CONSUMER BEHAVIORS AND CUSTOMER SATISFACTION: ANY VALUE CREATED?

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Abstract

Numerous market studies have pointed out the importance of ensuring customer satisfaction (Anantadjaya, et al, 2011; 2007; Peter and Olson, 2010; Walidin, 2007; Waskita, 2007). It has been cited in many publications that organizations ought to relay "going-the-extra-miles" types of services to continuously improving the level of customer satisfaction. Also, it has been cited in many publications that issues surrounding consumer behaviors may have influential impacts on maintaining and/or otherwise pushing customer satisfaction (Baucell, et al, 2007; Kotler and Armstrong, 2004; Peter and Olson, 2010). Undoubtedly, understanding consumer behaviors becomes an ever-increasingly important pillar in today's economy. The betterment in understanding consumer behaviors may provide a solid stepping-stone in pushing for a higher ground on customer satisfaction.

Qualitatively, preliminary studies have been undertaken concerning the connection between consumer behavior and customer satisfaction (Anantadjaya, et al, 2011; 2007; Walidin, 2007; Waskita, 2007). This paper attempts to note the impact of understanding consumer behaviors on customer satisfaction, as well as studying the level of influence on organizational value-creation. Building on the preliminary studies, which have emphasized in examining cars, motorcycles, and food industries, this paper targets micro/small establishments within the service industry. Micro/small establishments are chosen as the main object in this study since these micro/small businesses are the backbone of country's economy around the world for years (Anantadjaya, et al, 2011; Ebert and Griffin, 2005). Quantitatively, it is expected that the better understanding on consumer decision-making process (Baucell, et al, 2007; Solak, et al, 2006) may lead to a

better customer satisfaction level. Hence, the higher customer satisfaction may able to create value for the organizations.

A cluster sampling method is incorporated in this study to note the characteristics of those micro/small businesses in certain locations. Variables chosen as proxies to represent the consumer behaviors are mainly based on the multi-attribute model, which covers affection and cognition, product knowledge and involvement, attention and comprehension, as well as attitude and intentions (Baucell, et al, 2007; Peter and Olson, 2010; Solak, et al, 2006). Variables chosen to represent the customer satisfaction are mainly based-on the traditional service quality ("SERVQUAL") dimensions of tangible, reliability, responsiveness, assurance, and empathy (Anantadjaya, et al, 2011; 2007; Nawangwulan, et al, 2007; Padhy, et al, 2007; Padhy, 2006; Yogaswara, et al, 2007; Zeithaml, et al, 2009). Variables chosen as proxies to represent the creation of value are mainly based on the notion on value-based management ("VBM"), which mainly includes margin, turnover, leverage, tax savings, and growth opportunities (Angel and Brewer, 2003; Copeland, et al, 2000; Soliman, 2007; Weaver and Wetson, 2003).

Research is conducted by gathering data from primary and secondary sources within the service industry in Bandung. Those micro/small businesses are mainly targeted to cakes/bakery, hair-dressers, barbershops, laundry/dry cleaning, copy center, delivery/courier, computer/internet rentals, and tutorial centers (language, computer, and school subjects/classes). As stated, it is expected that such studies would reveal the significance of consumer behavior in boosting the customer satisfaction level toward organizations' value-creation. It is expected that such issues are mostly true for micro/small businesses, perhaps.

Keywords: consumer behavior, customer satisfaction, service quality, value-based management, micro/small organizations.

1. INTRODUCTION

Bandung is now can be only reached within two or three hours drive from Jakarta, the capital city of Indonesia. Many international flights; ranging from low-cost to rather high-cost carrier are available at Husein Sastranegara airport. Tourists from neighboring countries, like Malaysia and Singapore, have visited Bandung to shop or dine on weekends and holiday seasons. For sure this pushes-up the economy in Bandung and its regional vicinities (bisnis-jabar.com, 2011; jurnaltoddoppuli.wordpress.com, 2012). The presence of well-known universities also encourage some people to open businesses surrounding campus area; selling products or service such as copy centers, computer rentals, laundry shops, canteen or small restaurant, beauty salons, mini-markets and language courses.

