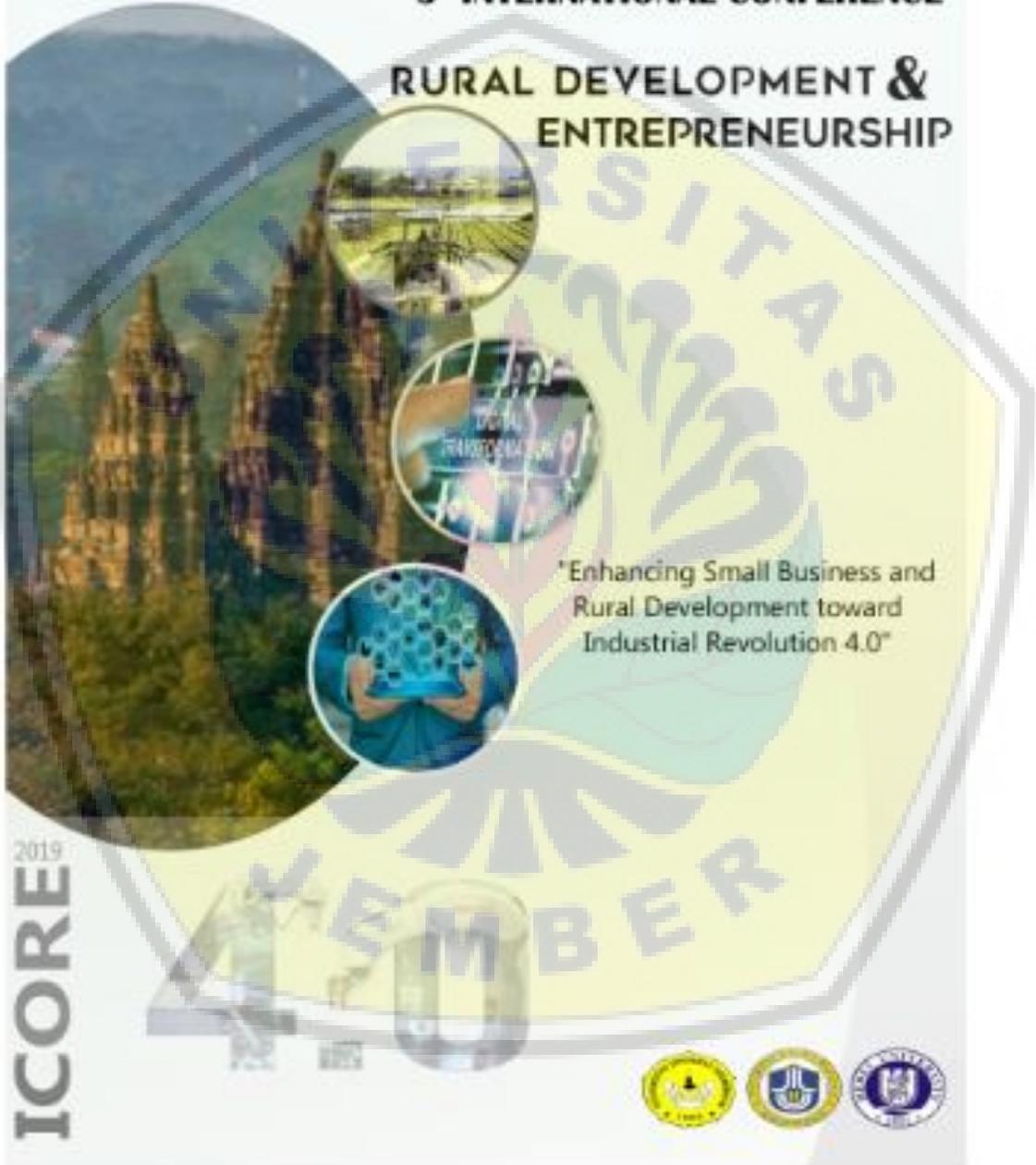


**BOOK OF ABSTRACT &
PROGRAMME BOOK**

5th INTERNATIONAL CONFERENCE

**RURAL DEVELOPMENT &
ENTREPRENEURSHIP**



2019
ICORE

"Enhancing Small Business and
Rural Development toward
Industrial Revolution 4.0"



5th ICORE 18-21
AUGUST 2019
YOGYAKARTA
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(ICORE2019)**

