

# The impact of service quality on sales performance: A case of LW and Haji Yunohs Sons

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## ABSTRACT

This study aims to determine the effect of service quality on the sales performance at LW and Haji Yunohs Sons. Poor service can hinder the smooth running of a business. Service to customers is important, for it must be managed properly, and service quality needs to be supported by reliable human resources and technological assistance to increase sales. Based on this, it is necessary to analyze and test service quality variables for sales performance. The sample amounted to 33 respondents. The sampling technique used was the survey method. The results showed a positive and significant effect of service quality variables on sales performances.

## KEYWORDS

Service quality; sales performance; customer; company

## ARTICLE HISTORY

Available online: 3 March February 2024

## HOW TO CITE

Hidayat, Sutoyo, Iba, Z., & Yanna, S. (2024). The impact of service quality on sales performance: A case of LW and Haji Yunohs Sons. *Review of Business and Accounting Research*, 1(1), 35–44. <https://doi.org/10.62941/rbar.v1i1.21>

## 1. Introduction

Business competition in the era of globalization and free markets causes companies to face various challenges in business development so that the products produced achieve optimal sales. Marketing management is needed, including providing good service to customers. Each company has a different level of customer service, but the main goal is to increase revenue or sales. Customer service success depends on human resources adapting to the customer's character and personality. In practice, the quality of good customer service is usually measured through customer retention, and customer service from some companies becomes part of the company's intangible assets.

Service to customers must be managed properly to provide satisfaction and foster trust. One of the company's strategies is to provide good service and be supported by professional human resources. In addition, it must be pursued continuously to improve the ability of its human resources to grow and provide good service to customers. The

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success of service can build a positive image to foster trust in the products offered by the company because satisfied and happy customers will tell their experiences to other buyers because service quality or service quality is a measure of how good the level of service provided can match customer expectations (Tjiptono & Chandra (2012).

Sales volume is measured based on units of products sold, namely the number of units sold by the company in a certain period, while the value of products sold is the total value of the company's real sales in a certain period. Increasing sales volume is a key to business success. According to Rangkuti (2013), sales volume is the achievement of sales, which is expressed quantitatively in terms of a product's physical volume or units.

LW and Haji Yunohs Sons is a company engaged in subsidized fertilizer distribution services located in North Aceh Regency, and in the distribution of fertilizers, there are many obstacles, one of which is that the distribution is not orderly, retailers do not have stock. As a result, the distribution of subsidized fertilizers from distributors and retailers is not on target. There was an economic crisis due to COVID-19, which lasted almost two years, causing low purchasing power in the community the occurrence of declining sales due to the impact of the pandemic, the results of which showed that distributors had to work extra, besides that the distributor company also experienced financial difficulties because the product was unable to sell according to the predetermined target.

By maintaining customer trust as a company commitment, service, and distribution can be maintained so sales continue to increase. Striving for better servants and the growing use of technology, the company must use technology-based supporting facilities to facilitate distribution accuracy that can maintain and increase sales volume or revenue. With good service and technology, all activities related to the supply and distribution of fertilizers are expected to reduce obstacles related to distributing fertilizers to customers.

## **2. Literature review**

### **2.1. Service quality**

According to Tjiptono (2008), quality consists of several things, among others:(a) Compliance with suitability or demands, (b). Suitability for use; (c) Continuous improvement or improvement; (d) Free from damage; fulfillment of customer needs from the start and at all times; (f) Fulfillment of customer needs from the start and at all times; (g) Doing everything right from the start Doing things right from the start; and (h). Something that can make customers happy. Quality is one of the important indicators for companies to be able to exist amid intense competition in the industry. Quality is closely related to customer satisfaction, providing a special impetus for

customers to establish long-term, mutually beneficial relationships with the company. Customers usually form expectations of a service that comes from an experience, word of mouth, or advertising. In transactions, customers will compare past services with current services, usually still expecting high quality from the service itself.