To stay competitive in today's market, businesses must take a closer look into the needs and wants of their customers. It is believed that by making some changes to serve customers better could gain loyalty from their customers.

Studies on factors influencing consumer decisions have been conducted by some of these

businesses. According Lovelock and Wright (2002), the terms "quality" and "satisfaction" are used interchangeably. It is believed that perceived service quality is just another component of customer satisfaction. This study is the continuation study from previous research on consumer behavior and customer satisfaction (Nawangwulan, et. al, 2007, and Yogaswara, et. al, 2007). However, the scope and variables used in this study are vastly different. Particularly, this study attempts to provide statistical evidence on influential factors among consumer behaviors, the level of customer satisfaction, and the financial impact toward micro/small organizations.

2.   LITERATURE REVIEW
2.1.   CONSUMER BEHAVIOR
We are all consumers. Everyday, we consume on a regular basis, ranging from products such as food, clothing, education, holidays, to various other types of services like beauty salon, laundry, and transportations. Consumers have responded to products and services differently, though these products and services are compelling, have attractive advertising, and have nice packaging. Each consumer has his/her own reasons to choose one product or service over another.

Consumer behavior is defined "*the process [of] individuals or groups go through to select, purchase, use and dispose of goods, services, ideas or experiences to satisfy their needs and desires*" (Solomon, et al, 2009). In other words, it involves "*the thoughts and feelings people experience and the actions they perform in consumption process*" (Peter and Olson, 2010). Thus, consumer behavior process includes attitudes, intention and attentions.

Affect and cognition are components of attitudes. Consumer have attitudes toward products or services such as whether Johny Andrean Salon has the best or quick service for hairdo, and whether Wall-Mart offers low price but great products. Affection refers to consumers' feelings, emotions, and moods "*such as whether they like or dislike a product*" whereas cognition refers to consumers' "*thinking, such as their beliefs about a particular product*" (Peter and Olson, 2010). Affect and cognition are important issues to customer satisfaction such as feeling pleased, liking the product or service, and knowing why customer like the product or service.

Multi-attribute attitude models are used for marketing researchers for predicting the attitudes of consumers on multiple products or brands. This model has been used by marketers since the late 1960s. By using this models, there is no doubt that business owner can understand better their customers by identifying which attributes are the most important to consumers.

2.2.   CUSTOMER SATISFACTION
The issue of customer satisfaction has become a great interest for business practitioners and researchers for years. Customer's feelings about a product or a service after buying a product or receiving a service are called customer satisfaction/dissatisfaction (Coldwell, 2001; Hansemark and Albinson, 2004; Solomon, 2011). Customer satisfaction occurs when customers' expectations have been met or exceeded over the lifetime of the product

or service (Cacioppo, 2000; Hansenmark and Albinson, 2004). Businesses that pay more attention on customer satisfaction often have more competitive advantage toward their competitors.

The achievement of customer satisfaction leads to company loyalty, repeat purchase and positive word of mouth (Hoyer and McInnis, 2007). This means that paying more on customers' satisfaction could improve company's profitability. Satisfied customers would most likely to share their positive experience to perhaps five or six people, whereas dissatisfied customers would more likely to tell ten people of their negative experiences. It also costs more to get new customers than the cost to face customer complaints (Zairi, 2000).

Lovelock and Wright (2002), researchers from the University of Michigan, found that "*on average, every 1 percent increase in customer satisfaction is associated with a 2.37 percent increase in a firm's Return on Investment (ROI)*". To discover more on customer purchase decision making behavior, the multi-attribute models of customer satisfaction and service quality are used (Parasuman, et al, 1988; Zeithaml, et al, 2009). This model related to value outputs, such as an evaluation of customer reaction after buying a product or receiving a service.

Figure 1: Benefits of Customer Satisfaction and Service Quality

Delivering quality service is now often more difficult to tackle because services are intangible. What it may looks like a good service to one customer, it may not be the case to others. Thus, it is not easy to meet or exceed customer expectations. According to Parasuman, et al (1988), and Zeithaml, et al (2009), service quality is "*based on the discrepancy between consumer's expectations and their perceptions*". Thus, when

Source: Lovelock, et al, 1998

customer's perceptions of service quality are high, customers are willing to recommend the businesses to others.