***Enhancing Small Business and Rural Potentials toward
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20 – 21th August 2019
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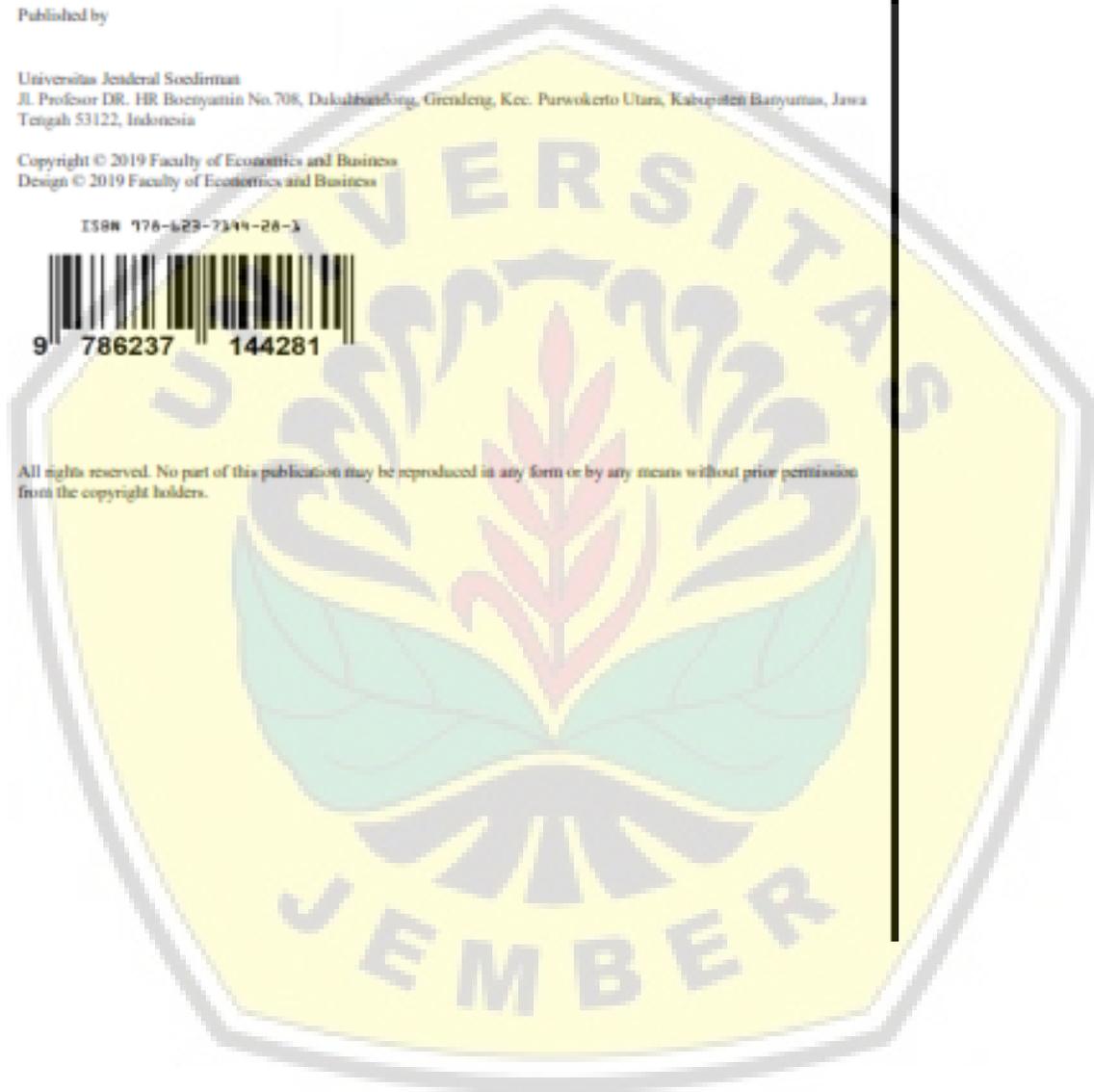
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2019 5th International Conference on Rural Development and Entrepreneurship
ICORE 2019

SESSION 1

Date : Tuesday, 20 August 2019
Time : 12.30-15.00
Chair : Dr. Suharno, M.Si
LO : Denny

