends, as body care has become a fundamental necessity for both men and women. This study focuses on Salon Waxinc, a service-oriented company specializing in beauty and body care, specifically through hair removal and waxing treatments. The waxing salon business has proliferated across various regions, notably in North Jakarta, where approximately four waxing salons and several beauty clinics offering laser treatments are situated in the Pantai Indah Kapuk area. Salon Waxinc



operates three branches in PIK, Sunter, and Fx Sudirman; however, the pandemic in 2019 led to the closure of the Sunter and Fx Sudirman branches due to significant declines in business. Despite these challenges, the Waxinc salon in Pantai Indah Kapuk has managed to endure, consistently striving to deliver high-quality services at competitive prices to maintain its market position. The quality of service provided is crucial to the company's overall success.

Table 1 Number of Waxinc Salon Visitors

Month	2022	2023	2024
Jan	999	742	596
Feb	384	593	706
Mar	488	685	644
Apr	714	530	560
May	460	732	635
Jun	521	745	669
Jul	762	670	612
Aug	657	724	644
Sep	656	686	623
Oct	670	661	-
Nov	668	627	-
Dec	727	718	-
Total	7,706	8,113	5,689

Analysis of customer data from Waxinc salon indicates a consistent upward trend in patronage over the past two years. As illustrated in Table 1, the salon recorded 7,706 customers in 2022, reflecting a growth rate of 49%, which further increased to 8,113 customers in 2023, representing a 51% rise. These figures substantiate the annual growth trajectory of Waxinc salon.

However, despite this increase in customer numbers, the salon is not immune to negative feedback. Customer reviews have highlighted ongoing complaints regarding certain aspects of the services provided at Waxinc. Such feedback serves as a catalyst for the salon to enhance its service offerings. In this context, customer reviews play a pivotal role in influencing consumer behavior and shaping perceptions regarding the salon's service characteristics.

Customer reviews indicate that patrons have expressed dissatisfaction with the professionalism of the staff at Waxinc salon, citing a lack of attentiveness to their needs and preferences. This unresponsiveness has led to disappointment among customers, adversely affecting their overall satisfaction with the services rendered. In light of these negative assessments of service quality, it is imperative for Waxinc salon to implement improvements in service delivery to enhance customer retention, as dissatisfied clients may readily seek alternatives at competing salons.

In 2022, Waxinc salon recorded 7,706 visitors, which increased to 8,113 in 2023; however, this number declined to 5,689 in 2024. This decrease can be attributed to various factors, including customer complaints and the presence of numerous competing salons. While existing literature recognizes the overall influence of service quality and pricing on customer satisfaction within the beauty industry, there remains a notable gap in empirical research examining the interplay of these factors in shaping customer satisfaction specifically within the unique post-pandemic environment of a niche waxing salon such as Salon Waxinc PIK. Therefore, the aim of this study is to assess the effects of service quality and pricing on customer satisfaction at Salon Waxinc PIK, particularly in the competitive landscape of the North Jakarta waxing salon sector following the pandemic.



II. LITERATURE REVIEW

Service Quality and Customer Satisfaction

Service quality encompasses various dimensions, including reliability, responsiveness, assurance, empathy, and tangibles, which collectively shape the customer experience (Parasuraman et al., 1988). In the waxing salon environment, high service quality is expected to enhance customer satisfaction by meeting or exceeding client expectations regarding the effectiveness and comfort of the waxing procedure, the professionalism of the staff, and the overall ambiance of the salon. It is posited that improvements in service quality—such as timely service delivery, attentive staff interactions, and a clean, welcoming environment—will correlate with increased customer satisfaction ratings. This notion is grounded in the expectation that satisfied customers are more likely to perceive the value of the services rendered, leading to enhanced loyalty and a greater propensity to recommend the salon to others (Citra et al., 2021). Thus, hypothesis one of this study is:

H1: There is an influence of service quality on customer satisfaction at Salon Waxinc.

