Social Interaction Service Performance as Solution for Marketing SMEs of Social Interaction Service Provider

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Abstract: Research on the quality of service has been done, but research on the variable quality of services that specifically provide services for social interaction has not been done. The selection of social interaction service performance variables is a solution for a research gap between image variables, environment quality, interaction quality, service standardization and service customization with customer satisfaction. Social interaction service performance is a synthesis of the grand theory of service marketing theory and social identity theory. The research was conducted on consumers who are doing social interactions in restaurants, cafes or other traditional stalls. The results of this study are expected to provide solutions to the problems of research gap and identify the effect of social interaction service performance on customer satisfaction and interest to make repurchase and the intention to recommend purchases to others. These two intentions are keys to marketing success in small and medium-sized micro businesses.

1 INTRODUCTION

Given the importance of consumer satisfaction in marketing management of SMEs, it is necessary to identify the variables that affect the consumer satisfaction. Tse and Wilton (1988) who conducted research on potential consumers in a trial of a new electronic test market, stated that subjects in a good performance will make consumers feel more satisfied. Ladhari, Souiden, and Dufour (2017) stated that one of the variables that affect consumer satisfaction is the quality of service. Kandampully (2000) stated that a company's competitive advantage can be preceded by the quality of service. Quality of service makes the products sold become more valuable.

A study by Skalpe and Sandvik (2002) explained the importance of service quality, this research supported research (Bernhardt, Donthu, & Kennett, 2000), which found that overall customer satisfaction is associated with sales growth and profitability in restaurants. Both studies found evidence to support the fact that the long-term effects of service quality are more important than short-term strategies. Soriano (2003) stated that the most prepared restaurants are restaurants that anticipate consumer expectations and build services that offer different qualities. This will make the company most likely to survive and become a profitable company in the future. Augustyn (1998) stated that the majority of SMEs accept the service quality importance to maintain a competitive advantage, they primarily pay attention to their facilities or products. It shows how important the quality of service in the business, so quality service makes consumers feel satisfied (Patterson & Spreng, 1997). The research that supports the influence of service quality on customer satisfaction of banking company customer (Mosahab, Mahamad, and Ramayah, 2010). Mosahab et al. (2010) examined the perception of service quality consisting of reliability, responsiveness, assurance, empathy, and tangibles. This shows that SMEs whose employees have reliability have responsiveness in providing services, the guarantee, individual attention and physical form can potentially provide a sense of satisfaction in the consumer banking companies. The positive influence of the perception of service quality on customer satisfaction shows that the better the service quality the more satisfied the feeling of a customer (Rajaguru, 2016; Ratanavaraha, Jomnonkwao, Khampirat, Watthanaklang, & Iamtrakul, 2016; Ryu
Making consumers feel satisfied is not as easy as imagined. Oliver (1977) stated that the model used to describe the occurrence of satisfaction is known as the disconfirmation model of hope. This model shows that satisfaction depends on customer expectations. Their performance perceptions are related to those expectations. One implication of this model is to ensure satisfaction, management is unnecessary (and should not) focus exclusively on improving performance. Resources must also be devoted to managing customer expectations. Achieving satisfaction can be a complicated and critical process. The roles played in-service meetings by service personnel and consumers contribute to this. A truly satisfied customer is hard to find, a truly disgruntled customer is also an elusive creature. One should understand the level of customer satisfaction, it may also be more important to understand the cause of satisfaction or dissatisfaction (Mudie & Pirrie, 2006).

Consumer satisfaction becomes one of the marketing orientations of SMEs because with the creation of consumer satisfaction it will make consumers come back to do the transaction. This is in accordance with the results of the research of Su, Swanson, and Chen (2016), which stated the positive influence of overall consumer satisfaction on the intention to repurchase. This shows the more satisfied a consumer will be the stronger intention to make repurchase (Han & Hyun, 2017; Kim, 2012; Ryu, Lee, & Gon Kim, 2012; Su, Swanson, Chinchanachokchai, Hsu, & Chen, 2016; Tsai & Huang, 2007).

In addition to growing intent to repurchase, consumer satisfaction also raises the willingness of consumers to recommend transactions to others. Recommending purchases to others is an efficient promotion because SMEs do not spend expensive promotional costs with various existing promotional media. Reduced cost of this promotion will be able to increase competitiveness in the selling price, or can also increase operating profit. Consumer satisfaction positively affects the intention to recommend purchases to others, meaning the more satisfied a consumer the stronger the intention to recommend purchases to others (Altunel & Erkut, 2015; Finn, Wang, & Frank, 2009; Han & Hyun, 2017; Kim, 2012; Su, Swanson, Chinchanachokchai, et al., 2016; Zhu, Sun, & Chang, 2016).