ROOM PASEWAKAN 2 (2ND FLOOR)				
1	12.30-12.40	10003	Gus Andrei	Psychological Capital As Mediation, Relationship Between Empowering Leadership, Transformational Leadership Behavior, Proactive Personality Toward Individual Performance
2	12.40-12.50	10004	Pramono Hari Adi	Religiosity and Purchase Intention of Purwokerto Halal Mart
3	12.50-13.00	10013	Li Jiao	The Collaborative Sharing Development of Regional Cultural and Creative Industries: Evidence from China
4	13.10-13.20	10009	Denny Partono	Can Consumer Involvement Prevent The Vampire Effect?
5	13.20-13.40	10027	Ratna Rositika	An Integrative Model of Place Image, Product Image and Consumer Receptivity
	13.40-13.55	Q&A		
6	13.55-14.05	10268	Sudaryanto	Analysis Discriminant Customer Satisfaction Of Services Quality At Oriskin Skin Care Jember
7	14.05-14.15	10162	M. Elfan Kulkab	Islamic Entrepreneurology: Theorizing a Paradigm
8	14.15-14.20	10289	Mukaramah Harun	HOUSEHOLD ENERGY CONSUMPTION: ENERGY INTENSITIES IN MALAYSIA
9	14.20-14.40	10238	Nurung Aini Rahmah	Are Islamic Banks More Stable During Global Financial Crisis? Evidence in Indonesia
	14.40-14.55	Q & A		

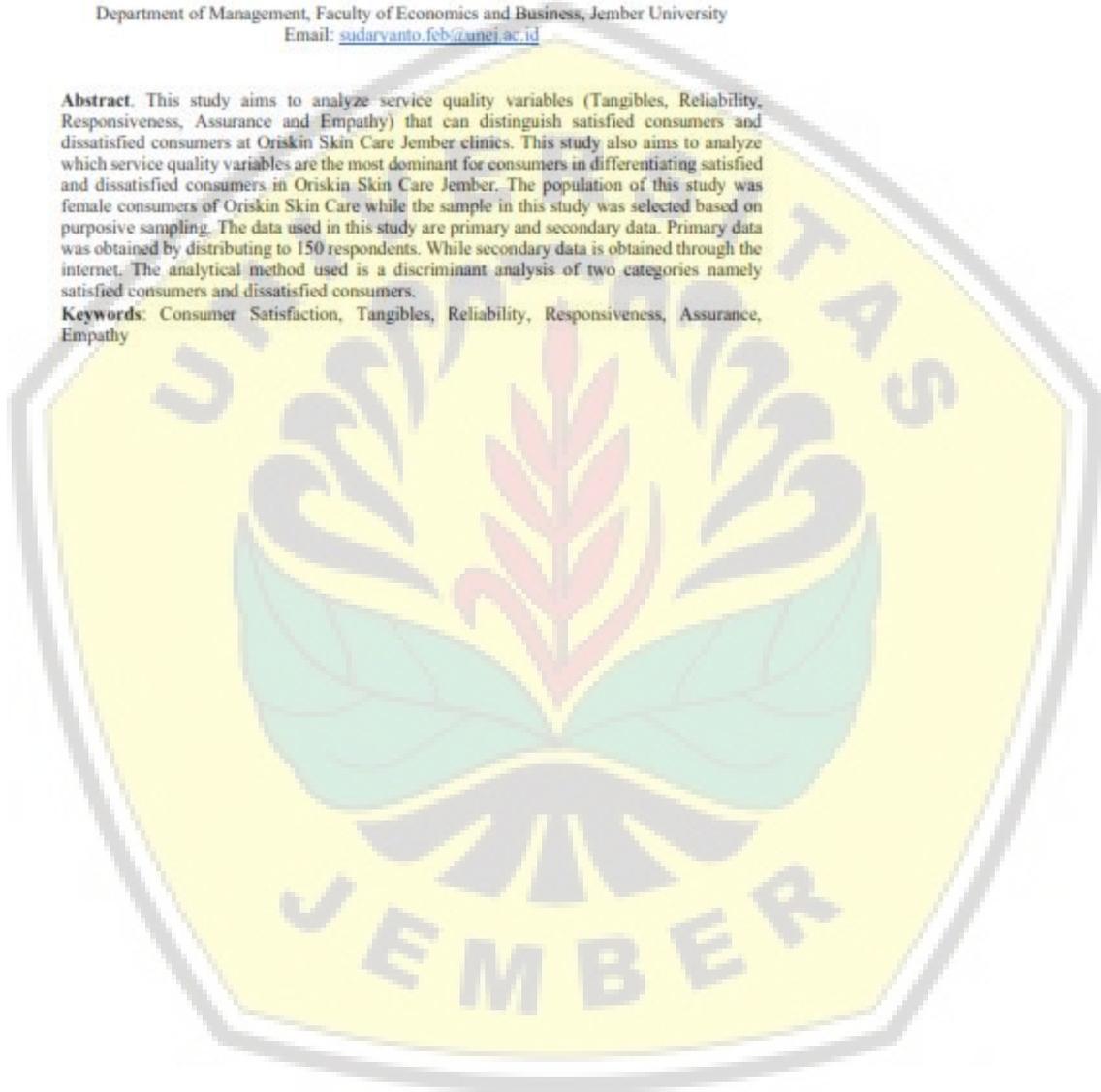
Analysis Discriminant Customer Satisfaction of Services Quality at Oriskin Skin Care Jember

