The Influence of Total Quality Management (TQM) and Service Quality (Servqual) on Customer Satisfaction of Netflix Services

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Abstract: This study aims to analyze the impact of Total Quality Management (TQM) and Service Quality (SERVQUAL) on customer satisfaction among Netflix users. Specifically, it investigates whether TQM affects customer satisfaction, whether SERVQUAL influences customer satisfaction, and whether both TQM and SERVQUAL together have an effect on customer satisfaction. The research employs a quantitative method with a sample size of 100 Netflix users from Bandung City. Data sources include primary data, obtained through questionnaires distributed to Netflix customers, and secondary data from existing documents, reports, and publications. Multiple regression analysis was used to process the data with SPSS. The findings show that TQM significantly affects customer satisfaction, with a t-value of 35.052 and a significance of 0.000 ($p < 0.05$), leading to the rejection of H0 and acceptance of H1. In contrast, SERVQUAL does not significantly affect customer satisfaction, with a t-value of 1.005 and a significance of 0.317 ($p > 0.05$), leading to the acceptance of H0 and rejection of H2. Additionally, the F-test reveals a significance of 0.000 ($p < 0.05$), indicating that both TQM and SERVQUAL simultaneously affect customer satisfaction.

Keywords: Total Quality Management (TQM), Service Quality (SERVQUAL), Customer Satisfaction, Netflix

INTRODUCTION

The rapid advancement of technology has significantly impacted simplifying human life and opening up new opportunities. Each year, technology progresses remarkably, aiming to create more cutting-edge innovations. This technology not only provides convenience but also brings substantial changes in easing various daily tasks. In Indonesia, the development of technology is also evident. Supported by discoveries and advancements in information and communication science, tools have been created to strengthen information technology infrastructure, including the internet (Kusuma & Kusumaning, 2020).

The internet, as one of the most revolutionary technological advancements, has become a fundamental necessity in various aspects of life. According to a DataBox report, the number of internet users in Indonesia reached 213 million as of January 2023, equivalent to 77% of the country's total population of 276.4 million. This represents a 5.44% increase compared to the previous year, with 11 million new users added in just one year. Over the past decade, the

number of internet users in Indonesia has surged dramatically, from only 70.5 million in 2013 to more than tripling by 2023. This underscores the critical role of the internet in modern society, particularly in Indonesia (Annur, 2023).
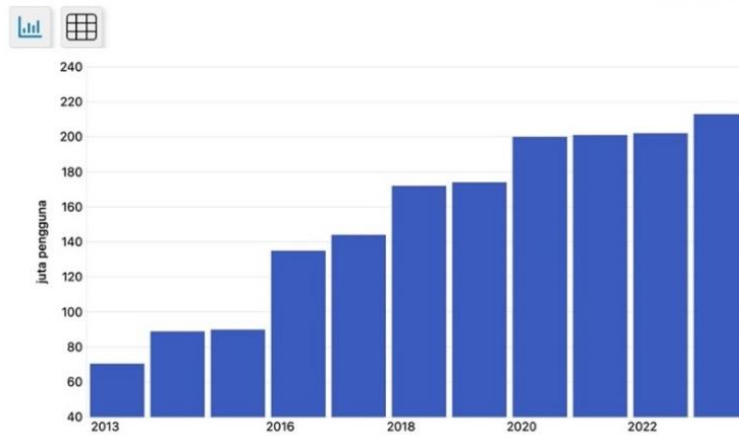

Figure 1 Internet User Data in Indonesia
Source: DataBox, (2024)

Before the advent of the internet, people relied on conventional media such as radio, books, newspapers, and television for information and entertainment. However, the internet has revolutionized how humans access information and enjoy entertainment. As a form of new media, the internet continuously evolves with new forms and features. One of the most significant innovations is the emergence of streaming media, both for video and audio content, which has now become an integral part of daily life (Sari & Utami, 2021). Streaming services not only offer convenience but also provide personalization, enabling users to enjoy content tailored to their preferences (Intizar, 2021). This new media is particularly relevant in the realm of entertainment, serving as a tool to influence the psychological or emotional state of individuals or groups. Entertainment plays a crucial role in calming and refreshing the mind from the exhausting routines of daily life. Streaming platforms like Netflix, Spotify, and similar services provide modern solutions, making entertainment more accessible anytime and anywhere. For instance, streaming film services are now available on various devices such as computers, smartphones, or tablets. The digitization of films has transformed how people consume entertainment, shifting from physical formats like DVDs to flexible and efficient digital formats (Naufal, 2023).