Service quality is the level of excellence expected and control over that level of excellence to meet customer desires, which means that service quality is determined by the company's ability to meet needs following what is expected Tjiptono & Chandra (2012). The company's good quality of service makes customers feel satisfied, and their expectations can be met as desired. The company must provide good service and establish good relationships so that customers do not move to other companies, and here, the company must optimize the quality of service. Good in order to affect sales. Meanwhile, according to Utami (2010), service quality is a complex construct investigated in marketing as excellence in delivering relatively special services to customer expectations. Furthermore, according to Putrantaji & Oktafani (2014), service quality is defined as the level of excellence expected and control over that level of excellence to meet customer expectations.

There are several dimensions of service quality, to find out how much service quality contributes to sales, according to Zeithalm (2013), who identified the six dimensions of service quality known as SERQUAL (service quality) which consists of (1) Physical evidence (tangibles) is the company's ability with regard to the attractiveness of the physical facilities, equipment and materials used by the company and the appearance of the company's employees, (2) Reliability (reliability) is the ability to provide services, especially services that are accurate from the first time without making any mistakes and delivering services in accordance with the time agreed upon or set by the company, (3) Responsiveness is the availability and ability of employees to help consumers and respond to requests, as well as informing when the service will be provided and delivered the service quickly, (4) Assurance is the behavior of employees to be able to foster customer trust and the company can create a sense of security for its customers, (5) Empathy (empathy) is the company understands the problems of its customers and acts in the interests of customers, as well as providing personal attention to customers and having convenient operating hours, (6) Customer Satisfaction is a response to consumer fulfillment, which assesses that the features of the product or service and the product or service are important.

## ***2.2. Sales performance***

Sales are buying and selling activities carried out by two or more parties with legal means of payment. The main purpose of sales is to bring profit from the products or goods

sold, and in its implementation, sales cannot be carried out without the contribution of working actors, such as traders, agents, and marketing personnel. According to Amstrong & Kotler (2003), sales's basic principle is the science and art of influencing personal and customized sales to invite other people to be willing to buy the goods offered. Meanwhile, according to Dharmmesta & Irawan (2008), sales is the science and art of influencing personnel carried out by sales to invite others to be willing to buy the goods or services offered. So, sales can create a process of exchanging goods or services between sellers and buyers.

The company calculates the number of sales by calculating the number of items sold at the item's unit price. Stapelton (2005) says that sales volume is the achievement of sales expressed in quantitative form from a physical point of view, and sales volume is net sales from the company's profit statement. Net sales are obtained through the sales results of all products during a certain period and the sales results achieved from market share (share), a potential sale that can consist of a group of buyers during a certain period. Indicators in determining the volume of sales quoted from Swastha (2008) are as follows: (a) achieve sales volume; (b) get profit; (c) support company growth. Meanwhile, according to Kotler & Keller (2009), efforts to increase sales volume are as follows: (a) selling products in such a way that consumers see them; (b) placing and arranging regularly so that the product will attract the attention of consumers; (c) conducting market analysis; (d) determining potential buyers or consumers; (e) holding exhibitions; and (f) holding discounts or price cuts.

### 3. Method

The research method in this study uses quantitative methods. Quantitative research methods are systematic research methods using mathematical models; the theories used and the hypotheses proposed are related to phenomena, namely a process of finding knowledge using data in numbers to analyze information about what you want to know. According to Sugiyono (2009), quantitative research can be interpreted as a research method based on the philosophy of positivism, used to research certain populations or samples, data collection using research instruments, and quantitative or statistical data analysis to test hypotheses.

The data used were obtained from respondents through the distribution of questionnaires and secondary data from the sales reports of LW and Haji Yunohs Sons North Aceh. Population is a generalization area consisting of objects or subjects with certain qualities and characteristics set by researchers to study and then draw conclusions (Sugiyono, 2009). then the population in this study were all customers of LW and Haji Yunohs Sons. The sampling technique used a nonprobability sampling

technique with a sampling number of 33 customers, and the method used survey method is research whose main source of data and information is obtained from respondents as a research sample using a questionnaire as a data collection instrument.