A popular instrument to measure customer satisfaction is SERVQUAL, which has five dimensions; (1) tangibility, which covers issues, such as; appearance of physical facilities, equipment, personnel, and communication material, (2) reliability, which covers issues, such as; ability to perform the promised service dependably and accurately, (3) assurance, which covers issues, such as; knowledge and courtesy of employees and their ability to inspire trust and confidence, (4) responsiveness, which covers issues, such as; willingness to help customers and provide prompt service, and (5) empathy, which covers issues, such as; caring, individualized attention the firm provides to its customer

(Green, et al, 2007; Padhy, et al, 2009; Padhy, 2006; Parasuman, et al, 1988; Zeithaml, et al, 2009). Lots of services businesses apply this scale in a form of survey format and the scores often help businesses find out how they are doing in delivering service quality.

For this reason, this study hypothesizes that;
H_1 : Consumer behavior is positively influencing the customer satisfaction

2.3.   VALUE-BASED MANAGEMENT

A business cannot act directly on value. It has to act on things that can influence them, such as cost, capital expenditures, and customer satisfaction (Copeland, et al, 2000; Koller, et al, 2010). One of the key successes in businesses is measuring organizational performance. This is part of the management control processes. Waddington, et al (2001) suggested that performance measurement requires an understanding of the organization's goals, objectives, strategies and operations.

Performance measurement should not only focus on concentrating financial but also on non-financial measures that will contribute to the success of an organization. For example, by measuring customer satisfaction and customer loyalty, such as having program doing laundry by kilos ten times, will get free wash and fold for next visit, for laundry shop, could provide useful information that not only satisfies customers with the service provided so that they come repeatedly for the same laundry shop, but also become loyal and suggest it to others.

According to Sinclair and Zairi (2000), one of the major reasons why business owners and managers need to measure performance is has to do with communicating position. Organizations need to communicate their positions to interested external or internal parties. It is just so happen that external communications include brand awareness and customer loyalty (Sinclair and Zairi, 2000; Zairi, 2000) that business owners and managers should be aware of.

VBM is one of the performance measurement tools that businesses will need to create value for an organization (Copeland, et al, 2000; Koller, et al, 2010). Once the company's performance is measured, the business owners as well as all level of managers and employees know how to perform their businesses so that the objectives, such as good customer satisfaction level, could be met.

VBM conveys dynamic and high performance organization results. It builds on the strengths of financially focused tools, such as economic value and its derivatives, by adding the perspectives of customers and other stakeholders who make our organizations succeed or fail, by means of managing the activities of an organization, to ensure that stakeholder return is maximized via profits, return on investment, loyal customers, and satisfied employees (Sharman, 1999).

Hence, this study hypothesizes that;
H_2 : Customer satisfaction is positively influencing VBM

3. RESEARCH METHOD

3.1. RESEARCH MODEL

As explained, this study attempts to note the relationships among consumer behaviors, customer satisfaction, and organizational value-creation.

Figure 2: Research Model

In this study, the variable "consumer behaviors" is used based on the understanding of multi-attribute model (Baucell, et al, 2007; Peter and Olson, 2010; Solak, et al, 2006). From the perspective of structural equation modeling ("SEM"), the variable consumer behavior is regarded as latent exogenous[1], which can be expressed as $X = \Lambda_x \xi + \delta$. This matrix attempts to evaluate the direct influence of consumer behaviors to customer satisfaction.
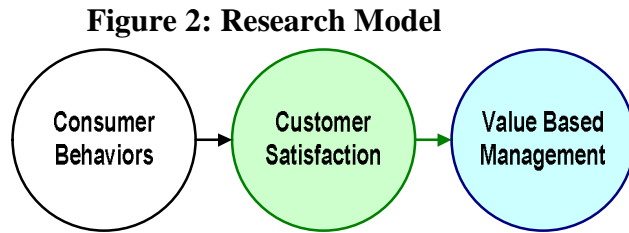
The variable "customer satisfaction" follows the traditional SERVQUAL dimensions (Padhy, et al, 2007; Padhy, 2006; Zeithaml, et al, 2009). In this study, customer satisfaction is regarded as the variable latent endogenous[2], which can be expressed as $Y_i = \lambda_{ij}^{(Y)} \eta + \varepsilon_i$. This matrix attempts to evaluate the direct influence of customer satisfaction to VBM. The more satisfied the customers, the higher the VBM.