Sudaryanto¹, Anifatul Hanim², Yashita Yuni Safitri³

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Abstract. This study aims to analyze service quality variables (Tangibles, Reliability, Responsiveness, Assurance and Empathy) that can distinguish satisfied consumers and dissatisfied consumers at Oriskin Skin Care Jember clinics. This study also aims to analyze which service quality variables are the most dominant for consumers in differentiating satisfied and dissatisfied consumers in Oriskin Skin Care Jember. The population of this study was female consumers of Oriskin Skin Care while the sample in this study was selected based on purposive sampling. The data used in this study are primary and secondary data. Primary data was obtained by distributing to 150 respondents. While secondary data is obtained through the internet. The analytical method used is a discriminant analysis of two categories namely satisfied consumers and dissatisfied consumers.

Keywords: Consumer Satisfaction, Tangibles, Reliability, Responsiveness, Assurance, Empathy



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LETTER OF ACCEPTANCE

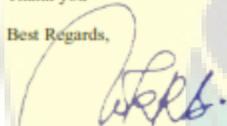
Dear Authors : Sudaryanto Sudaryanto, Anifatul Hanim and Yashita Yuni Safitri
Paper Number : 10268
Entitled : Analysis Discriminant Customer Satisfaction Of Services Quality At
Oriskin Skin Care Jember

Has been reviewed and accepted the manuscript to be present at ICORE 2019 Conference to be held on 20-21 August 2019 in Yogyakarta, Indonesia

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Best Regards,



Assoc. Prof. Dr. Wiwiek Rabiatal Adwiyah

Chairperson of ICORE 2019

***Analysis Discriminant Customer Satisfaction of Services Quality At
Oriskin Skin Care Jember***

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Keywords

*Consumer Satisfaction
Tangibles
Reliability
Responsiveness
Assurance
Empathy*

ABSTRACT

This study aims to analyze service quality variables (Tangibles, Reliability, Responsiveness, Assurance and Empathy) that can distinguish satisfied consumers and dissatisfied consumers at Oriskin Skin Care Jember clinics. This study also aims to analyze which service quality variables are the most dominant for consumers in differentiating satisfied and dissatisfied consumers in Oriskin Skin Care Jember. The population of this study was female consumers of Oriskin Skin Care while the sample in this study was selected based on purposive sampling. The data used in this study are primary and secondary data. Primary data was obtained by distributing to 150 respondents. While secondary data is obtained through the internet. The analytical method used is a discriminant analysis of two categories namely satisfied consumers and dissatisfied consumers.

SUMMARY

Healthy skin is important for every human being, especially women. Rising income makes woman's competing to visit various skin care companies to fill their needs. This study aims to analyze service quality variables (physical evidence, reliability, responsiveness, assurance and empathy) to differentiate satisfied consumers and dissatisfied consumers at Oriskin Skin Care Jember clinics. This study also aims to analyze which service quality variables are the most dominant for consumers in differentiating satisfied and

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dissatisfied consumers in Oriskin Skin Care Jember. The population of this study was female consumers of Oriskin Skin Care while the sample in this study was selected based on purposive sampling. The data used in this study are primary and secondary data. Primary data was obtained through an online and also offline questionnaire distributed to 150 respondents. While secondary data is obtained through the internet. The analytical method used is a discriminant analysis of two categories namely satisfied consumers and dissatisfied consumers. The results showed that there are variables that distinguish between satisfied consumers and dissatisfied consumers, namely the variables of reliability, responsiveness, assurance, physical evidence, and empathy.

INTRODUCTION

Education is a very important human need. Education always experiences a change, improvement, and development following all other aspects. The development of education in Indonesia has undergone many rapid changes. Changes that are felt in Indonesia are also felt by other countries. Changes occur such as the economy, the education system, social, politics, and also culture. Indonesian people need to prepare themselves with many changes that occur so as not to be left behind by other countries. The characteristics of educated humans are rational thinking, ability to think, build knowledge, criticize, and have the ability to communicate effectively. Educated humans tend to think that health is a necessity, including skin health. Apart from education, humans also have basic needs for health. The better the economy and the increase in one's income, the more needs that must be fulfilled by humans.