In recent decades, globalization, particularly in technology, has influenced business and operational patterns in service industries, requiring organizations to adopt a consumer-oriented approach to avoid detrimental outcomes. In the era of information technology, customer satisfaction is publicly visible and can influence others, thereby affecting decisions to use services. Consumer-oriented companies gain a competitive edge to thrive in business competition, necessitating a strong competitive advantage (Primadhana, 2021). According to Kotler and Armstrong (2019), competitive advantage is an edge over competitors achieved by delivering greater value to customers to benefit them. Customer satisfaction is defined as a feeling of pleasure or disappointment that arises from comparing a product's perceived performance or outcome to expectations (Armstrong & Kotler, 2022). Consumers are dissatisfied if performance falls short of expectations, but they are highly satisfied if performance exceeds expectations. Apart from others' opinions, personal experiences with the product, and advertisements by the company, consumers can assess what they need from a product (Keller, 2021).

Satisfied customers tend to compare their positive experiences with other products or services, which enhances the value of the company (Adhinata et al., 2023). Achieving customer satisfaction increases the likelihood of a company competing successfully with its competitors, demonstrating effective management. This, in turn, brings positive outcomes, contributing to the company's long-term sustainability (Aprilyanti & Pattyranie, 2024). Netflix entered Indonesia in January 2016. It is a streaming service that allows its members to watch movies and TV shows without ads, accessible via internet-connected devices. Currently, Netflix is available in over 30 languages across 190 countries. Netflix has frequently been nominated for various awards and has won numerous accolades. According to App Annie, Netflix ranked first in the "Top 10 Apps by All-Time Consumer Spend" for the period 2010-2019.
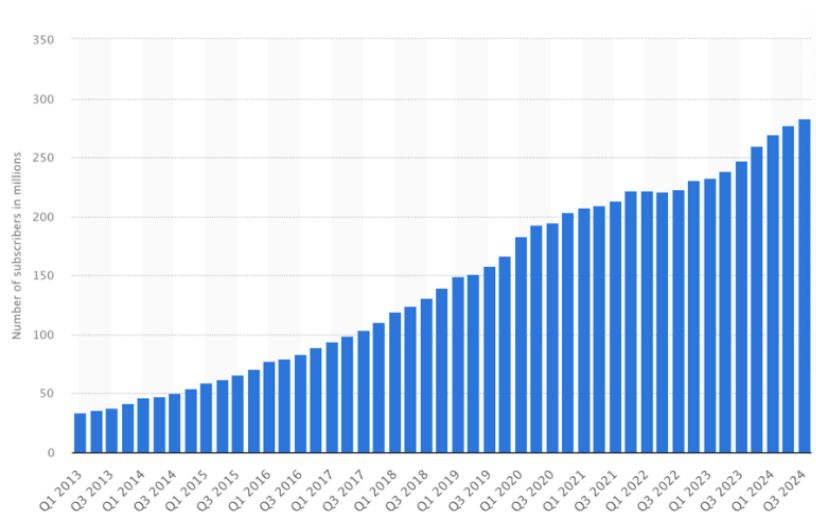
Figure 2 Number of Netflix Subscribers
Source: Statista, (2024)

Year by year, Netflix's global subscriber base has shown significant growth. In 2017, Netflix had 99 million subscribers worldwide. By 2018, this increased to 124.3 million, followed by 151.5 million in 2019, 192.9 million in 2020, 219.7 million in 2021, 230.7 million in 2022, and 247.15 million subscribers by Q3 of 2023. In Indonesia, the growth has been equally remarkable. In 2017, there were 95 thousand Netflix subscribers in the country. By 2018, this number increased 2.5 times to 234 thousand. In 2019, the number grew to 482 thousand, and by 2020, it had reached 907 thousand Netflix subscribers in Indonesia (Naufal, 2023). In line with the increase in subscribers over the past five years, Netflix has also seen a significant rise in revenue. In 2019, Netflix's revenue was $20.16 billion. In 2020, it increased to $25 billion, a 24.01% rise. The growth continued in 2021, with revenue reaching $29.7 billion, up by 18.81%. In 2022, revenue grew to $31.62 billion, a 6.46% increase, and in 2023, it rose by 6.67% compared to the previous year, reaching $33.72 billion (Pamela, 2021).

