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# The Influence Word of Mouth, Service Innovation, and Service Quality on the Decision To Use Services at Kembang Desa Spa Salon in Banyuwangi

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**Abstract:** This study aims to determine and analyze the Influence Word of Mouth, Service Innovation, and Service Quality on the Decision to Use Services at Salon Kembang Desa Spa in Banyuwangi. This type of research uses a quantitative approach method with a sample size of 100 customer respondents and uses a non-probability sampling technique. The type of data for this study was taken from customers of Salon Kembang Desa Spa, the results of calculations using the formula, and this type of research uses causality research. Data collection techniques used in this study were interviews and questionnaires. This study used multiple linear regression data analysis with the SPSS 26 statistical tool. The results of this study indicate that the Word of Mouth variable has a significant effect on the Decision to Use Services at Salon Kembang Desa Spa in Banyuwangi, the Service Innovation variable has a significant effect on the Decision to Use Services at Salon Kembang Desa Spa in Banyuwangi, and the Service Quality variable has a significant effect on the Decision to Use Services at Salon Kembang Desa Spa in Banyuwangi.

**Keywords:** Word Of Mouth, Innovation, Quality, Service, Customers, Service Usage

## 1. Introduction

One of the service sectors that continues to grow in Indonesia to date is the beauty industry. Indonesian beauty industry market is the third largest market in Asia where many beauty products are produced targeting domestic and foreign markets. The beauty industry is also one of the fastest growing industrial sectors in Indonesia and has consistently recorded double-digit growth in recent years [1].

One of the beauty industries selected in this study is Salon Kembang Desa Spa in Banyuwangi. Its location is in the center of Banyuwangi City and offers treatment services not only for women but also for men, both for children, teenagers and adults. Salon Kembang Desa Spa is one of the developing facial and body care business service providers which was established in 2009 and is currently a leading facial and body care salon in Banyuwangi City. Salon Kembang Desa Spa is located on Jl. Kartini No.07 with a strategic location because it is located in the middle of Jajag city. The area around Salon Kembang Desa Spa has a superior Mall in Banyuwangi city and many places for young people to hang out that make it easy for them to take care of themselves because of the strategic location and there are no similar businesses so this makes Salon Kembang Desa Spa one of the alternatives for consumers.

In the Salon and treatment industry, knowing what consumers want and feel comfortable with is very important. The public demand for services related to fashion

trends, such as beauty salons, is now quite high. People anticipate receiving quality services and products at a high cost. Service Quality determines how satisfied they are with the service on something or a service. To support the appearance can be done by visiting various body beauty treatments offered, starting from the uppermost body part, namely hair, face and continuing down [2]. The following are the most popular treatments in 2023 by Salon Kembang Desa Spa customers.
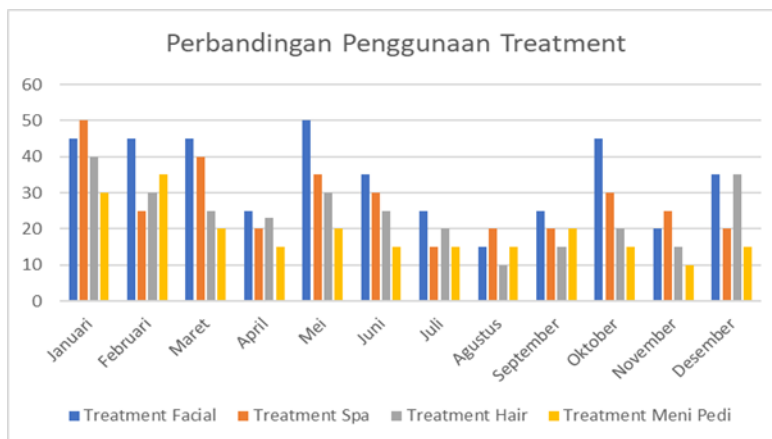


**Figure 1.** Most popular treatments

From the picture above, you can see the treatments available at Salon Kembang Desa Spa, of the 4 treatments each has its own advantages and these advantages are the most in demand by customers. The quality of service in using services greatly influences the satisfaction of customers who come to the Kembang Desa Spa salon. And from the data above, the most popular or most in demand treatments are facial and spa treatments [3].

In Banyuwangi Regency, especially in Gambiran District, there are Salons and Spas such as Salon Kembang Desa Spa with various treatments offered, so that it will become a characteristic and advantage for each salon, this requires salon owners or salon managers to create strategies to be able to compete and excel with their competitors [4].