Skin health is being intensely in the spotlight for every human being, especially for women with sufficient income. Increased income resulted in women competing to visit various skincare companies to get healthy skin and other beauty treatments to meet their needs. One of the mandatory consumption for women is beauty care (Hidayah and Imron, 2014). This need is made an opportunity for skin care and health care companies. Skin and facial care clinic popping up in big cities. Many reasons encourage modern women to do beauty treatments. Today's lifestyle demands that the general public, especially women, do beauty treatments. Skin care is now a necessity for every human who wants healthy skin. The reason for this is that the clinic for skin and beauty care is in great demand in today's business competition. Great opportunities have been opened for skincare companies to enter business competition. Awareness of the importance of skin health and appearance has resulted in a lot of skincare companies popping up that are currently being intensely luring consumers with various

marketing strategies. It's no longer an additional or secondary necessity whose purpose is only to beautify oneself, skin care has become a lifestyle for modern women. That's why the skincare company's business opportunities are very wide open in the present and the future. This is evidenced by the rapidly increasing sales of the cosmetics industry in Indonesia. According to the General Chairman of the Indonesian Cosmetics Company Association (Perkoms) Nurhayati Subakat, the development of the cosmetics industry in Indonesia has shot sharply (republika.co.id).

The hypothesis in this study is (1) there are differences between satisfied consumers and consumers not satisfied with the tangibles, reliability, responsiveness, assurance and empathy for Oriskin Skin Care Jember. (2) There is no difference between satisfied consumers and consumers not satisfied with physical evidence, reliability, responsiveness, assurance and empathy for Oriskin Skin Care Jember.

The formulation of the problem in this study is (1) Can the tangibles, reliability, responsiveness, assurance, and empathy variables be able to differentiate satisfied and dissatisfied consumers in Oriskin Skin Care Jember ?; (2) Which tangibles, reliability, responsiveness, assurance, and empathy variables that significantly affect customer satisfaction (satisfied consumers dissatisfied consumers in Oriskin Skin Care Jember?

The purpose of this study was to examine (1) tangibles, reliability, responsiveness, assurance, and empathy variables that can distinguish satisfied consumers and dissatisfied consumers in Oriskin Skin Care Jember; (2) physical evidence, reliability, responsiveness, assurance, and empathy variables that significantly affect customer satisfaction (satisfied consumers and dissatisfied consumers) in Oriskin Skin Care Jember.

LITERATURE REVIEW

Consumer Satisfaction

Satisfaction and dissatisfaction are feelings of pleasure or disappointment that come from a comparison between the impression on the real or actual product performance with the expected product performance. Consumer satisfaction is a feeling that is felt by consumers after comparing expectations with what they can, feeling happy or disappointed (Kotler, 2009: 70).

Service quality

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Quality according to ISO 9000 is: "degree of inherent characteristics that fulfill requirements (the degree achieved by characteristics inherent in meeting requirements)" (in Rambat Lupiyoadi et al, 2006: 175). Definition of service is every action offered by a party to another party, but it is not tangible and does not result in any ownership (Kotler, 2002: 83).

Tangibles

Physical evidence in service quality is a form of real actualization and can be physically seen or used by company employees with the use and benefits that can be felt by consumers, so that consumers are satisfied with the perceived service and at the same time demonstrate work performance for the provision of services (Parasuraman, 2001: 23).

Reliability

Every service requires reliability, meaning that in providing services, all employees must have the ability in knowledge, independence, mastery, professionalism and high work skills, resulting in consumer satisfaction without complaints and excessive impressions of services received (Parasuraman, 2001: 48).

Responsiveness

Responsiveness of each employee in providing forms of service required the ability of employee responsiveness in dealing with mismatches over various forms of service that are not known to consumers. This includes a wise explanation, fostering, detailed, persuading and directing to address all forms of procedures and working mechanisms that apply in a company, so as to obtain a positive response from consumers about the form of service (Parasuraman, 2001: 52).

Assurance

Guarantees are the protection provided including the ability, politeness, knowledge, the nature of trustworthiness of employees and regardless of danger, risk, and doubt. Every form of service provided to consumers requires certainty. This form of certainty is in the form of guarantees from employees who provide services, so that consumers who receive services are confident that all services provided will be completed and resolved according to what consumers want.

Empathy

Empathy is the attention given to customers by doing good relationships, good communication, and trying to understand the needs and desires of customers. Each service will run smoothly if employees can provide services with a sense of empathy or attention in completing, managing and having the same commitment to service (Parasuraman, 2001: 40).

Empirical Research

Previous research has become one of the reference sources in conducting research so that it can add to the theory used in reviewing the research conducted. With previous research, references can be obtained in enriching the study material in this study.

