

“Satisfaction, Loyalty and Productivity: A Case of Beauty Salon”

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Abstract

What do hair salon and hairdressers provide customers? One answer is that they provide services and create customer satisfaction. The customer satisfaction could depend on factors such as location, price, the skill of the hairdresser, and the overall experience at the hair salon. It is difficult to observe customer satisfaction directly for hair salon owners and researchers, because satisfaction is subjective. However, if the customers like the hair salon or hairdressers and are satisfied with their services, customers would come back to the hair salon, come back more often and become high-spender. This suggests that we can measure customer satisfaction by investigating what causes them to come back. In this study, we apply count process and double hurdle analysis to specify a model of customers' return and purchase behavior. We collected a daily record from a hair salon in Japan between 2003 to 2010 (2,046 working days). The hair salon has about 15,000 customers and the daily records hold payments and hairdresser's names for every customer's treatment. Using the information, we introduced customer behavioral variables, the hairdresser's skill and congestion, and the hair salon's congestion in addition to demographic variables into our model.

Key words: Personal Service Industry, Hair Salon, Double Hurdle Model

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