Article

The Influence of Service Quality and Product Completeness on Customer Satisfaction of Sociolla (Studi Case in Sociolla Mall Kota Kasablanka)

Zahrotul Fauziah¹, Fiska Kusumawati^{1*}

¹Faculty Economic & Business, Pertamina University Jl. Teuku Nyak Arief, Simprug, Kebayoran Lama, Jakarta Selatan 12220

email: zahrotulfa@gmail.com

*Correspondence email: fiska.kusumawati@universitaspertamina.ac.id

Abstract: Sociolla as a beauty e-commerce has transforms by opening offline outlets throughout Indonesia. Customers prefer to come directly to the outlet because they can get more experience, such as trying products, seeing products in person, and consulting with beauty advisors at the outlet. Product Completeness of the product is also a consideration for consumers when choosing outlets for shopping. The emergence of various new cosmetic retailers has forced Sociolla to maintain its excellence, in according to maintain customer satisfaction and loyalty. The purpose of this study was to determine the effect of service quality and product completeness on Sociolla customer satisfaction. The research was conducted using a quantitative method with a purposive sampling technique with a total sample of 100. The results showed that: service quality has a significant positive effect on customer satisfaction, product completeness has a significant positive effect on customer satisfaction, and service quality and product completeness have a positive and significant effect simultaneously on customer satisfaction.

Keywords: Service quality, product completeness, customer satisfaction

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1 Introduction

The Implementation of Community Activity Restrictions (PPKM) was revoked at the end of 2022 by President Joko Widodo [1]. This decision allows the public to visit public areas and shop in shopping centers. The lifting of these restrictions is expected to boost visitors and sales in offline stores, including cosmetic outlets.

^{*}Corresponding author

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The beauty and personal care industry is predicted to continue rapid growth from 2022 to 2027. The beauty and care market is one of the fastest-growing consumer markets, driven by cosmetics and skincare products. The growth is primary driven by the entry of the younger generation into the market, reinforced by social media, internationalization, and online shopping, influencing beauty product purchasing behavior [2]. Additionally, a study [3] indicates that 77% of Indonesians regularly purchase skincare products at least once a month, highlighting the high demand for skincare in Indonesia.

A research that compares Indonesian consumer purchasing decisions online and offline reveals that the Cosmetic & Body Care category ranks 4th, with 35% of consumers choosing to make purchases online. This suggests a preference for offline channels in buying Cosmetic & Body Care products [4]. This is supported [5], where 45% of beauty product consumers prefer to purchase in physical stores, while 43% prefer to purchase in e-commerce platforms.

The consumer trend of offline product purchases presents opportunities for cosmetic products to increase revenue through offline channels. Sociolla, one of the most popular cosmetic retail companies in Indonesia, ranked 1st in Beauty E-Commerce Customer Favorites in 2022, followed by Sephora and Beauty Haul [6]. Sociolla initially operated online through e-commerce and apps, later expanding to offline stores to broaden its market

Established in 2015, Sociolla is a beauty e-commerce platform offering personalized and premium beauty products [7]. In 2019, Sociolla expanded with its first offline store using an omni-channel concept. Based on [8], Sociolla.com is the second most visited website after femaledaily.com. However, Sociolla's website traffic dropped by 28.31% in May 2023, possibly due to customers shifting to offline stores or being influenced by competitor websites.

[9] stated that Sociolla's offline store performance needs improvement due to several shortcomings in services, such as outdated or absent price labels, inadequate product testers, and the absence of pick-up in-store services in all offline stores. These findings reflect the subpar service quality at Sociolla's offline stores, supported by customer reviews.

Sociolla Mall Kota Kasablanka, the first offline store in Indonesia, was established based on customer feedback that are seeking a different cosmetic shopping experience [7]. After three years, Sociolla needs to improve its services. While customers express satisfaction with the offline store, complaints primarily revolve around poor service, unfriendliness, unresponsiveness, lack of information, discomfort, and smaller store size. The second most common complaint is the incomplete product selection.

Among all customer complaints at Sociolla's offline stores, the most prevalent is regarding unfriendly service. Service quality is a dynamic condition involving human, product, process, and environmental aspects that meet expectations [10]. Five determinants of service quality are reliability, responsiveness, assurance, empathy, and tangibility [11]. High service quality leads to satisfaction and attracts more customers [12].