The first study conducted by Albert (2002) difference lies in the variable that is the intervening variable Z is consumer satisfaction and the dependent variable Y is loyalias. In addition, the difference in method used by Albert Caruana is using the method of Regression Equations testing Mediation. Then, the basic difference between the two is the difference in the object of research and the period of observation. Albert Caruana conducted research in 2002 with the object of Retail Banking research.

The second study conducted by Ying (2009) differences lies in the variable perceived value, customer satisfaction, post-purchase intention. In addition, the different methods used, by Ying-Feng Kuo, et al, are using the Multiple Regression Analysis method, Path Analysis. Then, the basic difference between the two is the difference in the object of research and the period of observation. Ying-Feng Kuo, et al. Conducted a study in 2009 with the object of research in postgraduate students at 15 Taiwanese Universities.

The third study conducted by Ruth (2012) difference lies in the variables $X1 = \text{Product}$ and $X3 = \text{Fairness of Price}$, variable $Z = \text{Customer Satisfaction}$ and dependent variable $Y = \text{Customer Loyalty}$. In addition, the different methods used by Ruth Amryyanti, et al, are using Descriptive and SEM methods. Then, the basic difference between the two is the difference in the object of

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research and the period of observation. Ruth Amryanti, et al. Conducted a study in 2012 with the research object of LnC Skin Care Singaraja.

The fourth study conducted by Ayu (2015) difference lies in the associative method and multiple linear regression. The basic difference between the two is the difference in the object of research and the period of observation. Ayu Inten Surya Utami and I Made Jatra conducted a study in 2015 with the object of research at the Sanur Baruna Restaurant.

The fifth study conducted by Alfin et al (2017) difference lies in the variables X_1 = Brand Image and X_3 = Price, variable Z = Consumer Satisfaction and dependent variable Y = Loyalty. In addition, the different methods used, by Alfin Rosita Wiluajeng, et al, are using the Path Analysis. Then, the basic difference between the two is the difference in the object of research and the period of observation. Alfin Rosita Wilujeng, et al. Conducted research in 2017 with the research object of J & T Express Services.

METHODS

Research design

This research is explanatory research research whose purpose is to test a hypothesis to strengthen or reject the results of the research hypothesis and obtain information, information, data about things that are unknown.

Types and Data Sources

The type of data in this study is quantitative data with ordinal scale type. In terms of time, the data obtained in this study is cross section data. This study uses 2 data sources namely primary and secondary data sources. Primary data is obtained through questionnaires distributed to respondents. Secondary data was obtained from books, the internet, and experts or researchers related to this study.

Population and Samples

The population of this study was female consumers in Oriskin Skin Care. The coverage of this study population area is consumers of the Oriskin Skin Care Jember clinic. The sampling technique uses purposive sampling with the following criteria: (a) Consumers who visit at least 2 times. (b) Consumers who have a minimum age of 17 years.

Data analysis method

The analytical method used in this study is Discriminant Analysis.

RESULTS AND DISCUSSION

1. Characteristics of Respondents

Respondents in this study were female consumers with a minimum of 2 visits and a minimum age of 17 years old. The number of respondents in this study were 150 respondents. Characteristics of respondents consisted of age, recent education, marital status, employment status, status of customer satisfaction and the number of visits.

Table 1. Characteristics of Respondents by Age

Age	Frequency	Percentage
17-20 years old	60	40%
21-29 years old	48	32%
≥ 30 years old	42	28%
Total	150	100%

Source: primary data processed, 2019

Table 1 shows that the most respondents were respondents aged 17-20 years old and 21-29 years old with 88 respondents or 72%. This shows that female respondents aged 17-29

years old dominate compared to respondents aged ≥ 30 years old because female respondents aged 17-29 have more needs and desires to support the appearance and health of their skin. Respondents who have the least contribution among others are respondents aged ≥ 30 years old with a percentage of 28%.

Table 2. Characteristics of Respondents Based on Latest Education

Latest Education	Frequency	Percentage
Elementary School	1	0,7%
Junior High School	3	2%
Senior High School	55	36.7%
Diploma	10	6,7%
Bachelor	66	44%
Postgraduate	15	10%
Total	150	100%

Source: primary data processed, 2019

Table 2 shows that the majority of respondents based on recent education were dominated by respondents with the last education of undergraduate and high school with a percentage of 44% for undergraduates and 36.7% for high school. This shows that women with the latest education undergraduate and high school have a tendency to think about skin health as a career supporter in work or looking for work.

Table 3. Characteristics of Respondents Based on Marriage Status

Marriage Status	Frequency	Percentage
Married	56	37,3%
Single	94	62,7%
Total	150	100%

Source: primary data processed, 2019

Table 3 shows that the most respondents were respondents with single status. This shows that women with single status have the mindset to always look beautiful in terms of finding a companion or hanging out with friends.