Table 2 Variable Operationalization

Variable	Indicator	Survey Items
Service Quality (Parasuraman et al., 1988)	<ol style="list-style-type: none"> 1. Responsiveness; 2. Tangibles; 3. Assurance; 4. Reliability; 5. Empathy 	Willingness to help customers; Employee speed and responsiveness in providing services; Promptness to customers; Clean and comfortable physical facilities; Employee appearance is neat and clean; Security; Maintaining service quality; Employee friendliness by being polite; Knowledge of services; Timeliness of service according to the promised time; Meeting consumer needs; Professional service quality; Understanding and paying attention to customer desires; Prioritizing customer interests
Price (Widyastuti, 2018; Rondonuwu, 2013)	<ol style="list-style-type: none"> 1. Price affordability; 2. Price suitability; 3. Price set; 4. Price competitiveness; 5. Price suitability with quality 	Affordable price for customers; Price according to market and competitors; Good pricing; Price can compete in the market; Price according to the quality provided
Customer Satisfaction (Wibisono & Syahril, 2016)	<ol style="list-style-type: none"> 1. Cost; 2. Facilities; 3. Product characteristics; 4. Location; 5. Service 	The costs incurred are in accordance with the services and services; Customers are satisfied with the facilities available at Waxinc; Waxinc has product characteristics; Easy location access; Offering friends or relatives to visit and get treatment because they are satisfied with the service at Waxinc

Price and Customer Satisfaction

Pricing strategies not only reflect the perceived value of the services offered but also significantly influence customer expectations and satisfaction levels. Customers often evaluate the cost of services



against their perceived quality and effectiveness, leading to a subjective assessment of value. When customers believe that the price they pay is commensurate with the quality of service received, their satisfaction is likely to increase (Niha et al., 2023). Conversely, if customers perceive the prices as excessive relative to the service quality, dissatisfaction may ensue, potentially resulting in negative reviews and decreased customer loyalty. Competitive pricing, which aligns with customer expectations and perceived service quality, will correlate with higher levels of customer satisfaction (Alif et al., 2019). Customers who perceive their waxing experience as providing good value for money are more likely to express satisfaction with the service, leading to repeat patronage and positive word-of-mouth referrals (Pangaribuan & Febriyanto, 2019). Thus, hypothesis two of this study is:

H2: There is an influence of price on customer satisfaction at Salon Waxinc.

III. METHODOLOGY

In this study, the researcher employed the purposive sampling technique to select respondents based on specific characteristics, ensuring a representative sample of the research population. To determine the sample size, the researcher utilized the formula proposed by Hair et al. (2018). Consequently, the study comprised a sample of 125 respondents. The sample size of 125 respondents is deemed appropriate for Smart-PLS 3.0 analysis based on the guidelines established by Hair et al. (2018), which suggest that the sample size should be calculated as five times the number of variable indicators. In this study, with 25 variable indicators, the resulting sample size of 125 ensures sufficient statistical power and reliability for the analysis. Additionally, the purposive sampling technique employed allows for the selection of respondents who meet specific criteria, thereby enhancing the representativeness of the sample within the target population of customers aged 17 to 60 who engage in treatments at least once a month.

Data processing in this study was conducted using the responses obtained from questionnaires distributed to the respondents. Following the collection of the respondents' answers, the next phase involved data analysis. For this purpose, the study employed the Smart-PLS software to facilitate the data processing.

The measurement scale in this study uses the Likert scale. The Likert scale is a measurement scale to measure attitudes, opinions, and perceptions of a person or group regarding social symptoms or phenomena (Kagerbauer & Magdolen, 2024). In the Likert scale, respondents answer statements and choose answers on a research instrument that has a questionnaire in the form of a linear scale. The survey items can be seen in Table 2.

IV. RESULTS AND DISCUSSION

Respondent's Profile

In this study, the distribution of questionnaires was conducted in the field, offering a detailed representation of the data distribution. Although the targeted sample size was 125 respondents, the researcher successfully collected responses from a total of 150 customers of the Waxinc PIK salon. The questionnaire distribution occurred from July to August 2024, with data collection facilitated by distributing questionnaires to customers and visitors of the Waxinc salon. This was accomplished by sharing a link via WhatsApp and providing a barcode that directed respondents to the questionnaire.