Besides service, improving product variety at Sociolla's offline stores is crucial. Product completeness refers to the availability of all types of goods or services to meet specific needs by consumers [12]. According [13], products encompass all elements offered by a company, including services, physical arrangements, and commodities sold. Therefore, when a store provides desired products, consumers form positive impressions, resulting in satisfaction.

Customer feedback of service quality and product completeness influence their satisfaction levels. In the case of Sociolla Mall Kota Kasablanka, those dissatisfied with services and product variety refrain from purchasing, visiting the store, or opt for other stores. Customer satisfaction is a state where customers perceive their needs and desires have been met as expected, connected to product aspects, service quality, customer satisfaction, and company profits [10].

As one of Indonesia's largest cosmetic retail companies, Sociolla need to maintain its business, particularly in the expanding offline locations. Service quality, product offerings, and customer satisfaction are linked to company profits. Through these elements, the company can effectively sustain its business [12]. Therefore, the author is interested in researching service quality and sales promotions at Sociolla's offline stores, impacting the company's revenue and market share growth in the Indonesian cosmetic industry.

2. Literature

2.1 Service Quality

According [14], service quality is a distinctive characteristic of a product or service that perfectly demonstrates the ability to meet customer needs. Satisfied customers are inclined to make repeat purchases, enhance loyalty, and provide positive recommendations to others, contributing to the company's profitability [15].

2.2 Product Completeness

A product is a commodity or item offered to the market to accommodate the consumer needs. Consumer perceptions of a product depend on its features and characteristics. Product completeness is reflected in its availability, produced by manufacturers and can be purchased, owned, used, or consumed by all types of consumers [12]. The depth, breadth, and quality of goods often influence consumer choices when visiting a store [16].

2.3 Customer Satisfaction

According [12], customer expectations, values, and responses are based on the extent to which an offer meets their expectations, which will influence their decision to make repeat purchases.

2.4 Hypothesis

Hypotheses are temporary assumptions regarding the problem formulation's answers. The hypotheses were investigated further through data-driven studies. Following is the writer's formulation of the hypothesis.

- H1: Service quality have a significant impact on the customer satisfaction Sociolla Mall Kota Kasablanka.
- 2. H2: Product completeness have a significant impact on the customer satisfaction Sociolla Mall Kota Kasablanka.
- 3. H3: Service quality and Product completeness have a significant impact on the customer satisfaction Sociolla Mall Kota Kasablanka.

The following is a research framework according to the hypothesis formulated above.

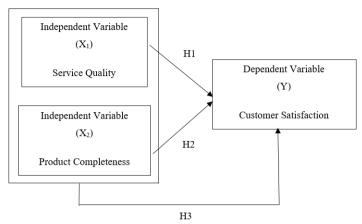


Figure 1. Hypothesis and Research Framework (Source: Authors, 2023)

3. Methods

This study employs a quantitative approach with numerical data as concrete information. Subsequently, the results of such data are processed using statistics to draw conclusions [17].

The method used is explanatory research to examine the influence among variables and the proposed hypotheses. This research is expected to give a future explaination of the relationship between the independent variables, Service Quality (X_1) , Product Completeness (X_2) , and the dependent variable, Customer Satisfaction (Y). The research indicators for each variable are explained in the table below,

Table 1. Operational Research Variables

Variable		Indicator	Explanation
	1.	Reliability	Fast in providing service to customers
Independent	2.	Responsiveness	Responsive to customer needs
Variable (X ₁) Service Quality (Zeithaml & Bitner, 2009)	3.	Assurance	Employees are friendly and knowledgeable, guaranteed customer safety
	4.	Emphaty	Provide comfort and understand customer needs
	5.	Tangible	The shop/outlet facilities are adequate and the employee's appearance is attractive

Variable		Indicator	Explanation
Independent	1.	Diversity of products	The products sold are complete and varied
Variable (X ₂) Product Completeness	2.	Product Variation	Provide many variation of products
(Raharjani, 2005	3.	Availability of products	Products always available on the store
	4.	Brand Variation	There are various high quality brands
Bound Variable (Y)	1.	Comformity to Expectations	Products/services given is beyond expectations
Customer Satisfaction	2.	Intention to revisit	The customer's intetion to revisit after received services in the store
(Hawkins & Lonney, 2003)	3.	Intention to recommend	Persuade friends or relatives to buy the product after gaining experience after visiting the shop/outlet