**Table 1.** Kembang Desa Spa Salon Competitors

| No. | Business Name | Address |
|-----|---------------|---------|
| 1. | Savira Beauty Salon & Spa | Jl. Raya Genteng, No. 369 |
| 2. | FDC Clinic | Jl. Raya Yosomulyo, No. 10 |
| 3. | Waa Queen Salon & Spa | Jl. Jajag-Bangorejo No.29 |
| 4. | Mosza Salon & Spa | Jl. Banyuwangi No.104 |
| 5. | Ratna Salon & Spa | Jl. Kartini, No.5 |

From the table above, there are some Salons located in Banyuwangi Regency, especially Gambiran District. Based on the data in table 1, Kembang Desa Spa Salon has many similar or the same competitors. To face very competitive business competition, it is important for an effort to improve Word Of Mouth strategy, Service Innovation, and Service Quality to build Service Use Decisions so that customers are loyal to the service treatment at the salon.

**Word Of Mouth** on purchasing decisions or using products and services. The results of the study show that word of mouth (WOM) has a positive and significant effect on purchasing decisions or using products and services. Word of mouth (WOM) is one of the factors that influences decisions to use services [5]. In the current era of communication and information technology, the ease of access to information services encourages increased communication between customers. Increased communication

between customers causes an increase in the intensity of word of mouth (WOM) in recommending a product or service to other customers, word of mouth becomes a reference that forms customer expectations.

**Service Innovation** is a new idea that is applied to initiate or improve a product or process and service. A renewal activity carried out by a company to improve services and produce new services. Service innovation can be defined as a new combination or new creative idea. Service innovation is a change made by a company to improve marketing performance by accelerating the company's service work system through various new combinations of existing service factors [6]. service innovation even makes consumers very satisfied with the services provided by the company, The results of this study state that service innovation has a partial and simultaneous effect on consumer decisions and supports research conducted by previous research results which show that the results of service innovation variables have a significant effect on consumer decisions[7].

**Service Quality** is a measure or evaluation of everything that consumers want or need, where if consumers are satisfied with what they get after using a product or service, then the consumer will continue to use it. This is similar to the research conducted by [8] which explains that service quality has a positive and significant role in the decision variable for using services. In line with the research conducted by [9] which explains that service quality plays a positive and significant role in the decision variable for using services.

**The decision to use a service** or better known as a purchasing decision is part of consumer behavior. [10] Basically, a purchasing decision is an action or behavior of consumers to make a purchase or transaction or not, the number of consumers in making decisions is one of the determinants of whether or not the company's goals are achieved. A purchasing decision is an action from consumers to want to buy a product or not. There are various factors that influence consumers in making a purchase of a product or service. Usually when buying a product, consumers always consider the quality and price of a product or service [11]

## 2. Materials and Methods

### Research design

This research design according to (Sugiyono, 2019) is a quantitative approach, because the data obtained will be presented in the form of numbers and analyzed based on statistics. This type of research is quantitative causality research.

### Population and Sample

The population used in the study were Kembang Desa Spa Salon Customers, sample calculation on the population of Kembang Desa Spa Salon customers of 100 people. Sampling techniques are divided into two groups, namely probability sampling and non-probability sampling. By [12] One of the sampling techniques used by the author is non-probability sampling. Sampling techniques are divided into two groups, namely probability sampling and non-probability sampling. One of the sampling techniques used by the author is non-probability sampling. The type of sampling technique that the author uses is purposive sampling. Purposive sampling is a sampling technique with certain considerations. In this study, the samples were taken based on certain criteria.4

### Instrument
### Validity Test

Measuring validity is done by correlating the score of the statement item with the total score of the variable. To find out whether the score of each statement item is valid or not, the following criteria are set If r count is positive and r table > then the variable is valid and If r count is not positive and r table < then the variable is invalid.

**Realiabillity Test**

Reliability testing can be carried out using the SPSS version 26.0 program which will provide facilities for measuring reliability with the Cronbach Alpha ($\alpha$) statistical test with a standard value of 0.60.

**Data Analysis**
**Multiple Linear Regression Analysis**

Multiple linear regression analysis is used to measure the influence between more than one independent variable on the dependent variable. In this study, the researcher used multiple linear regression analysis techniques to test the truth of the hypothesis. The regression equation model used can be formulated as follows:

$$Y = \alpha + b1X1 + b2X2 + b3X3 + e$$

Information :
Y   = Decision to Use Services
$a$   = Constant Number
X1 = Word Of Mouth
X2 = Innovation
X3 = Service Quality
B   = Regression Coefficient
e   = Interfering Variable

### 3.   Results

**Instrument Data Test Results**
**Validity and Reliabillity Test**

Validity and reliability tests are useful for testing the validity and reliability of questionnaires for use. Therefore, validity and reliability testing is conducted, and the results are presented in table 1. Both tests aim to assess how suitable the data instrument is for use in the study. Both tests are important steps in research.