Table 4. Characteristics of Respondents Based on Job Status

Job Status	Frequency	Percentage
Work	103	68,7%
Unemployed	47	31,3%
Total	150	100%

Source: primary data processed, 2019

Table 4 shows that the majority of respondents were respondents with employment status already working. This shows that women who have worked have more financial resources to invest so that they can support skin beauty by doing their skin care at the Oriskin clinic.

Table 5. Characteristics of Respondents Based on the Number of Visits

the Number of Visits	Frequency	Percentage
2-3 Times	67	44,7%
4-5 Times	54	36%
≥5 Times	29	19,3%
Total	150	100%

Source: primary data processed, 2019

Table 5 shows that the majority of respondents were respondents with many visits of 2-3 times and 4-5 times with a percentage of 44.7% for 2-3 times and 36% for respondents who answered 4-5 times.

Table 6. Characteristics of Respondents Based on Satisfaction Status

Satisfaction Status	Frequency	Percentage
Satisfied	101	67,3%
Not Satisfied	49	32,7%
Total	150	100%

Source: primary data processed, 2019

Table 6 shows that the most respondents were respondents who were satisfied with the quality of services provided by Oriskin clinics. This shows that consumers who are satisfied with the quality of services provided by Oriskin clinics are more enthusiastic in giving feedback to other people who might want to use services from the Oriskin clinic.

2. Discriminant Analysis

After the validity and reliability tests are declared valid and reliable. The results of data analysis using discriminant analysis are:

Table 7. Canonical Discriminant Function Coefficients

Variabel	Function
	1
Tangibles	.571
Reliability	1.140
Responsiveness	.665
Assurance	.469
Empathy	.361
(Constant)	-11.320

Source: primary data processed, 2019

In forming the discriminant function equation can be seen in table 7, the equation is formed as follows:

$$Z = - 11.320 + 0.571 \text{ Tangibles} + 1.140 \text{ Reliability} + 0.656 \text{ Responsiveness} + 0.469 \text{ Assurance} + 0.361 \text{ Empathy}$$

Table 8. Wilk's Lambda test results

Wilks' Lambda	Chi-square	Sig.
,243	206,073	,000

Source: primary data processed, 2019

Table 8 shows the value of Wilk's Lambda is 0.243 or equal to Chi-square 206.073 and it turns out that the significance value is at 0.000, it can be concluded that the discriminant function is statistically significant, which means the mean discriminant score for the two consumer categories satisfied and dissatisfied consumers differ significantly.

Tabel 9. Eigenvalues

<i>Function</i>	<i>Eigenvalue</i>	<i>% of Variance</i>	<i>Cumulative %</i>	<i>Canonical Correlation</i>
1	3.122 ^a	100,0	100,0	,870

Source: primary data processed, 2019

Table 9 shows the display of eigenvalues output shows that the magnitude of the Canonical Correlation is 0.863 or the amount of Square Canonical Correlation (CR^2) = $(0.870)^2$ or equal to 0.756. So it can be concluded that 75.6% of the variation between satisfied consumer groups and dissatisfied consumers can be explained by discriminant variables.

Table 10. Classification Results^a

Consumer Satisfaction		Predicted Group Membership		Total	
		1	2		
Original	Count	Satisfied Consumer	94	6	100
		Consumer not satisfied	0	50	50
	%	Satisfied Consumer	94,0	6,0	100,0
		Consumer not satisfied	,0	100,0	100,0

Source: primary data processed, 2019

Based on table 11 it can be seen that the classification level value is 96%. A summary of the classification results can be seen in the classification matrix or confusion matrix. So the classification accuracy is (144/150) or 96%. The results of the classification matrix show that 144 observations have been correctly classified and only six observations are classified incorrectly.

This study uses a different number of samples for both categories namely satisfied consumers and dissatisfied consumers. So using the following formula in calculating the cut-off value:

$$Z_{cu} = (nb Z_a + na Z_b) / (nb + na)$$

Where Z_a is the centroid value of a and Z_b is the centroid value b and n_a is the number of satisfied sample consumers, n_b is the number of samples of dissatisfied consumers. Then the cut-off value can be calculated as follows.

$$Z_{cu} = (50 (1.241) + 100 (-2.482)) / (50 + 100) = -1.241$$

After it is known that the critical number is -1.241, it can be concluded that the score smaller than -1.241 is in respondents who are dissatisfied and who are greater than -1.241 in the respondents who are satisfied.