However, in 2022, Netflix's net profit declined by approximately 12.24%, with operating costs amounting to $6.81 billion and a net profit of $4.49 billion, compared to the previous year when operating costs were significantly lower at $6.17 billion, with a net profit of $5.12 billion. Breakdown of operating costs and net profit from previous years shows: in 2019, Netflix spent $5.11 billion on operating costs, with a net profit of $1.8 billion; in 2020, operating costs were $5.13 billion, with a net profit of around $2.76 billion; and in 2023, operating costs increased to $7.05 billion, while net profit rose to $5.41 billion. Based on the data analyzed, it is evident that as the number of subscriptions increases, revenue also rises. Coupled with rising operational costs each year, this indicates two possibilities: either Netflix aims to provide maximum service, or there could be operational cost inefficiencies that need

to be examined through Total Quality Management (TQM). TQM is a management approach focused on improving quality in every aspect of an organization's operations. Effective implementation of TQM can significantly impact employee performance and the organization's overall success, leading to improved profits and competitiveness. On the other hand, inadequate implementation can hinder quality improvement processes (Iman, 2018). Additionally, TQM is a technique frequently used by companies to enhance customer and employee satisfaction, improve product quality, reduce production costs, and boost productivity (Fathoni, 2017).

According to 2023 statistics, the number of viewers for shows on each streaming service shows that while AppleTV+'s Ted Lasso led with 16.9 billion viewers, three Netflix shows—The Night Agent, Ginny & Georgia, Virgin River, and Love is Blind—ranked second to fifth with viewership numbers of 14.4 billion, 13.8 billion, 13.7 billion, and 13.1 billion, respectively. Based on the questionnaire results, it appears that Netflix provides a service quality capable of competing with its rivals, evident from its user interface (UI), user experience (UX), and the number of programs contributing to the highest viewership. This aligns with Netflix's largest subscription base of 247.2 million, followed by its competitor Amazon Prime Video with 200 million subscriptions. Although statistically, Netflix leads in customer satisfaction in terms of user interface (UI), user experience (UX), and the number of programs with the highest viewership, its subscription price is among the highest. Netflix charges $15.49 per month, followed by HBO Max at $14.99 and Hulu at $12.99. The remaining streaming services have subscription costs below $10. Based on this phenomenon, the researcher formulated the following research questions: First, does Total Quality Management (TQM) affect customer satisfaction for Netflix subscribers? Second, does Service Quality (SERVQUAL) affect customer satisfaction for Netflix subscribers? Lastly, do Total Quality Management (TQM) and Service Quality (SERVQUAL) together have an effect on customer satisfaction for Netflix subscribers? These questions aim to explore the relationship between TQM, SERVQUAL, and customer satisfaction in the context of Netflix users.

Impact of Total Quality Management on Customer Satisfaction

Total Quality Management (TQM) involves all organizational members, from top management to frontline employees, in a continuous effort to improve product or service quality and meet customer needs (Kamaruddin et al., 2021). It emphasizes customer focus, continuous improvement, data-driven decision-making, and employee empowerment. TQM affects customer satisfaction by prioritizing quality in all customer interactions (Fernandes & Fernandez, 2022). Its application encourages organizations to refine processes, reduce errors, increase efficiency, and improve customer experience. Engaging employees in quality improvement leads to higher job satisfaction and better service, which enhances customer satisfaction (Grossu-Leibovica & Kalkis, 2022). TQM not only focuses on product quality but also on positive customer interactions, from ordering to post-purchase, contributing to customer satisfaction (Adhinata et al., 2023). Proactively addressing customer issues, such as handling complaints and refining service procedures, further boosts satisfaction (ELBadrawy et al., 2020). Hypothesis 1: Total Quality Management Affects Customer Satisfaction.