Variable "VBM" relies on the classical DuPont Analysis (Angel and Brewer, 2003; Copeland, et al, 2000; Soliman, 2007; Weaver and Wetson, 2003). As the variable endogenous, VBM can be expressed in the following matrix notation; $Y = \Lambda_y \eta + \varepsilon$.

Table 1(a): Sample Size Determination

Estimate of True Proportion	0.5
Sampling Error	0.1
Confidence Level	99%

Intermediate Calculations	
Z Value	-2.5758293
Calculated Sample Size	165.872415

Result	
Sample Size Needed	166

Source: PHStat

3.2. Research Design

This study was mainly based on primary data in analyzing the consumer behaviors, customer satisfaction and VBM. This study focused only on the micro/small service establishments in the city of Jakarta and Bandung. Since it is not possible to account for all micro/small businesses in both cities, due to their relatively unlimited numbers of players, the total numbers of population may not be accurately noted. Also, since it is not possible to identify the population's standard deviation, the numbers of players may have to be statistically defined. A statistical approach to define the population of micro/small businesses is based on the estimated of true proportion of the population. Relying on PHStat, a total of 166 respondents were suggested to reach 99%

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[1] According to Schumacker dan Lomax (2004), variable latent exogeneous refers to variables, which cannot be directly measured.

[2] According to Schumacker dan Lomax (2004), variable latent endogeneous refers to variables, which cannot be directly measured and required manifestation of other sub-variables/dimensions, as well as connected to other variables.

confidence at 10% sampling error. Since this study attempts to provide quantitative evidences, and considering the total required data for SEM, distributions of questionnaires into 2 different groups of respondents (owners/staff, and customers), and 2 locations of research (Jakarta and Bandung), the original prescribed of 166 respondents was treated as the baseline to account for those factors.

Initially, this research used cluster sampling method, prior to incorporating the quota sampling. The industry was first clustered based on the size of the establishments in Jakarta and Bandung. Once it was grouped based on the size, the industry was clustered again based on their nature of business; either manufacturing or non-manufacturing/service. This study concerns on the service establishments, particularly in the areas of; cakes/bakery, hair-dressers, barbershops, laundry/dry cleaning, copy center, computer/internet rentals, and tutorial centers (language, computer, and school subjects/classes). The following table shows the quota sampling, which combines the prescribed numbers of samples, as calculated by PHStat, the 7 sub-sectors of service organizations, and the cities of Jakarta and Bandung, at a total of 168 respondents. Hence, this expanded base of respondents satisfies the quota sampling intention in this study.

To learn about consumer behaviors and customer satisfaction, respondents were targeted to customers of various micro/small businesses, 56 respondents from Jakarta, and 112 respondents from Bandung. To learn about VBM, this study gathered financial data from owners of those 7 sectors, 56 owners from Jakarta, and 112 owners from Bandung. For the "customer" respondents, they were approached and asked to fill out questionnaires. For the "owner" respondents, their financial data were recorded. Since this study concerns on micro/small businesses, the financial data was mainly based on daily transactions. This study focuses on the most recent financial data leading up to the first quarter of 2012. Interviews and direct field observations were also used as a part of qualitative analyses. Quantitative inferences were gathered to present the statistical evidence as this study would try to reveal the significance of consumer behaviors in boosting the customer satisfaction level. As mentioned, when customer satisfaction rises, organization experiences additional value.

Table 2: Sampling Process

Sectors	Numbers of Customers (# of people)	
	Jakarta	Bandung
1. Cakes/bakery	8	16
2. Hair-dressers/salons	8	16
3. Barbershops	8	16
4. Laundry/dry Cleaners	8	16
5. Copy centers	8	16
6. Computer/internet rentals	8	16
7. Tutorial Centers (on language, computer and school subjects/classes)	8	16
Sub-total	56 (33.33%)	112 (66.67%)
Total	168	

As illustrated in figure 2, variables used were;
- Consumer behaviors, which were represented by (1) affection and cognition, (2) product knowledge and involvement, (3) attention and comprehension, and (4)

attitude and intentions (Baucell, et al, 2007; Peter and Olson, 2010; Solak, et al, 2006). These sets of indicators were inquired to customers of those micro/small organizations.