The analysis begins with testing validity, followed by a reliability test. Instrument testing is done using SPSS data processing software. A normality test determines whether the regression model has a normal distribution. To find out whether the analyzed data is normally distributed or biased to be considered normal, the Normality Plot test is carried out, which is a test using the PP-Plot Graph. In this study, a nonprobability sampling technique was used with a sampling number of 33 customers. The survey method is research whose main source of data and information is obtained from respondents as a research sample using a questionnaire as a data collection instrument. The model used in this study is simple regression, namely regression which has one dependent variable and one independent variable where the equation model is as follows:

$$Y = \alpha + \beta X + \varepsilon \quad (1)$$

where  $Y$  is sales performance,  $X$  is service quality,  $\alpha$  is constant,  $\beta$  is the coefficient, and  $\varepsilon$  is the error term.

## 4. Results

### 4.1. Validity test

The validity test tests the suitability between the instrument parts and the instrument from the question items according to the intended variable. This test is carried out using an item analysis approach, where the validity of each item is tested through the correlation between the score on that item and the total score of the variable in question, using the Rank-Spearman correlation coefficient measure with the following results. The results of the validity test of the service quality variable show that all questionnaire items are valid (see [Table 1](#)).

### 4.2. Reliability Test

The reliability test was conducted using SPSS version 20; the question items were declared valid and reliable if they had Cronbach alpha > 0.60 or 60%. The reliability test results can be seen in the following [Table 2](#). The reliability test results obtained the Cronbach alpha value for the service quality variable Cronbach alpha = 0.733%, confidence 0, 95%, or  $\alpha = 5\%$ . It can be concluded that the questions for the service quality variable are reliable and have a good level of reliability.

**Table 1.** Validity test of service quality variables

Question	Correlation	Sig.	Conclusion
Question 1	0,524	0,002	Valid
Question 2	0,501	0,003	Valid
Question 3	0,430	0,012	Valid
Question 4	0,425	0,014	Valid
Question 5	0,479	0,005	Valid
Question 6	0,433	0,012	Valid
Question 7	0,690	0,000	Valid
Question 8	0,767	0,000	Valid
Question 9	0,587	0,000	Valid
Question 10	0,710	0,000	Valid

Source: Authors' elaboration

**Table 2.** Reliability test results

Variable	Alpha	Conclusion
Service quality	0.733	Reliable

Source: Authors' elaboration

### 4.3. Normality Test

Normality tests can be detected by looking at the distribution of data (points) on the diagonal axis of the graph. If the data spreads around the diagonal line and follows the diagonal line, the histogram graph shows a normal distribution pattern, and the regression fulfills the normality assumption. If the data spreads far from the diagonal line or does not follow the direction of the diagonal line, it does not show a normal distribution pattern, so the regression model does not fulfill the normality assumption. The Normality Test diagram can be drawn in the [Figure 1](#).

Based on the Normal Probability Plot graph above, the data spreads around the diagonal line to represent a normal distribution pattern, meaning the model fulfills the normality assumption. Regression analysis based on the research results and analysis design on service quality variables and sales variables, the analysis results are as follows: the estimated regression model and regression coefficient significance test. Analysis based on ANOVA output shows that F-count = 8.548 with a significance/probability of  $0.006 < 0.05$ . It can be explained that the regression model can be used to predict the level of sales.



**Figure 1.** Normality test diagram

Source: Author's calculations

#### **4.4. Results of the relationship between service quality and sales performance**

The correlation coefficient value of service quality on sales performance is  $R=0.465$ . This means that the service quality variable has a relationship of  $R=0.465$  or 46.50% to the sales performance while the coefficient of determination  $R^2=(0.465)^2 \times 100\% = 21.60\%$ , meaning that 21.60% of the contribution of the independent variable service quality affects the sales performance variable, and the remaining, where  $100\% - 21.60\% = 78.40\%$  is influenced by other variables not examined in this study.