Table 11. Missed Place Classification

No	Actual Group	Predicted Group	Discriminant Score	Z Cut Off
46	1	2	-1.329	-1.241
54	1	2	-1.732	-1.241
61	1	2	-1.476	-1.241
63	1	2	-1.327	-1.241

65	1	2	-1.422	-1.241
95	1	2	-1.732	-1.241

Source: primary data processed, 2019

Table 11 shows that the six respondents' observations have misclassified. After it is known that the critical number is -1.241, it can be concluded that the score greater than -1.241 is in respondents who are satisfied (1) and those who are smaller than -1.241 enter the respondents who are dissatisfied (2).

DISCUSSION

Based on observations showing that satisfied consumer groups and dissatisfied consumer groups have significant or significant differences in behavior towards Oriskin clinic. Satisfied consumer groups have positive behavior towards Oriskin clinic. Whereas dissatisfied consumer groups have poor behavior towards Oriskin clinics. In accordance with the results obtained from discriminant analysis it can be concluded that five variables, namely physical evidence, reliability, responsiveness, assurance, and empathy can distinguish satisfied consumers and dissatisfied consumers.

The results show that reliability is one of the variables that can distinguish satisfied consumers and dissatisfied consumers from Oriskin. This study supports previous research conducted by Ida, et al (2015) which shows that reliability variables have a positive and significant influence on customer satisfaction. Reliability variables indicate that having the highest discriminating power among other variables. This shows that reliability has the biggest contribution in forming differences between satisfied consumers and dissatisfied consumers at Oriskin.

The differences obtained showed that satisfied consumers tended to rate employees as able to provide services as promised, employees on time to serve the needs of consumers, and employees provide clear information to consumers.

The results show that responsiveness is one of the variables that can distinguish satisfied consumers and dissatisfied consumers from Oriskin. This study supports previous research conducted by Febriana (2016) which shows that variables daya tanggap berpengaruh positif and significant to customer satisfaction. The responsiveness variable has the second highest discriminating power after the reliability variable. This shows that satisfied consumers judge

that Oriskin employee employees are responsive in responding to criticism and suggestions, swift in serving, and easily contacted by consumers.

The results show that the guarantee variable is one of the variables that can distinguish satisfied consumers and dissatisfied consumers from Oriskin. This study supports previous research conducted by Kiky, et al (2018) which shows that guarantee variables have a positive and significant effect on customer satisfaction. The guarantee variable indicates that the third highest discriminating power. This shows that the guarantee variable has a fairly high contribution in forming differences in satisfied consumers and dissatisfied consumers. The differences obtained indicate that satisfied consumers tend to judge that Oriskin employees provide compensation guarantees when errors occur during the service process, and employees have good skills.

The results of the study show that the physical evidence variable is one of the variables that can fuel satisfied consumers and dissatisfied consumers at Oriskin. This study supports previous research conducted by Nur (2017) which shows that physical evidence variables have a positive and significant effect on customer satisfaction. The differences obtained indicate that satisfied consumers judge Oriskin employees as neat, the Oriskin building has a comfortable atmosphere, complete equipment, and the materials used during treatment are of good quality.

The results showed that the empathy variable was one of the variables that could distinguish satisfied consumers and dissatisfied consumers from Oriskin. This study supports previous research conducted by Afni, et al (2017) showing that empathy variants have a positive and significant effect on customer satisfaction. Empathy variable has the lowest discriminating power compared to other variables. This shows that the empathy variable is able to distinguish satisfied consumers and dissatisfied consumers but has the least contribution in forming differences between satisfied consumers and dissatisfied consumers. The differences obtained indicate that satisfied consumers judge Oriskin employees to give serious attention, be able to understand consumer needs, and establish good communication with consumers.

The company's strategy to improve customer satisfaction is that companies need to pay attention to the results of this research, especially the concept of service quality which consists of five variables, namely physical evidence, reliability, responsiveness and empathy because the five variables can influence satisfied consumers and dissatisfied consumers. To increase customer satisfaction, the company has consequences to improve the five variables so that the company's main goal is to provide customer satisfaction. In addition, companies must pay attention to the priority scale that must take precedence. The priority scale considers the resources possessed by Oriskin in both the capital and skills of the company.

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Based on the results studied, there are several variables that are still given a value, quite satisfied by respondents with quite a large proportion. Therefore, several variables including physical evidence, reliability, responsiveness, assurance and empathy need to be improved in providing better quality in the future.

CONCLUSION

There are variables that distinguish between satisfied consumers and dissatisfied consumers, namely the variables of reliability, responsiveness, assurance, physical evidence, and empathy.

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