**Table 2.** Results of Validity and Reliability Testing

| No | Item | Validity | | | Reliabillity | |
|----|------|---------|---------|---------|---------------------|----------|
| | | r-value | r-table | Remarks | Cronbach's Alpha | Remarks |
| 1. | X1.1 | 0,837 | 0,1966 | **VALID** | 0,786 | **Reliabel** |
| 2. | X1.2 | 0,866 | 0,1966 | **VALID** | 0,786 | **Reliabel** |
| 3. | X1.3 | 0,813 | 0,1966 | **VALID** | 0,786 | **Reliabel** |
| 4. | X2.1 | 0,837 | 0,1966 | **VALID** | 0,869 | **Reliabel** |
| 5. | X2.2 | 0,862 | 0,1966 | **VALID** | 0,869 | **Reliabel** |
| 6. | X2.3 | 0,854 | 0,1966 | **VALID** | 0,869 | **Reliabel** |
| 7. | X2.4 | 0,857 | 0,1966 | **VALID** | 0,869 | **Reliabel** |
| 8. | X3.1 | 0,814 | 0,1966 | **VALID** | 0,859 | **Reliabel** |
| 9. | X3.2 | 0,831 | 0,1966 | **VALID** | 0,859 | **Reliabel** |
| 10. | X3.3 | 0,815 | 0,1966 | **VALID** | 0,859 | **Reliabel** |
| 11. | X3.4 | 0,824 | 0,1966 | **VALID** | 0,859 | **Reliabel** |
| 12. | X3.5 | 0,739 | 0,1966 | **VALID** | 0,859 | **Reliabel** |
| 13. | Y1 | 0,782 | 0,1966 | **VALID** | 0,882 | **Reliabel** |
| 14. | Y2 | 0,829 | 0,1966 | **VALID** | 0,882 | **Reliabel** |
| 15. | Y3 | 0,861 | 0,1966 | **VALID** | 0,882 | **Reliabel** |
| 16. | Y4 | 0,825 | 0,1966 | **VALID** | 0,882 | **Reliabel** |
| 17. | Y5 | 0,829 | 0,1966 | **VALID** | 0,882 | **Reliabel** |

Based on the results of validity and reliability testing presented in Table 2, it can be concluded that the tested instrument has been proven to be valid and reliable for use. An instrument is considered valid if the r value > r table and reliable if the Cronbach's Alpha value > r table. Therefore, since all instruments above meet these requirements, all of them can be used in the research.

**Multiple Linear Regression Test**

**Table 3.** Multiple linear regression test

| Variable | Coefficient | t value | Sig | Remarks |
|---|---|---|---|---|
| Constant | 5,692 | - | - | - |
| Word Of Mouth | ,371 | 3,249 | 0,002 | Signifikan |
| Service Innovation | ,326 | 3,192 | 0,002 | Signifikan |
| Service Quality | ,249 | 2,975 | 0,004 | Signifikan |

Based on the results of regression analysis, it is used to test the hypothesis about the partial effect of independent variables on the dependent variable, which is Y = 5,692 + 0.371 X1 + 0.326 X2 + 0.249 X3. Meanwhile, hypothesis testing in this research is tested for its truthfulness using a partial test. The testing is done by looking at the t value with the statistical value of t table and the significance level (p-value). If the significance level resulting from the calculation is below 0.05, then the hypothesis is accepted; conversely, if the calculated significance level is greater than 0.05, then the hypothesis is rejected. The t-table value is obtained from df = n-k (100-4), which equals 96. Where n is the sample size and k is the number of research variables. So, to see the t-table, you look at the t-table row 96, which is 0,1986.

**Testing the Coefficient of Determination**

**Table 4.** Testing the Coefficient of Determination

| Model Summary | | | | |
|---|---|---|---|---|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | ,990a | ,876 | ,859 | ,977 |

It is known that the results of the data acquisition explain that the results of the determination test or summary model can be seen from how much the R-Square value is obtained in this test, which is 0.876. This means that the three independent variables, namely Word Of Mouth, Service Innovation and Service Quality determine the variation of the explanation of the Decision to Use Services by 87.6% and the remaining 12.4% (100% - 87.6%) are influenced and determined by other variables that are not included in this study or other variables that are not submitted as instruments in this study. This means that 12.4% that this is related to the influence on the Decision to Use Services can be explained by the planning variables Word Of Mouth, Service Innovation and Service Quality. This explains that the research variables are high enough to influence the Decision to Use Services [13].