This research is a quantitative study that generates numerical data. The data is collected from 100 respondents who have completed a questionnaire on *Google Form* using a Likert scale ranging from 1 to 5, where a score of 1 means 'strongly disagree' and a score of 5 means 'strongly agree'. The selection of respondents follows the criteria established through purposive sampling, specifically the customers of Sociolla Mall Kota Kasablanka who have visited the store in the last 6 months and reside in the Jabodetabek area. The sample size is determined using the Lameshow method.

4. Results

4.1 Classic assumption test

4.1.1. Normality test

The method used for normality test is the Kolmogorov-Smirnov test. This test is conducted to analyze whether the three variables reflect a residual distribution with a normal pattern. The results of the normality test below show that the sig. (2-tailed) is 0.190, which is greater than the significance level of 0.05. It can be stated that the data in this study is normally distributed. The following are the results of the normality test in this research.

Table 2. Normality Test Results

	Unstandardized Residual
Asymp. Sig. (2-tailed)	0.190

Source: Primary data processed in 2023

4.1.2. Multicollinearity Test

The purpose of conducting a multicollinearity test is to determine the correlations between independent variables. Variables that do not exhibit multicollinearity have a tolerance value > 0.1 and a VIF (Variance Inflation Factor) < 10. The results of the multicollinearity test in the table below indicate that the tolerance value is > 0.1, and the VIF is < 10. Therefore, it can be stated that the independent variables in this study are free from multicollinearity.

Table 3. Multicollinearity Test Results

	Collinearity Statistics	
Model	Tolerance	VIF
Service Quality	.213	4.694
Product Completeness	.213	4.694

Source: Primary data processed in 2023

4.1.3. Heteroscedasticity Test

This test is conducted to determine whether the variance of residuals is homogeneous. The results of the heteroskedasticity test in the table below indicate that the significance values for each independent variable are > 0.05.

Table 4. Heteroscedasticity Test Results (Glejser Test)

Variable	Say.
Service Quality	.172
Product Completeness	.587

Source: Primary data processed in 2023

4.2. Multiple Regression Linear Analysis

The purpose of multiple linear regression analysis is to understand how independent variables, service quality (X_1) and product completeness (X_2) , influence the dependent variable, customer satisfaction (Y). Here are the results of the multiple linear regression analysis conducted in this study:

$Y=-2.445+0.286X_1+0.467X_2+e$

Information:

- 1. $\alpha = 2.455$, the alpha or constant value is 2.455 indicating that if the independent variable (service features and sales promotion) is 0 (zero), intention in use is 2.455 units.
- 2. $\beta 1 = 0.286$, if variable X_1 (service quality) will increase by one unit or by 1%, the value of variable Y (customer satisfaction) will increase by 0.286 units (positive effect).
- 3. $\beta 2 = 0.467$, if variable X_1 (service features) will increase by one unit or by 1%, the value of variable Y (intention in use) will increase by 0.467 units (positive effect).

Table 4. Results of Multiple Linear Analysis

Variable	Unstandardized Coefficients B
(Constant)	2.455
Service Quality	.286
Product Completeness	.467

Source: Primary data processed in 2023

4.3 Hypothesis testing

4.3.1. Partial Test (T Test)

The purpose of the t-test is to measure the impact of independent variables and dependent variable partially. If the T-value > T-table and the significance value < 0.05, then the hypotheses (H1 and H2) is significant, and H0 is rejected.

The results of the t-test based on the table below show that the T-value for X_1 is 5.469, and for X_2 is 5.421, both are greater than the T-table value of 1.98472. Therefore, it can be concluded that the variables service quality (X_1) and product completeness (X_2) have a significantly positive influence on customer satisfaction (Y).