The quality of good service will encourage a consumer to intend in behaving (Rajaguru, 2016). Such behavior can be either repurchase and also recommend to others. The better the quality of service will make the stronger the intention to make a repeated purchase. Cho's (2015) shows a positive influence of the perception of quality in order fulfillment has a positive effect on the intention to repurchase at online store companies. Quality of service also determines a consumer to express his shopping experience to others, so that others also feel the quality of service perceived. This shows the positive effect of the quality of service on communication from mouth to mouth, that is, the better the service quality the stronger the intention to convey the experience of transacting with the hotel company to others (Alexandris, Dimitriadis, & Markata, 2002; Liu & Lee, 2016).

The company provides quality services because the company already has a certain image. The overall image is general perception reflected in the relationships that exist in the customer's memory (Keller, 1993). The image as a whole perception of a product or company developed based on information obtained and processed Assael (1984). The definition of the overall image refers to consumer beliefs, impressions, and ideas about a company, brand, product, service, or purpose (Rein, Kotler, & Haider, 1993).

The image is a vital variable that plays an important role in the formation of intent along with customer satisfaction, which is often considered to have the strongest relationship with intention. The image is shaped by the customer's overall evaluation of the firm and its offerings, or even assessed the image projected by a particular product category (LeBlanc & Nguyen, 1996). It is often suggested that images along with other important variables need to be incorporated into the theoretical framework of customer decision making (Brunner, Stöcklin, & Opwis, 2008). So that the image is not lost when the company trying to improve the quality of service, in other words, the stronger the image of a company then the better the quality of service provided. Han and Hyun's (2017) showed the positive effect of the company's image on the quality of service, it showed that companies that have a good image will provide quality services so that the image is stronger inherent in the minds of consumers.

In addition to the environmental quality, the image can also affect the quality of service. The concept of atmospherics as a marketing tool and defined it as the design of the purchasing environment to generate certain emotional effects on buyers that increase their purchasing opportunities Kotler (1973). Baker (1987) discussed how the physical environment affects customer perceptions of service. Bitner (1992) coined the term servicescape to
describe the man-made physical environment in which a service product is delivered. Bitner (1992) stated that the physical environment stimulates the internal responses of customers and employees and shapes behavior. This phenomenon is an important component of customer satisfaction with service. Consequently, an appropriate physical environment produces good behavioral intentions (Ryu et al., 2012). In a good environment and supporting a business, a consumer will feel better served. Ali, Kim, and Ryu (2016) conducted research on aviation service consumers. The results showed that the quality of physical environment can affect consumer satisfaction. El-Adly and Eid (2016) who examines consumers in a modern shopping venue stated that the quality of physical pleasure can affect customer satisfaction. Likewise with research by Han and Hyun (2017) stated the quality of physical harm can affect the satisfaction of restaurant consumers. The quality of the physical environment also determines the quality of service of the airlines (H.-C. Wu & Cheng, 2013). This means that the better the physical environment then the consumer will have a better perception of the quality of service.

There are times when the waiter of a company has a good relationship with the consumer. Employees are trying to the maximum to not disappoint consumers already familiar. Some researchers stated the importance of the service delivery process because people have a major impact on the perception of overall service quality (Grönroos, 1982; LeBlanc, 1992). The quality of interaction in providing services includes several things, including interpersonal skills, staff usefulness, staff friendliness, staff knowledge, fast troubleshooting, service performance, and ordering accuracy (Clemes, Gan, & Ren, 2011). This shows the better the quality of interaction between waiters with consumers then the waiter will provide the best quality of service to consumers. This is in accordance with the results of the research that there is a positive effect of interaction quality on service quality (Clemes et al., 2011; H.-C. Wu & Cheng, 2013).

Quality of service will also be good if the company provides services in accordance with the needs, therefore required customization services. Customization is necessary because customers express their needs according to their specific needs and this can help marketers to truly meet customers' specific needs (Wind & Rangaswamy, 2001). The services offered by the company range from one measure of conformity to all full standards, to be fully personalized, called customization. The advantages of service customization include greater perceived control and higher consumer satisfaction (Kasiri, Cheng, Sambasivan, & Sidin, 2017). Customization improves perceived service quality, customer satisfaction, customer trust, and ultimately customer loyalty to service providers. Customization has an immediate and mediated effect on customer loyalty and interacts with the effects of customer satisfaction and customer trust on loyalty (Coelho & Henseler, 2012). This means that the company oriented to provide services according to the needs of consumers will improve the quality of service. It also means a company oriented to provide unique services i.e services that are not provided by other companies will try to provide better service quality. The influence of service customization on service quality is also explained by Kasiri et al. (2017).