### 4. Discussion

Overall, the research findings support the proposed hypothesis. The following is a discussion of the hypothesis:

**The Influence of Word of Mouth on the Decision to Use Services at Kembang Desa Spa Salon (H1)**

The results of the research conducted can be concluded that Word Of Mouth has a significant effect on the Decision to Use Services at Salon Kembang Desa Spa. The results of the Partial t-Test show that the variable has a t-count of 3.249> 0.196 t-table, with a significance degree of t 0.040 <0.05. Because the significance degree of t is smaller than 0.05, the conclusion obtained is that partially the Word Of Mouth variable has a significant effect on the Decision to Use Services variable. Word of mouth has great power that has an impact on consumer purchases because most communication processes between humans are through word of mouth. The more conversations that occur, of course the more people will know about it. With the indicators used such as often hearing in everyday conversations about Salon Kembang Desa Spa, also often having discussions with other people about Salon Kembang Desa Spa and often getting recommendations from other people to try Salon Kembang Desa Spa. And the results of this study state that the Word Of Mouth variable has a positive and significant effect on the Decision to Use Services [14].

**The Influence of Service Innovation on the Decision to Use Services at Kembang Desa Spa Salon (H2)**

The results of the research conducted can be concluded that Service Innovation has a significant effect on the Decision to Use Services at Salon Kembang Desa Spa. The results of the Partial T Test show that the Service Innovation variable has a t-count of 3.192> 0.196 t-table, with a significance level of t 0.10 <0.05. Therefore, the conclusion obtained is that partially Service Innovation has a significant effect on the Decision to Use Services.[15] Customer interaction can be related to many things, such as sales promotions, and other related service businesses. Interaction with customers provides companies with the customer data needed to improve the quality of the products or services they offer, then New Service Development is a method of developing new services with a series of processes used to turn ideas into new services that can be marketed and are able to meet customer needs, and finally the Service System is a process of fulfilling customer needs through personal physical activities provided by officers directly which aims to achieve customer satisfaction. Service at Salon Kembang Desa Spa is very important because the fulfillment of customer needs so as not to disappoint customers. Therefore, the results of this study state that the Service Innovation variable has a positive and significant effect on the Decision to Use Services [16].

**The Influence of Service Quality on the Decision to Use Services at Kembang Desa Spa Salon (H3)**

The results of the research conducted can be concluded that the Service Quality variable has a positive and significant effect on the Decision to Use Services at Salon Kembang Desa Spa in Banyuwangi. The results of the Partial T Test show that the Service Quality variable has a t-count of 2.975> 0.196 t-table, with a significance degree of t 0.004 <0.05, so the conclusion obtained is that partially Service Quality (X3) has a partial influence on the Decision to Use Services variable. The main point is that service is an action taken by a seller to a buyer / consumer in order to meet the needs and desires of consumers. [17] This behavior aims to achieve customer satisfaction itself. Indicators in Service Quality such as the first is Physical Evidence (Tangible) of service that can be seen, smelled, and touched by Salon Kembang Desa Spa customers, second is Reliability of the service's ability to carry out services as desired in a timely manner to Salon Kembang Desa Spa customers, third is Responsiveness of the ability carried out directly by employees to provide fast and responsive service to Salon Kembang Desa Spa customers, fourth is

Assurance of employee knowledge and behavior to build trust and confidence in consumers in consuming services offered by Salon Kembang Desa Spa, and the last is Empathy of the ability carried out directly by Salon Kembang Desa Spa employees to provide attention to consumers individually, including consumer sensitivity or needs. Therefore, the results of this study state that the Service Quality variable has a positive and significant effect on the Decision to Use Services[18].

## 5. Conclusion

Based on the results of data analysis and discussion that have been described, the following conclusions can be drawn:

1. The Word Of Mouth factor has a significant effect on the Decision to Use Services at Salon Kembang Desa Spa in Banyuwangi. This finding means that Word Of Mouth is very helpful for customers to assess the quality of services so that it influences the Decision to Use Services [19].

2. The Service Innovation factor has a significant effect on the Decision to Use Services at Salon Kembang Desa Spa in Banyuwangi. This finding means that Service Innovation is very helpful for customers to assess the quality of services so that it influences the Decision to Use Services.

3. The Service Quality factor has a significant effect on the Decision to Use Services at Salon Kembang Desa Spa in Banyuwangi. This finding means that Service Quality is very helpful for customers to assess the quality of services so that it influences the Decision to Use Services [20].

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