The distribution of questionnaires was conducted among respondents who met the researcher's criteria, specifically individuals aged 17 to 60 years who had received treatment at the Waxinc salon at least once a month. Data collection spanned a duration of one month, during which the completed questionnaires were deemed suitable for analysis. Analyzing the demographic characteristics of the respondents revealed that



women constituted a significant majority, accounting for 91% of the sample, while men represented only 9%. Regarding occupational status, the majority of Waxinc salon customers were employed, with employees making up 41% of the clientele, followed by self-employed individuals and housewives at 23% each, and students at 13%.

In terms of birth year, respondents born between 1981 and 1996 comprised the largest group at 40%, while those from Generation Z accounted for 39%. Additionally, 21% of respondents were born between 1965 and 1980, with no customers born between 1946 and 1964, indicating that the clientele primarily consists of Generation X, millennials, and Generation Z, all within the 17 to 60 age range. The income analysis revealed that a substantial portion of Waxinc salon customers are employed, with 38% earning between IDR 5,000,000 and IDR 10,000,000, 29% earning over IDR 10,000,000, and 27% earning between IDR 1,000,000 and IDR 5,000,000, while 6% earn below IDR 1,000,000. This data underscores that Waxinc salon customers are predominantly workers with relatively high incomes. Furthermore, the results indicate that 77% of customers undergo treatment at least once a month, 21% receive treatment twice a month, and 1% have treatments three times or more within the same period.

Table 3 Result of the Measurement Model

Construct	Items	Loadings	VIF	AVE	Composite Reliability	Cronbach's Alpha
Service Quality	SQ1	0.744	1.646	0.522	0.779	0.773
	SQ2	0.719	1.496			
	SQ3	0.727	1.377			
	SQ5	0.683	1.437			
	SQ6	0.738	1.386			
Price	PR1	0.650	1.474	0.505	0.770	0.758
	PR2	0.653	1.494			
	PR3	0.752	1.667			
	PR4	0.773	1.719			
	PR5	0.716	1.303			
Customer Satisfaction	CS1	0.709	1.748	0.537	0.832	0.827
	CS2	0.775	1.861			
	CS3	0.734	2.029			
	CS4	0.807	2.099			
	CS5	0.660	1.507			
	CS6	0.700	1.593			

The re-analysis of data from the outer loading results indicated that the constructs of service quality, price, and customer satisfaction yielded outer loading values exceeding 0.6. An Average Variance Extracted (AVE) value greater than 0.5 satisfies the established criteria, a minimum value of 0.3 is required for validity; values below this threshold are considered invalid (Wismiarsi et al., 2024). Consequently, the findings of this study demonstrate valid data, as all indicator values within the latent variables have met the AVE criterion. Thus, all items are confirmed to satisfy the Convergent Validity requirements, leading to the conclusion that all constructs in this research are valid.

Furthermore, the analysis of the Variance Inflation Factor (VIF) values, as presented in the table, reveals that all variables exhibit VIF values below 10. A VIF value exceeding 10 would indicate potential



multicollinearity issues among the independent variables (Hiustra et al., 2023). Therefore, it can be concluded that the VIF values in this study do not indicate the presence of multicollinearity.

Table 4 R Square

Construct	R-square	R-square Adjusted
Customer Satisfaction	0.406	0.398

The results presented in Table 4 indicate that the customer satisfaction variable has a value of 0.406, which signifies that customer satisfaction accounts for 40.6% of the variance. This implies that the combined effects of service quality and price variables contribute to 39.8% of customer satisfaction, while the remaining variance is attributed to other factors not examined in this study.

Hypothesis testing in this study uses the coefficient path value through bootstrapping. Hypothesis testing is carried out using the T-statistics and P-values methods. This study is declared accepted if the t-value is > 0.2660 and P-values < 0.001 . It can be seen that the t table value in this study is 0.2660 which is obtained from the formula $df = N - k$ or $df = 150 - 2 = 148$, with a significance level of 0.001.