In addition to customization in service, there is also standardization in the service. Standardization is a process of arranging common characteristics that are uniform for certain goods or services. Standardization is used to help control management, predict and minimize errors, and reduce deviations among employees (Jones, Nickson, & Taylor, 1994). Standardization also provides a means to maintain reliability and free from defects. Other benefits associated with standardization include contract facilitation, execution monitoring, and pricing in service delivery, enhanced consumer protection, and consumer trust and satisfaction. In contrast, customized products or services are defined in the context in which new products are provided with variations in the existing configuration (Kasiri et al., 2017; Tsaur, Wang, Yen, & Liu, 2014). Standardization in marketing strategy is not new, but researchers have not agreed that which strategy is better to serve the international market. However, local and traditional markets need to be further identified. Standardization strategies are used to achieve economies of scale and are used when the target market has the same needs and wants (Hussain & Khan, 2013). In the study of Kasiri et al. (2017) service standardization variables affect the quality of service, even standardization more affect the quality of service when compared with customization. Kasiri et al., (2017) also resulted in the influence of customer satisfaction on customer loyalty. According to Tsaur et al. (2014) improvement of work, standardization can affect the improvement of service quality.

There are five variables that are identified positively affect the quality of service they are an image, environment quality, interaction quality, service standardization, and service customization. Variable quality of service is also influenced by consumer
satisfaction, intention to repurchase and also the intention to recommend purchasing to others. Last is the influence of consumer satisfaction on the intention to repurchase and the intention to recommend to others. So, the relationship among these variables places the quality of service as a mediation variable between image, environment quality, interaction quality, service standardization and service customization with customer satisfaction.

2 RESEARCH GAP

The concept of the relationship among variables from several studies can result in the conclusion of the relationship among variables that differ from one research to other research. In this study, there are several variables that are identified affect the consumer satisfaction, and there is no effect on customer satisfaction. These variables include an image, environmental quality, interaction quality, service standardization, and service customization. Several research results state that there is a relationship and no relationship can be seen in the research gap table as listed in Table 1.

Based on Table 1 there is influence between influential corporate image variables and consumer satisfaction. There are several studies that have been identified and show the influence of corporate image on customer satisfaction (Albaity & Melhem, 2017; Lahap et al., 2016; Lai et al., 2009; Loi et al., 2017; Lombart & Louis, 2014).

Although there are several identifiable studies that resulted in the impact of the corporate image on customer satisfaction, there are also studies that result in the conclusion that corporate image has no effect on future beliefs, behaviors and behavioral intentions (Lombart & Louis, 2014). San Martin et al. (2018) identified that the cognitive image has no effect on the perception of quality, but the perception of quality affects consumer satisfaction.

Consumer satisfaction is also influenced by the physical environment. A good physical environment will make consumers feel more satisfied (El-Adly & Eid, 2016; Han & Hyun, 2017). There are research results that stated the environment does not directly affect the satisfaction, i.e. research conducted by (Xie et al., 2017). Han and Ryu (2009) examined the effect of the environment on three variables namely decoration, spatial and surrounding conditions. Among the three variables studied two variables did not affect the satisfaction of the spatial and the surrounding conditions. Xie et al. (2017) formulated a research model consisting of eight models of regression analysis. Among these models connect the environment with satisfaction and make the environment a moderating variable. One of the results of the study is that the institutional environment does not moderate the relationship between corporate social responsibility efforts and customer satisfaction so that an established institutional environment does not enhance the positive relationship between corporate social responsibility efforts and customer satisfaction. The result of regression analysis shows that the environment has no direct effect on satisfaction.

The quality of the interaction between the company and the consumer also affects consumer satisfaction (Joon Choi & Sik Kim, 2013; Srivastava & Kaul, 2014; T. Wu et al., 2018). The results of this study show that the better the interaction of the company through its employees in interacting with consumers will make consumers more satisfied. The quality of interaction does not always affect consumer satisfaction as research conducted by (Kurucay & Inan, 2017).

Standardized service is also one of the variables that affect consumer satisfaction. This is in accordance with research (Chiang & Wu, 2014; Karatepe et al., 2004; Lynch & LeFort, 2016; Wang et al., 2010). This shows a standardized service to keep consumers satisfied. Nevertheless, there is a study that states that standardization does not affect consumer satisfaction, namely research Chiou and Droge (2015). Other studies linking standardization with company performance, the result of standardization did not affect the performance of Samiee and Roth (1992). This shows that standardization does not always have a good impact on the company. In addition to standardization, there is also a customization of service, the service is more flexible in adjusting to the environment or with the culture where consumers do the transaction. These customizations can affect customer satisfaction. This is in accordance with research.