- Customer satisfaction, which was represented by the traditional SERVQUAL dimensions that consist of (1) tangibility, (2) reliability, (3) responsiveness, (4) assurance, and (5) empathy (Anantadjaya, et al, 2011; 2007; Nawangwulan, et al, 2007; Yogaswara, et al, 2007; Zeithaml, et al, 2009). These sets of indicators were inquired to customers of those micro/small organizations.

- VBM, which was represented by DuPont analysis that consist of (1) margin, (2) turnover, (3) leverage, (4) tax savings, and (5) growth opportunities (Angel and Brewer, 2003; Soliman, 2007; Weaver and Wetson, 2003). These sets of indicators were inquired to owners of those micro/small organizations based on their financial data.

4. RESULTS & DISCUSSIONS
4.1. OVERVIEW

As previously mentioned, this study relies on earlier studies on entrepreneurial research, and management audit of young firms (Yogaswara, et al, 2005; 2006). The preliminary studies started of with only 50 respondents, whose businesses were still relatively young, and operated in the service industries in Jakarta and Bandung. Subsequent studies have included additional respondents and expansion of scope toward consumer behavior (Nawangwulan, et al, 2007), customer satisfaction (Anantadjaya, et al, 2007; Yogaswara, et al, 2007), and supply-chain management (Anantadjaya, et al, 2007). Though this research may have relied on those previous studies, the current research scope and variables are vastly different. Few notable differences include; (1) if previous studies were emphasized in examining large manufacturing firms in automotive (car and motorcycle), and food industry, this current research targets the micro/small organizations within the service industry, (2) this research is set-up using 336 respondents, (3) this research utilizes SEM to learn the statistical influence among variables and indicators as a whole model simultaneously, and (4) this current research incorporates VBM as a way to evaluate the likelihood of influential impact of consumer behaviors and customer satisfaction. VBM was never used as a variable in all previous studies documented in this paper.

As noted in the previous sampling table, about 33% of those respondents

Table 3: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.661	**.764**	22

Source: SPSS

Table 4: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		**.735**
Bartlett's Test of Sphericity	Approx. Chi-Square	2549.164
	Df	15
	Sig.	**.000**

Source: SPSS

are located in Jakarta, and the remaining 67% is located in Bandung. Statistics show that there were no significant differences in the demographic, regardless of the city. Similarly, statistics also show that there were no significant differences in responses, regardless of the status of respondents; either owners or staff members. Hence, responses were combined.

4.2. DATA ANALYSIS

All respondents were distributed a set of questions concerning the multi-attribute dimensions, and SERVQUAL dimensions. Few basic statistical analyses were processed using SPSS. The reliability analysis on the data indicates that out of 168 respondents in the studies, about 100% of the data are considered valid. The reliability statistics (Santos, 1999) indicate that the data were considered 76% reliable. The KMO and Barlett's Test indicates an adequacy measurement of 0.735. This implies that the sampling was adequate for further testing. Based on the studies and the numbers of variables used, the communalities table indicates that variations on each of the variables appear to be relatively significant. This means that significant amounts of variations are explained by the formation of factors.

Table 5 shows the statistical evidence on factor analysis. The rotated component matrix confirms that this study uses 3 different variables; "consumer behavior", "customer satisfaction", and "VBM". Though slight adjustments were necessary to make-up feasible differences among variables, it means that indicators used on those 3 variables are comparatively different from each other. Component 1 consists of indicators used for customer satisfaction, component 2 consists of indicators used for consumer behavior, and component 3 consists of indicators used for VBM. Since the statistical results showed substantial/acceptable supports on the formation of those factors, as described

Table 5: Rotated Component Matrix

	Component[a]		
	1	**2**	**3**
AC	.317	**.700**	.323
PI	.116	**.831**	.141
ATC	.462	**.658**	.341
ATI	.504	**.824**	.446
TAN	**.519**	.326	.311
REL	**.894**	.420	.397
RES	**.943**	.507	.483
ASSU	**.717**	.453	.409
EMP	**.862**	.501	.419
MAR	.101	.346	**.706**
TURN	.429	.465	**.952**
LEV	.461	.433	**.824**
TAX	.009	.003	**.574**
GRO	.048	.066	**.592**

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
[a] Rotation converged in 3 iterations.

