

# CHAPTER I

## INTRODUCTION

### 1.1 General Description of Glans Autocare

Glans Autocare is a mobile carwash and detailing service provider in Bandung, Indonesia. Glans Autocare provides services such as car wash, car detailing and nano ceramic coating installation with a business model that focuses on business to consumer (B2C). They focus on educating their market on the importance of having a clean and protected car in the longer term of a vehicle's life as well as having a close and integrated relationship with their costumers to achieve the best user experience possible. Having "Refine.Reflect.Protect" as their slogan Glans Autocare focuses on paint enchancement and protection to the highest level of satisfaction possible in a given time and situation. Glans Autocare headquarter is located in Gg Sarimanah V, Blok 6, No 160, Kel. Sarijadi, Kec. Sukasari, Bandung, Indonesia.

Glans Autocare provides varieties of different services such as "Glass care, Engine detailing, Coating maintanance and many more". Many of the services offered are based on the most common problems that people have with their car such as scratched up exterior paint, dullness of headlights, low visibility of windows in times of rain and many more. Glans Autocare becomes the solutions to those problems by providing services that caters to their needs. These services can be accessed through your phone using the internet platform via Whatsapp messeging services in relevance to customer living in Bandung.

Glans Autocare is founded by Irsyan Prabowo and Muhammad Zacky on August 2019. At first Glans Autocare only focused its services on car and motorbike wash and only served to people who were in a radius of 3km off of Telkom University in Jl Telekomunikasi 1, Bandung Indonesia with only *two* employees working side by side with minimal tools. Glans Autocare was not totally independent, after a few months of its launch they recieved an investment fund in return for a piece of ownership in Glans Autocare. Early 2020 when the Coronavirus reaches Indonesia all opertions came to a hault, causing major re-structuring including the exit of its cofounder Muhammad Zacky. As of today Glans Autocare has 4 active employees and

with one person in charge of its business operations and serves a much wider area than before with more services to offer.

### 1.1.1 Brand Logo

The following is the logo that Glans Autocare is known as:



**Figure 1. 1 Glans Autocare Logo**

Source: @glans.autocare Instagram Account

### 1.1.2 Company Vision & Mission

#### a. Vision

Become the most popularly used mobile Autocare service provider in Bandung.

#### b. Mission

Making car care affordable and accesible to car owners while serving anywhere at any time possible.

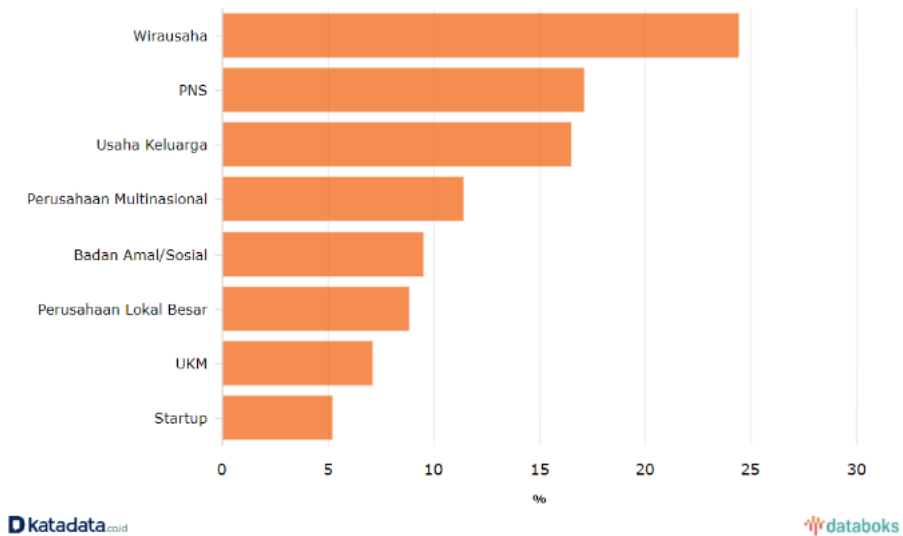
## 1.2 Research Background

The development of the business field makes the competition between companies increasingly fierce, with a variety of products' availability in the market is a form of competition for companies to win the market share. Whereas, the competition allows companies to create precise activity and effectiveness plans that support the sustainability of performance, both in their innovation efforts or in the activity itself.