3 ORIGINALITY RESEARCH

Social interaction service performance is derived from the results of the theory of social identity theory. In theory, it is said to be part of an individual self-concept derived from his knowledge of his membership of a social group along with the emotional significance attached to the membership (Fielding, McDonald, & Louis, 2008; Tajfel, 1974). People in one group tend to behave similarly to their group members.
Table 1: Research gap

<table>
<thead>
<tr>
<th>No</th>
<th>Exogenous-Endogenous Variables</th>
<th>Supportive research</th>
<th>Unsupportive research</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Quality of interaction - Satisfaction</td>
<td>(Srivastava &amp; Kaul, 2014) (T. Wu et al., 2018) (Joon Choi &amp; Sik Kim, 2013)</td>
<td>(Kurucay &amp; Inan, 2017)</td>
</tr>
<tr>
<td>5</td>
<td>Service customization - Satisfaction</td>
<td>(Kasiri et al., 2017). (Coelho &amp; Henseler, 2012)</td>
<td>(Wang et al., 2010)</td>
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(Coelho & Henseler, 2012; Kasiri et al., 2017). Also showing that service customization has no effect on customer satisfaction as did Wang et al. (2010). Based on the perspective of social identity, a specific social identity becomes the basis of justification for the individual. Individual behavior is based on group behavior and guided by social or group norms. The process of self-categorization in terms of the outcome of a particular social identity results in similarities between group members and other group members. Thus, the behaviors and expectations of other group members will act as guidelines for appropriate behavior, especially when social identity is important for self-concept (Fielding et al., 2008).

In addition to social identity theory, there is also A Theory of Social Interactions (Becker, 1974). A Theory of Social Interactions uses simple economic theory tools to analyze the interaction between the behavior of several people and the characteristics of different people. Social interaction is a process of mutual stimulation and interactivity between two or more people (Hari & Kujala, 2009; Moulay, Ujang, & Said, 2017). The measure of social interaction is, among other things, the amount of time people spend in that place, reflecting their public involvement in the open and the intensity of contact (Carmona, Tiesdell, Heath, & Oc, 2010). Based on the critical components of social interaction, then this study discussed the performance of services used to serve social interaction (social interaction service performance), and feelings of satisfaction felt by members of social interaction satisfaction.

Social identity theory (Jiang et al., 2016) did research with one of the exogenous variables that were social identity. From the result of this research, social identity has a positive effect on intention. Therefore this research tries to connect social interaction service performance with repurchase intention and recommendation intention.

Variable of service performance is much studied with the name of service quality. Quality of service was first mentioned in service marketing theory (Rathmell, 1974). Rathmell (1974) tried to use traditional concepts and models of consumer marketing theory in service marketing. Furthermore, based on service marketing theory, Grönnroos (1982) tried to formulate a model of service quality. According to the model of service quality, the total quality of service is a function of three components consisting of a corporate image, technical quality, and functional quality. Research on service quality continues to grow until (Alhelalat et al., 2017) introduced Functional And Personal Aspects Of Service.
Parasuraman, Zeithaml, & Berry, (1985), explained the determinants of quality perception consisting of ten dimensions they are service quality access, communication, competence, courtesy, credibility, reliability, responsiveness, security, tangibles, and understanding / knowing the customer. (Parasuraman, Zeithaml, & Berry, 1988) classified ten dimensions of service quality into five dimensions: tangibles, reliability, responsiveness, assurance, empathy. So in providing quality services to consumers can be done by using dimension that is tangibles, reliability, responsiveness, assurance, empathy. However, these dimensions have not been applied to consumers of a group nature. Therefore in this study used variable social interaction service performance or service performance to provide services to a group that is doing interaction between individual members of the group.

Synthesis process of social interaction service performance variables and social interaction satisfaction showed in Figure 1.

4 RESEARCH BENEFITS

4.1 Theoretical Benefits

The results of this study are expected to solve the problems found in relation to the research gap between image, environmental quality, interaction quality, service standardization, and service customization to customer satisfaction, by placing one new variable as the mediation variable that is the social interaction service performance variable.

4.2 Practical Benefits

The results of this study can be used by the management of SMEs in the field of restaurant or cafe to determine the marketing strategy by providing services by creating space services and service facilities for consumers in social interaction.

REFERENCES