**Table 3.** Results of the relationship between service quality and sales performance

Variable	Coefficient	Std. error	t-statistic	Probability
Services Quality	0.547	0.187	2.924	0.006
Constant	15.819	6.456	2.450	0.020
Adjusted R-squared	0.191			
F-statistic	8.548			
Prob(F-statistic)	0.006			

Note: Sales Performance is the dependent variable.

Source: Author's calculations

In Table 3 Coefficients, the constant (a) is equal to = 15.819, while the coefficient (b) is the value of service quality = 0.547 so that the regression equation or model is as follows:

$$Y = 15.819 + 0.457X \quad (2)$$

From this equation, it can be explained that the constant value is positive at 15.819. This is a constant number, meaning that if there is no service quality value (zero), the sales performance value is 15.819. The regression coefficient value is also positive at 0.457, which means that with every addition of 1 service quality number, the sales performance value will increase by 0.457. On the other hand, if this number is negative (-), then a decrease applies. So it can be explained that the service quality variable has a positive influence on sales performance at LW and Haji Yunohs Sons.

Table 3, the t-count value of the service quality variable is obtained: t-count = 2.924 with a significance value of 0.006 smaller than 0.05 and: t-table 2.039, meaning that if the value of t count > t table, there is an influence of the service quality variable on the variable sales performance at LW and Haji Yunohs Sons.

To prove whether the independent variable (service quality) affects the dependent variable, namely the level of sales, proving the hypothesis is: Based on the analysis, the t-count value of the service quality variable is: t-count = 2.924 with a significance value of 0.006 smaller than 0.05 and: t-table 2.039, meaning that if the value of t count > t table then there is an influence of the service quality variable on the sales performance variable. Significant 0.000 < 0.05, so there is an influence of the service quality variable on the dependent variable sales performance Y. So it means that with a significance level of 95%, there is an influence of the service quality variable on the sales performance at LW and Haji Yunohs Sons.

The analysis of the relationship between service quality variables and the level of sales results in the coefficient of determination of service quality variables on the dependent variable, namely the sales performance, namely the coefficient of determination.

## 5. Conclusion

Businesses with good service quality will impact the fulfillment of customer satisfaction to increase economic competitiveness, and good service is expected to increase sales volume. Tjiptono & Chandra (2012) state that service quality is the level of excellence expected to fulfill customer desires. This means that service quality is determined by the company's ability to meet customer needs under what is expected. Meanwhile,



according to Putrantaji & Oktafani (2014), service quality is defined as the level of excellence expected and controlled to meet customer expectations.

The distribution channel is an important factor influencing sales volume, which aims to see whether market opportunities can provide maximum profit. In general, the wider the chain of distribution channels, the greater the costs, but the wider the distribution channel, the more widely known the company's products will be to the wider community and encourage an increase in sales figures, ultimately impacting increasing sales volume (Pakpahan (2009). In providing services to customers, it is also necessary to have a serving behavior so that customers feel the maximum service, which will impact the intention to repurchase (Mutia et al., 2022).

## 6. Conclusion

In conclusion, the results of the research that has been done, it is concluded that the effect of service quality on the level of sales at LW and Haji Yunohs Sons, based on the results of testing and analyzing the value of the service quality coefficient has a significant effect on the sales performance variable. Service quality significantly impacts sales volumes by affecting client loyalty, satisfaction, and retention. Providing excellent service to individuals and businesses may enhance client loyalty, significantly influencing sales. Furthermore, the quality of after-sales service is crucial for sustaining client happiness and loyalty, ultimately impacting sales. Salespeople's capacity to provide exceptional service quality is crucial for gaining a competitive edge and achieving success in sales. The research indicates that organizations should prioritize enhancing service quality to enhance sales results.

## Conflict of interest

The authors declare no conflicts of interest related to this publication.

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