5. SUMMARY AND RECOMMENDATION

5.1. Summary and Conclusion

The respondents of this research were taken from both inside and outside of the city. 25 respondents are taken from Surabaya and Sidoarjo which are considered as inside of the city and the other 25 respondents are taken from Kediri and Mojokerto which is considered as outside of the city. Moreover, all of the respondents already fulfill the requirement to be considered as the active customers of PT SKAY which is eligible to become the respondent in this research.

For the result of the tests, all of the constructs inside the variable passed the validity and reliability tests. However, there are two constructs which are the product item 3 and place item 1 which needs to be deleted in order to increase the amount of Cronbach’s alpha. For the other constructs, they were eligible to continue to the next tests which are the classical assumption tests. For the result of the classical assumption tests, it was proven that there is no violation for the all of the tests. All of the variables passed the tests and able to become the independent factors for the multiple regression tests.

For the multiple regression tests, the result of the hypothesis testing by using F test shows that all of the variables are altogether have a significant impact to the customer satisfaction. For the result of the partial test, by looking at the level of significance, product, price, and promotion variable has their H1 proven to be accepted. Those variables are proven to have significant impact toward the customer satisfaction. The other variables which are place, tangibles, reliability, responsiveness, assurance, and empathy do not have significant impact toward customer satisfaction. The result shows that products categories will bring more significant impact toward the customer satisfaction compared to the satisfaction categories. This is happening because the customers in this industry are not the end customers. Customers of PT SKAY are the store owners which are conducting B2B type of business. Those customers buy product in order to be sold again to the end customer. As the result, it is true that those customers were only
seeking benefits from the side of the product categories which mainly is product and price instead of the service category in order to obtain more profit margin from the product they sold.

Moreover, for the result of the satisfaction of the respondents on the overall performance of PT SKAY, around 80 percent gives a positive response that PT SKAY is giving them good service. This means that the overall service variables already satisfied enough the respondents and there is no need to allocate resource for improvement not only because they were satisfied enough but also because these variables could not generate significant customer satisfaction. Therefore, since the product categories variables of product, price, place, and promotion have the significant impact toward the customer satisfaction, PT SKAY needs to focus their resource as an improvement in these variables.

5.2. Recommendations

Since the result indicates that product, price, and promotion are the most dominant variables that can generate the significant impact toward customer satisfaction, if PT SKAY wants to improve their performance, they must focus more on these sectors. There are several possible ways to improve the performance on those sectors:

- Order large amount of goods to create higher amount of discount (Price)

The price given by PT Putra Mataram which is the producer of Emco paints which also acts as the parent company of PT SKAY is in the form of price discount. The price discount system given by PT Putra Mataram is the progressive price discount. This means that by ordering more products PT SKAY will get more amount of discount. The price discounts then could be used to lower the unit price of the product. On the other hand, by ordering large amount of product from the parents company and if they could not sell those products, it will incur more storage cost and there is also a problem related with the quality of the goods which is stored in a long time.
However, this strategy is also supported by three valuable resources to overcome those problems. Those valuable resources are the capacity of the warehouse and retour system of PT Putra Mataram, and the durability of the paint. For the capacity of the warehouse, there is still a large amount of space that could contain almost twice of the amount of current product if those products are neatly organized. This amount of capacity will surely support this strategy as the place to contain the ordered products. For the second valuable resource is the retour system of PT Putra Mataram. The retour system of PT Putra Mataram is very flexible. The retour product will still be counted at a full price as long as the material is not leaked outside. This gives a very beneficial support to increase the amount of goods ordered because the parent company has the ability to recycle the defect products. the third valuable resource is the durability of the product. For the durability of the paint, paint could still be used without losing its quality for about 4-5 years after the production. This long durability time gives longer time to sell the product as long as its package is not leaked. Therefore, by having these valuable resources it will support this strategy.

- Train the Helper (employee in the warehouse) to be more careful in treating the product (Product).