Table 5. Partial Test Results (T Test)

Variable	T count	T table	Say.
Service Quality	5,469	1.98472	.000
Product Completeness	5,421	1.98472	.023

Source: Primary data processed in 2023

4.3.2 Simultaneous Test (F Test)

The F-test is conducted to obtain information on whether there is a simultaneous influence between variables X_1 (service quality) and X_2 (product completeness) on variable Y (customer satisfaction). If the significance value is < 0.05 or the F-value is greater than the F-table, then there is a simultaneous influence between variables X and Y. The results of the F-test in the table below show that the F-value, which is 262.623, is greater than the F-table value of 3.09. Therefore, it can be concluded that there is a simultaneous influence between the variables service quality (X1) and product completeness (X2) on customer satisfaction (Y).

Table 6. Simultaneous Test Results (Test F)

	Model	F count	F table	Say.
	Regression	262.623	3.09	.000
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Source: Primary data processed in 2023

4.3.3 Determination Coefficient Test (R²)

The R^2 coefficient of determination results on the table below indicate an R-squared value of 0.844, it shows that service quality (X_1) and product completeness (X_2) influence customer satisfaction (Y) by 84.4%. Meanwhile, the remaining 15.6% is influenced by other factors beyond the scope of this study.

Table 7. Determinant Coefficient Test Results R²

Model	R Square
Regression	.844

Source: Primary data processed in 2023

5. Discussion

5.1 Effect of Service Quality on Customer Satisfaction in Sociolla Mall Kota Kasablanka

The study found that service quality (X_1) has a significance value of 0.00 < 0.05, and the T-value is 5.469, which is greater than the T-table value of 1.98472. It can be concluded that there is a significant influence of service quality on customer satisfaction. The descriptive analysis also show an average score of 4.33, which describes the majority of respondents agree and believe that service quality influences customer satisfaction. Therefore, H1 is accepted, while H0 is rejected.

5.2 Effect of Product Completeness on Customer Satisfaction in Sociolla Mall Kota Kasablanka

The study found that product completeness (X2) has a significance value. The *T*-count value is 5.421 which is greater than the *T*-table value of 1.98472. It can be concluded that product completeness has a significant effect on customer satisfaction. Overall, the results of the descriptive analysis on the product completeness variable show an average value of 4.32, which describes the majority of respondents agree that Sociolla Mall Kota Kasablankan has complete products. The same conclusion was reached by Fajrin [18] and Febrian [19] which also shows that product completeness has a significant effect on customer satisfaction.

5.3 Effect of Service Quality and Product Completeness on Customer Satisfaction in Sociolla Mall Kota Kasablanka

The F-test results show a significance value of 0.00 < 0.05, which the F-value is 262.623, greater than the F-table 3.09. Therefore, it can be concluded that there is a simultaneous influence between service quality and product completeness on customer satisfaction. According to R-squared result: 0.844, it indicates that the service quality and product completeness variables contribute by 84.4% to customer satisfaction. The hypotheses is align with the study by Susanto [20], where service quality and product completeness simultaneously influence customer satisfaction.

6. Conclusion and Recommendations

This study is conducted to examine whether service quality and product completeness have a significant impact on customer satisfaction at Sociolla Mall Kota Kasablanka. The research conclude that both variables have a positive and significant influence on customer satisfaction at Sociolla Mall Kota Kasablanka.

- 1 Service quality have a significant influence on customer satisfaction at Sociolla Mall Kota Kasablanka.
- 2 Customer satisfaction have a significant influence on customer satisfaction at Sociolla Mall Kota Kasablanka.
- 3 Service quality and customer satisfaction have a significant influence on customer satisfaction at Sociolla Mall Kota Kasablanka.
- 4 Service quality and product completeness contribute to customer satisfaction by 84.4%. Meanwhile, 15.6% is influenced by other factors beyond the scope of this study.

Based on the result of this study, the authors recommends the company to optimize the service performance at Sociolla Mall Kota Kasablanka and provide a greater variety of products. These aspects received the lowest scores among other questions for each

variable. Meanwhile, Sociolla Mall Kota Kasablanka needs to maintain the tidiness of employees during service and the quality of the offered products, as these factors have the highest values in providing customer satisfaction.

The authors recommend the future researchers to add variables besides customer satisfaction and product completeness. Additionally the reasercher can also conduct research on other offline Sociolla outlets besides Sociolla Mall Kota Kasablanka.

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