Source: SPSS

above, the pre-determined influences were supported. This means that statistically, there is connection and influence of "consumer behaviors toward customer satisfaction", and "customer satisfaction toward VBM". This study attempts to investigate such relationships.

Table 6 shows the validity statistics for the overall research model in this study. Though the results show only a moderate level of validity, these results appear sufficient to note the fitness of variables used in this study (Schumacker and Lomax, 2004).

Table 6: Validity Statistics

| Model	RMR	CMIN/DF	GFI	AGFI	PGFI
Default model	**0.072**	**1.134**	**0.665**	**0.711**	**0.732**
Saturated model		1.000		1.000	0.000
Independence model	0.093	0.000	0.000	0.000	0.000

Source: AMOS

From the results of SEM, as illustrated in Figure 2, indicates the following issues;

- The indicators used to measure consumer behaviors are able to show some degrees of influence. Though the general level of influence is moderately high, based on the calculated results, it is safe to conclude that product knowledge and involvement, at 84%, as well as attitude and intention, at 81%, are much better measurements for the consumer behaviors. The product knowledge/involvement appears important since this may be portrayed as the basics of handling business, perhaps. From the product knowledge perspective, once people find out that staff of micro/small organizations lacks product knowledge, the likelihood of purchase may diminish. Likewise, from the perspective of involvement, it is important to ensure staff of micro/small businesses to be actively involved with potential customers, as a way to lure them into the buying mode. The attitude of shopkeepers mirrors the personality of the person, and perhaps, also portrays the "personality" of the establishments. Negative attitude may deter people into the buying mode, as previously stated. The impact of minimal intention may also be considered crucial. Once the shopkeepers do not show any intention to sell, potential customers may reduce their intention to buy as well.

- The indicators used to measure customer satisfaction are also able to show relatively high degrees of influence, except the tangibility, at a mere of 23%. Considering that the unit of analysis of this study was targeted into micro/small enterprises, it becomes apparent that the tangibility of those micro/small enterprises may not have substantially high contribution toward CS. This may be due to the fact that micro/small businesses may not rely on the physical tangibility, including outlet appearance, in trying to deliver their products and services. From the financial perspective, this is very much logical since micro/small businesses may not have the sufficient funds to remodeled and/or renovate their outlets. Also, financing alternatives may be relatively limited. Assurance is ranked at the second lowest indicators for CS in this study, at 66%. Perhaps, this is also relevant to the routine operational activities of those micro/small businesses. It means that the relatively smaller scope of business may prevent these micro/small establishments in gaining better knowledge on what should be upgraded or adopted. Hence, surviving on the deliverance of basic products and services may be the key of survivability. On the opposite side, reliability (87%), empathy (89%), and responsiveness (90%) appear to provide major contribution toward higher customer satisfaction. These statistical results point out that those micro/small businesses are able to show their ability to perform the required tasks, caring and responsibility for their products and services,

and willingness to provide necessary assistance, including customized requests. Such findings appear to conform to the statistical results on consumer behaviors.

- The existence of consumer behaviors influences 41% the level of customer satisfaction. At this rate of influence, it appears that as consumers experience positive affection/cognition, better product knowledge/involvement, better quality of attention/comprehension, and better attitude/intention, planning toward making the real purchase gets stronger. This stronger planning toward purchase drives 41% chances of achieving higher level of satisfaction. Hence, it is safe to address the first hypothesis that the available data provides evidence that consumer behavior positively influences the level of customer satisfaction. At least, this is true for the micro/small businesses.