Nowadays, most of the people in Indonesia already have their own business, starting from small and become big businesses. For the new business, the owner needs to pay attention to each detail needed to build a business. A new business also called a small-medium enterprise or SME, which the owner intends to be their own boss and feel safe of their own finances in the local market, so this business is an important part of a region's economy (www.galena.co.id, accessed on July 2021).

### Preferensi Pekerjaan yang Disukai Generasi Muda Indonesia Menurut Sea Grup (2019)

Sumber : Sea Group, April 2019



**Figure 1.2 Survey of Indonesian Employment Comparison, 2019**

Source: ([www.databoks.katadata.co.id](http://www.databoks.katadata.co.id), accessed on July, 2021)

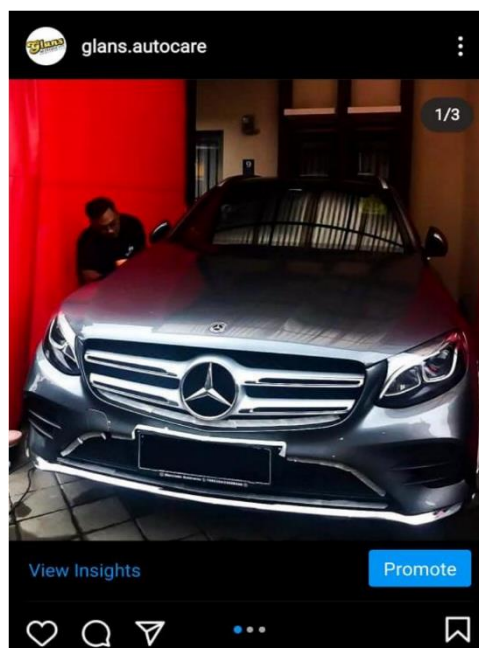
Based on figure 1.2 above, it can be seen that the people work as an entrepreneur is around 20-25, a civil servant is around 15-20. While family business is around 15-20, multinational company is around 10-15, charity is around 5-10, Then for the local company around 5-19, UKM around 5-10, and start-up around 5-10. Thus, it can be concluded that most of the young people in Indonesia more like to be an entrepreneur.

With the ever-developing of technology-related products and services and a more dynamic needs of the population, moving deeper into the current industrial revolution 4.0. It is without a doubt that the increasing demand and trend of businesses providing home service options. Businesses such as Mitsubishi providing home service oil change services, food deliveries, and e-commerce. There's an increasing demand for other home service services one of which is home service carwash, with the permanent closing of Go-life app services by Go-Jek that used to provide this home service carwash. There is an opportunity for other such service providers to operate and try to dominate the market. Car wash is a system used to clean the exterior and interior of a vehicle, where it gives ease for customers. The growth of the automobile industry leads to the growth of the car wash market. Growing environmental concerns are also spurring the growth of silver car wash services, ensuring proper dumping of solid waste and optimal deployment of water resources. Because household cleaning

products can starch the vehicle surface and damage the vehicle, it also reduces the hassle of self-cleaning, which consumers love and trust in professional car service (www.databridgemarketresearch.com, accessed on July 2021).

Glans Autocare is one of the new businesses placed in Bandung city, which took the chance to supply the increasing demand for the services. Glans Autocare is a business that provides a car wash at customers' places. Besides that, Glans Auto care did not only focus on car washing but rather car aesthetic care as a whole including paint correction and ceramic coating installations. Glans AutoCare's services require the use of electricity there for a strategic spot for an electrical socket is important. In the case of this service, the electrical socket was located quite a distance away from the car so there had to be an assistant to control cable extensions so they don't get wet.

There are problems during the duration Glans Autocare has been in business. A few challenges were encountered in providing its services. Not all garages are created equally. Bigger garages allow employees to have more room to maneuver when washing or polishing a car, but when a garage is a lot smaller to the point where movement is limited Glans had to compromise this adds more time to complete service than when compared to doing it in a bigger garage. Such service is bound to take 6-7 hours of men hour to get done, but due to the lack of space in the owner's garage Glans AutoCare ended up completing the work in 8-9 hours.