Table 5 Hypothesis Test

Path	Original Sample	T Statistics	P Value	Result
SQ \rightarrow CS	0.263	3.579	0.000*	Accepted
PR \rightarrow CS	0.500	6924	0.000*	Accepted

*Significance level $p < 0.001$

Based on the data generated, the hypothesis of service quality and price variables has a positive relationship or the hypothesis is accepted. This is indicated by the correlation value on the service quality variable of 3.579 and the price of 6.924. From the results of data processing in this study, the statistics t value shows a t-table value of 0.2660. The service quality variable is $3.579 > 0.2660$ and the price variable is $6.924 > 0.2660$. While the P-values in this study use a significant value of < 0.001 where the results of the research hypothesis on both variables obtain a value of 0.000. It can be concluded that the hypothesis of the influence of Service Quality and Price on Customer Satisfaction is as follows:

The Effect of Service Quality on Customer Satisfaction

The analysis revealed that the effect of the service quality variable on customer satisfaction yielded a t-statistic of 3.579, significantly exceeding the threshold of 0.2660, along with a p-value of 0.000, which is less than 0.001. This indicates a significant positive direct effect of service quality on customer satisfaction, leading to the acceptance of hypothesis 1, which posits that service quality influences customer satisfaction. This finding demonstrates that the Waxinc PIK salon effectively implements high service quality, thereby enhancing customer satisfaction.

The Effect of Price on Customer Satisfaction

The analysis of the price variable's effect on customer satisfaction revealed a t-statistic value of 6.924, significantly exceeding the t-table value of 0.2660, with a p-value of 0.000, which is below the critical threshold of < 0.001 . This indicates a direct and significant effect of the price variable on customer satisfaction, leading to the acceptance of hypothesis 2. Consequently, it can be concluded that H2 demonstrates that the Waxinc salon offers competitive and affordable pricing, which contributes to enhanced customer satisfaction.



V. CONCLUSION

Based on the data processing results and the preceding analysis regarding the impact of service quality and price on customer satisfaction at the Waxinc PIK salon in North Jakarta, several conclusions can be drawn: First, service quality significantly influences customer satisfaction; enhancing service quality through the implementation of its five dimensions—responsiveness, tangibles, assurance, reliability, and empathy—leads to increased customer satisfaction. Second, pricing also affects customer satisfaction, as establishing affordable prices that provide appropriate value and benefits contributes positively to customer satisfaction at the Waxinc PIK salon. Finally, this study confirms that both service quality and price serve as independent variables that significantly impact customer satisfaction, indicating that improvements in either area can enhance overall customer satisfaction.

According to the feedback from respondents, the most significant area for improvement in service quality at Waxinc Salon is the attitude of the employees towards customers, which received notably low ratings. This suggests that the salon owner should focus on enhancing employee performance in customer interactions. Additionally, it is recommended that the owner implement retraining programs to foster professionalism and address existing service deficiencies. By taking these measures, the overall quality of service is expected to improve, leading to increased customer satisfaction. Furthermore, the analysis revealed that pricing also influences customer satisfaction, with the price offer indicator receiving the lowest ratings. To address this issue, the salon owner should consider strategies such as offering discounts, as customers are often attracted to promotional deals like buy-one-get-one offers, cashback, or temporary price reductions during treatments. Implementing such temporary discounts can enhance customer appeal without necessitating permanent price cuts. Moreover, the owner should focus on providing added value through excellent customer service. By adopting these strategies, Waxinc Salon can maintain its competitive edge by demonstrating value and quality, ultimately ensuring that customers feel satisfied with the services rendered in relation to the costs incurred.

Several recommendations should be taken into account by future researchers interested in exploring service quality and pricing. It is advisable for subsequent researchers to conduct a thorough review of existing literature and references related to these topics prior to finalizing their research design, as this will enhance the quality of their findings. Additionally, to ensure the research process is effective, future researchers should adequately prepare for data collection and analysis.

These recommendations aim to support the growth of the Waxinc salon business in North Jakarta and enhance its visibility among the public by highlighting its unique characteristics. This research is intended to benefit the owners of Waxinc salon, as well as stakeholders such as customers, employees, and the broader community, while also providing valuable insights for researchers seeking to deepen their understanding of the Waxinc salon business.

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