Figure 3: SEM
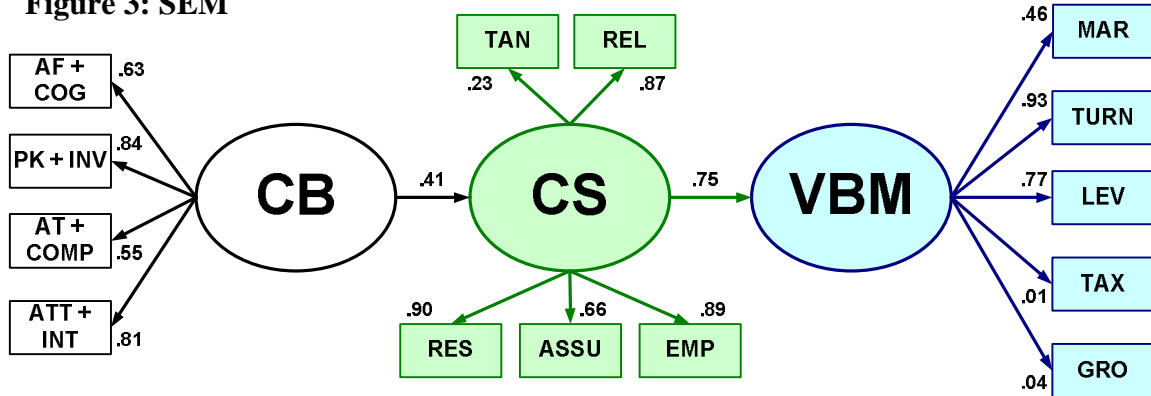
- Though the influential level varies from 1% to 93%, the indicators used to measure VBM are able to show satisfactory degrees of impact. The calculated results show that the two lowest contributors are tax savings and growth opportunity, at 1% and 4%, respectively. This may be due to the facts that the respondents were micro/small businesses, which may not have legitimate business licenses and accurate records to benefits from potential tax savings. Also, since the micro/small businesses tend to be privately-held, the potential of growth may be rather difficult to realize. Aside from financing alternatives, which affect the working capital requirements, cash flow, and capital investments, family matters or the agreeableness of the founders may provide downward pressure toward growth. Perhaps, the level of willingness to take risks varies drastically among members. Such statistical findings were confirmed via interview sessions with respondents.

- The existence of customer satisfaction influences 75% the level of VBM. It appears that as customers are more satisfied, VBM spikes. It is worth noted that as customers are satisfied, those customers may be willing to pay premium prices, increase purchases, and perhaps, rely more on credit payments, as leverage in fulfilling the needs for higher consumption rate. This higher level of satisfaction drives 75% chances of achieving higher level of VBM. Hence, it is safe to address the second hypothesis that the available data provides evidence that customer satisfaction positively influences VBM. At least, this is true for the micro/small businesses.

5.   CONCLUSION & RECOMMENDATION

Based on the analysis results, it is safe to conclude that (1) indicators used for consumer behaviors, customer satisfaction, and VBM are different from each other, (2) product knowledge/involvement, and attitude/intention are better measurements of consumer behaviors, (3) tangibility represent the lowest contributor toward customer satisfaction, (4) tax savings, and growth opportunities denote the lowest contributors of VBM, (5) the available data for consumer behavior influences the level of customer satisfaction, and (6) the higher the level of customer satisfaction, the higher the VBM. Though there were lots of deficiencies in this study, nonetheless, the available data provides interesting findings for the micro/small businesses.

Concerning the findings, it is recommended that micro/small businesses may want to focus on product knowledge/involvement, and attitude/intention, to increase the likelihood of buying decisions. Consequently, micro/small businesses may also want to put emphasis on staff's responsiveness, empathy, and reliability to push the level of customer satisfaction. The combinations of those ingredients improve the chances on experiencing higher margin and turnover, with a better leverage.

This study has numerous limitations and deficiencies. On one hand, though this study has attempted to incorporate various business establishments in two neighboring cities in Indonesia, it has limited scope on service organizations. The actual time required to compile responses may have impacted the general trends in buying behaviors and/or the level of satisfaction. On the other hand, this study may have ignored the variations of perspectives among owners, staff, and customers. Future studies may want to cover a much greater range of data set, incorporating longer years, taking into account the differences in perspective among owners, customers, and staff members, utilizing more variables and indicators, including accounting for larger organizations. At least, this study may have provided a basic and preliminary overview on what has been happening in Indonesia's micro/small businesses.

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