**Figure 1. 3 Glans's One Step Polish Performed on A Customers' Car**

Source: @glans.autocare Instagram, accessed on December, 2020

From figure 1.3 above, it can be seen in the garage showing the canopy was a little short, this exposes the car to sunlight and heat therefore different techniques had to be used to complete the job increasing the time it takes to finish the job. Another problem comes when the rain started to fall. For a car to be properly polished there should not be a single drop of water on the paint. The three employees had to take turns to protect the finished polishing work increasing the time it takes to finish the job.

A great opportunity comes at a cost. It was not all easy to try and grow the brand and trust of this business. Thus, in order to compete with its competitors and to live up to its mission and vision Glans Autocare implemented a few strategies for its survival of which are:

1. Educative

Promoting transparency to its customers they do not only provide services but also educate their current customers and their potential new customer. Nothing is hidden by Glans Autocare even to the products that they use. The main reason for this is develop trust over new potential customers and for their customers to create loyalty to the brand. This process is done through their Instagram page and their customer care line as well.

2. Attractive and Professional

Differentiating them and their competitors are the design of their logo using font, colour and graphics that is not only eye catching but appealing. Bubbly logo portraying softness and excellence in customer service while the colour gold shows ambitions and excellence in awards. Layout of their instagram is also neat and structured portraying professionalism.

3. Promotions

Most of their promotions are based on discounts, freebies and off the menu services. Their promotions also create a sense of urgency with discount deals and limited time promotions on their instagram page.

As their services are available to people that live in Bandung area and without the existence of brick & mortar workshop there has to be a direct B to C marketing. To tackle this Glans AutoCare distributed flyers introducing their business to the public by targeting a specific market area that is perceived to have a disposable income to be spent. Therefore, in theory, increasing the percentage of the marketing

funnel. With most flyers there is a likely chance that it will get thrown out, Glans AutoCare created flyers that are hard to dispose of making them attractive and feel expensive at the same time portraying professionalism in their brand. This includes choosing the right material for the flyer.



Figure 1.4 Glans Autocare Flyer

Source: @glans.autocare Instagram, 2020



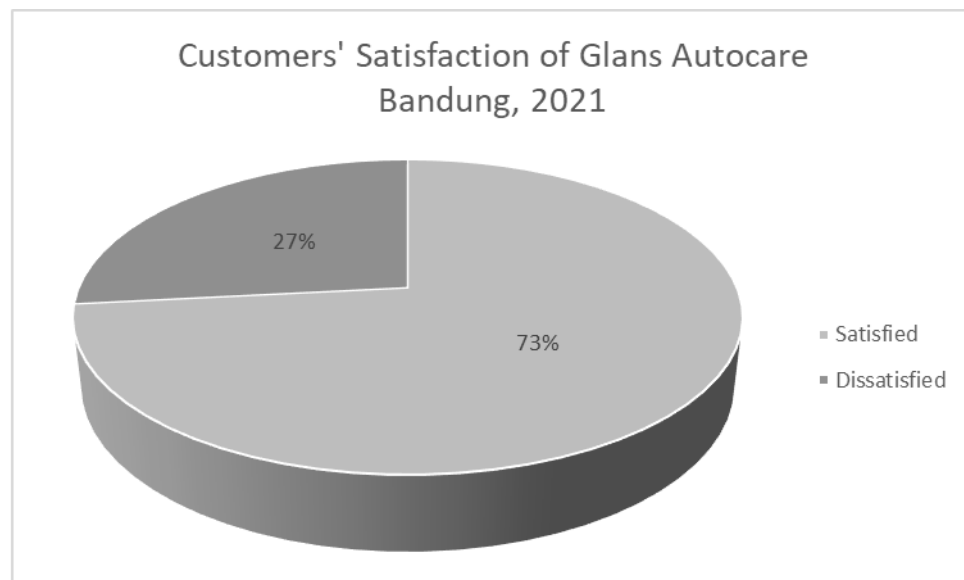
Figure 1.5 Glans Autocare Opening Promotion

Source: @glans.autocare Instagram, accessed on December, 2020

Apart from distributing flyers Glans Autocare also promoted their business through social media by using other people's accounts in helping to increase awareness of the business. This is the promotion campaign that they held throughout the month of November. There is positive feedback in terms of attracting customers. However due to the few accounts that were reached this promotion could not be utilized to its full potential. This indicates those strategies should enhance the brand image of Glans Autocare.