Training the helper to be more careful in treating the product especially in the unloading and packaging process might have an impact in reducing the damage in the product package or the cover of the product. This will reduce the probability of a store to have a retour for damaged product. Moreover, customers would tend to choose product which has a good package compared to the damaged one. According to Axler, marketing director of Sodexho, nowadays packaging is being considered to have increasingly important role and could become the final decision making for the customer to purchase a product (“Importance of Packaging”, 2004, para 4). From the point of view of
the research, packaging includes in the variables of product which is considered as the most dominance factor. Therefore, by having more training to those employees in treating the products, it will result in a bigger customer satisfaction.

- Replace the high cost promotional activities with lower price of the product (Promotion)
  The regression model shows that promotional activity will brings negative impact toward the customer satisfaction. This means a decrease in the promotional activity will create a positive impact toward the customer satisfaction. As the result, it will be bring good advantage if PT SKAY reduces their resource for the promotional activity and use it in order to improve the variable of product or price which will brings the positive impact toward the customer satisfaction.

Moreover, there are also a few recommendations for other sector in order to deal with the urgent request and improve the current performance of PT SKAY.

- Fasten the daily delivery time and setting the latest time for urgent request
  By looking at the data, fasten daily delivery time and setting the time for the urgent requests will be beneficial for the company. Most of the respondents thought that by having 1 day delivery time it is still considered to be enough. However, the reason why the delivery time becomes late is mainly because of the urgent request. The amount of urgent request which is only around ten percent of the total delivery should not happen anymore. This recommendation supports the action which is taken by the branch manager of PT SKAY Surabaya to create a limit for the time to have an urgent request. The reason is because the amount is not significant compared to the other customer. By doing so,
the helper will have more time to prepare the products and able to deliver the goods to the customer on time which is in one day.

- Improve the salesperson performance to be more effective in covering the customers

From the point of view of the customer, this variable might not be quite important to increase the customer satisfaction. However, from the point of view of the distributor, this is very important to maintain the marketing process of the company.

In order to improve the salesperson’s performance, the target for the bonus of the salesperson should not only by the amount of goods sold only. Using the target of the amount of goods sold, salesperson would tend to focus their time to cover the customers with a large amount of capital to sell a large amount of product. By doing so, small customers will be ignored because those salesperson only motivated to grab a lot of sales. As the result, the target of the salesperson should also base on the amount of the stores or customers covered. By conducting this strategy, the salesperson of PT SKAY will be more motivated to cover more customers not only the big customers but also the small one.

Covering a large amount of customer will be beneficial compared to only covering the customer with a big capital. If a company tends to use Pareto law which cover small amount of customers who could generate the biggest profit, this strategy will make these customers have more bargaining power for the distribution of PT SKAY products. This condition will create disadvantages toward PT SKAY since those customers might have the power to control the price given by PT SKAY. Therefore, in order to overcome this problem, PT SKAY needs to cover more customers by improving the performance of their salesperson.
5.3. Limitation of the Research

This research is conducted to understand the factor affecting customer satisfaction in the paint industry. However, the research is specifically conducted for the PT SKAY since the paints product which is being used is the product from PT Putra Mataram which is Emco, Delta, and Decoline. The items or features which are being used as the constructs for the variables are also taken from this company. Therefore this research is limited to this company.

This research is conducted by giving questionnaire to the respondents which is located in East Java. Therefore, the result of this research might be different if it is conducted in other place which has the condition which is different than in East Java.

This probability of error caused by the respondent might also occurred in this research. The reason is mainly because the number of the question inside the questionnaire is very many. This problem might cause the respondents becomes inaccurate in filling the questionnaire. Therefore, the errors might still happen in this research.

5.4. Suggestion for Further Research

This research fails to show the importance of the service variables from the theory of SERVQUAL. The main reason might come from the number of the respondents. This research is conducted by using 50 respondents this amount might be considered to be smaller compared to the whole population. Therefore, for further research, it would be better to cover more respondents to achieve better result of the research.

Moreover, there are several differences between the characteristic of respondents from inside the city and the respondent from outside the city. Therefore, it is very suggested to separate the research for inside the city and outside the city to produce more accurate result.