According to Mabkhot et al., (2017), brand image is a customer's perception of a brand, the aim of companies is to create a strong image of the brand in the minds of consumers. Marketing programs can generate a positive brand image by building a strong link between a brand and its image in the memory of the consumers. Whereas, a good customers' perception, will create a good strong image of the brand.

To obtain a general description in this study, the author has distributed a questionnaire using Google Form amounted to 30 respondents who have used the services of Glans Autocare Bandung. The questions given by the author to respondents through the questionnaire can be seen in appendix 1, and the results of the question can be seen in the Figure below.



**Figure 1.6 Customers' Perceptions of Glans Autocare Bandung**

Source: Processed by Author, 2021

Based on the figure above, the customers' perceptions obtained through the Google Form questionnaire amounted to 30 respondents, 22 respondents are satisfied, while the 8 respondents fill the negative statements, which means they feel dissatisfied.

TABLE 1.1  
RESPONDENTS' RESPONSES

Sub-Variabls	Age	Occupation	
Strength	23-27 years old	Entrepreneur	Agreed that Glans Autocare has a good service as a new business
	18-22 years old	Student	Agreed that Glans Autocare offers a special price
	28-32 years old	Private Employee	Agreed that Glans Autocare gives the benefits for customers
Favourability	23-27 years old	Private Employee	Agreed that Glans Autocare is easy to pronounce
	23-27 years old	Entrepreneur	Agreed that Glans Autocare is easy to recognize
	28-32 years old	Entrepreneur	Agreed that Glans Autocare is one of the famous car wash services in Bandung
Uniqueness	18-22 years old	Student	Disagreed that Glans Autocare offers an interesting service
	23-27 years old	Private Employee	Agreed that Glans Autocare has good car wash technology
Tangibility	>33 years old	Civil Servant	Agreed that Glans Autocare provides a complete facility
	28-32 years old	Civil Servant	Disagreed that the equipment of Glans Autocar is good
	>33 years old	Private Employee	Agreed that Glans Autocare has advanced car wash technology
Reliability	>33 years old	Entrepreneur	Agreed that Glans Autocare has prompt service

*(continue)*



(continuance)

Sub-Variabes	Age	Occupation	
	23-27 years old	Entrepreneur	Agreed that Glans Autocare gives a solution for customers
Responsiveness	18-22 years old	Student	Disagreed that Glans Autocare is able in handling customer requests
	23-27 years old	Entrepreneur	Agreed that Glans Autocare is able in handling customer problems
	28-32 years old	Entrepreneur	Agreed that Glans Autocar has professional employees or staff
Assurance	28-32 years old	Entrepreneur	Agreed that Glans Autocare gives insurance for car damage
	28-32 years old	Private Employee	Agreed that the employee or staff of Glans Autocare has good skills
	28-32 years old	Entrepreneur	Agreed that the employee or staff of Glans Autocare has a courtesy
Empathy	>33	Private Employee	Disagreed that Glans Autocare provides various type of services
	23-27 years old	Entrepreneur	Agreed that Glans Autocare provides a personalized service
Customer Satisfaction	23-27 years old	Entrepreneur	Disagreed to wash the car more than one time
	28-32 years old	Entrepreneur	Agreed to wash car at Glans Autocare more than one time

(continue)

(continuance)

Sub-Variabes	Age	Occupation	
	23-27 years old	Entrepreneur	Agreed that Glans Autocare gives a solution for customers
	23-27 years old	Private Employee	Agreed to recommed Glans Autocare to others
	>33 years old	Civil Servant	Disagreed to recommend Glans Autocare to others
	23-27 years old	House Wife	Agreed that Glans Autocare is the first choice to wash the car
	23-27 years old	Entrepreneur	Agreed to make the purchase for another services at Glans Autocare
	28-32 years old	Private Employee	Agreed to make the purchase for another services at Glans Autocare
	28-32 years old	Doctor	Agreed to give suggestion about service idea to Glans Autocare
	18-22 years old	Student	Disagreed to give a suggestion about service idea to Glans Autocare

Source: Processed by Author, 2021

Based on the customers' perceptions above, there are some customers who fill the negative statements. This means Glans Autocare must improve regarding the uniqueness of brand, tangibility, responsiveness, and empathy. Besides that, some customers fill negative statements about customer satisfaction which is caused by brand image and service quality. It is very important for the company to handle requests which must be considered and taking action for improvement because it is closely related to the customers satisfaction.

According to Ramya et al., (2019:38), stated that service quality refers to the ability of a service provider to satisfy customers in an efficient way and thus can better conduct its business. In the service industry, "quality" is also an important factor in the

success of a business. It will cause a positive connection to profits, increase the market share, and customer' satisfaction.

Kotler and Keller (2017:196) stated that customer satisfaction is a feeling of pleasure or disappointment after comparing the expected performance of a product or service with the expected performance. Therefore, there are 5 dimensions to measure customer satisfaction includes rebuy, tell good things about the company to others and recommending them, pay less attention to brands and advertisements of competing products, buy other products from the same company, offering products and services ideas to the company. While Othman et al., (2019), argues that the term "customer satisfaction" is so common that it is easily introduced into marketing and other literature and has a very deep meaning so that business organizations can meet today's expectations and goals. A strong brand image and good service quality will enhance a positive perception of customers which will give an impact on customer satisfaction. If the performance is lower than customers' expectations, the customer will feel dissatisfied. If the performance meets customers' expectations, the customer will feel satisfied.

The problems that occur about handling the problems are often felt by customers. If the number of complaints is high, this indicates that the service quality of the company is bad. To solve this case, the company must improve their service quality and create a strong brand image, then, it will simultaneously affect customers' satisfaction. Therefore, the author is interested to conduct this study on the brand image, service quality, and customer satisfaction of Glans Autocare.

The previous study of Cuong and Long (2020) entitled "The impact of Service Quality and Brand Image on Customer Satisfaction and Behavioral Intention in Vietnam Fashion Market", shows that the variable of brand image positively affects customer satisfaction.

By seeing the importance of this study, to examine the factor of brand image and service quality which can affect customer satisfaction of Glans Autocare Bandung, the author is interested to conduct this study entitled "**The Effects of Brand Image and Service Quality on Customer Satisfaction of Glans Autocare Bandung**".

### **1.3 Problem Statements**

Based on the research background explained, the problem statements can be formulated are as follows:

1. How is the Brand Image of Glans Autocare?
2. How is the Service Quality of Glans Autocare?
3. How is the Customer Satisfaction of Glans Autocare?
4. How the effects of Brand Image and Service Quality on Customers' Satisfaction of Glans Autocare?

#### **1.4 Research Objectives**

Based on the explanations above, the research objectives are as follows:

1. To analyse the Brand Image of Glans Autocare.
2. To analyse the Service Quality of Glans Autocare.
3. To analyse the Customer Satisfaction of Glans Autocare.
4. To analyse the effects of Brand Image and Service Quality on Customers' Satisfaction of Glans Autocare.

#### **1.5 Research Benefits**

The expected benefits of this study are as follows:

##### **1. Practical Uses**

The practical use of this research is expected to be useful for the business as input in maintaining the brand image and improve the service quality, especially those related to the car wash and as an additional input and information that can be taken into consideration to develop better strategies to improve and maintain the level of customers' satisfaction.

##### **2. Theoretical Uses**

The results of this study can add insight and can be used as a reference for further research so that the results of this study are expected to be useful for strengthening theories related to brand image, service quality, and customer satisfaction.

#### **1.6 Writing Structure**

The writing structure was made to provide a general overview of research writing structures are as follows:

### **CHAPTER I**

This chapter contains an overview of the research object, research background, problem statements, research objectives, research benefits, and the writing structure of the thesis.

## **CHAPTER II**

This chapter contains the literature review of research, previous research and research framework.

## **CHAPTER III**

This chapter contains the types of research, operational variables, stages of research, population and samples, data collection, data analysis techniques, and Hypothesis.

## **CHAPTER IV**

This chapter describes the characteristics of respondents, the results of research and discussion of research.

## **CHAPTER V**

This chapter describes the conclusions and suggestions regarding the results of research.