Impact of Service Quality on Customer Satisfaction

Service quality is a key factor directly influencing customer satisfaction. High service quality enhances customer experience and fosters long-term loyalty (Verma et al., 2020). When service quality is high, customers feel they receive more value than what they paid for or expected, leading to satisfaction and loyalty (Grossu-Leibovica & Kalkis, 2022). Consistent and reliable service builds trust, which encourages repeat business and recommendations to others (Anh & Thanh, 2022). Satisfied customers are more likely to remain loyal and less likely

to switch to competitors (Shi & Shang, 2020). Hypothesis 2: Service Quality Affects Customer Satisfaction.

Impact of Total Quality Management and Service Quality on Customer Satisfaction

Total Quality Management (TQM) and Service Quality are closely related concepts that enhance customer satisfaction (Zehir & Zehir, 2023). TQM focuses on understanding and meeting customer needs through feedback and quality monitoring, which helps align products and services with customer expectations, boosting satisfaction. Meanwhile, good service quality directly impacts customer satisfaction by providing a positive experience. When combined, TQM and service quality complement each other and significantly influence customer satisfaction. TQM provides a framework for continuous improvement and employee involvement, while service quality measures customers' perceived service quality based on key dimensions (Shi & Shang, 2020). TQM fosters a quality-focused organizational culture, where every aspect of service is regularly improved. Customers who see genuine efforts to enhance service quality feel more confident and satisfied. Together, these factors contribute to better customer experiences, leading to higher satisfaction and long-term loyalty (Fernandes & Fernandez, 2022). Hypothesis 3: Total Quality Management and Service Quality Together Affect Customer Satisfaction.
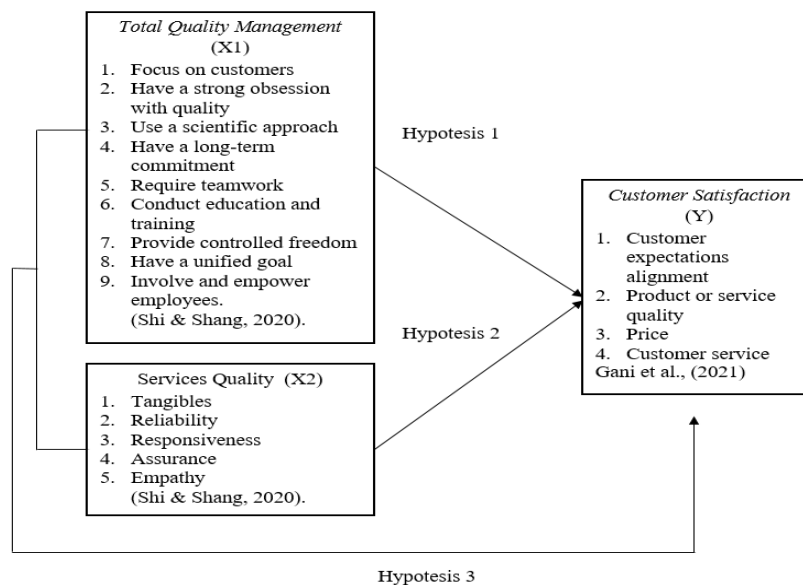
Figure 3 Conceptual Framework

METHOD

The research method used in this study is quantitative. The research population consists of Netflix subscribers who have used or are currently using the service, totaling 100 customers. All members of the population will be used as the research sample, which is 100 customers. The data sources used in this study consist of two types: primary data and secondary data. Primary data refers to information obtained directly from the first-hand source. Secondary data, on the other hand, refers to data not directly obtained by the researcher from the original source but from documents, reports, publications, or existing databases (Sekaran & Bougie, 2020).The data collection method used in this study is a questionnaire distributed to Netflix customers in the city of Bandung. The data analysis technique will employ multiple regression, which will be processed using SPSS.

RESULTS AND DISCUSSION
Results

Table 1. Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
TQM	104	53.00	99.00	81.0096	9.92936
SERVQUAL	104	20.00	50.00	40.2692	6.59984
CUSTOMER SATISFACTION	104	21.00	40.00	32.2981	4.28336
Valid N (listwise)	104				

Source: Spss Output, (2024)

TQM (Total Quality Management)

Measured on 104 respondents, with a minimum score of 53 and a maximum of 99. The average score (mean) of 81.0096 indicates that TQM implementation is generally high, but the standard deviation of 9.92936 shows significant variation among respondents.

SERVQUAL (Service Quality)

Also measured on 104 respondents, with scores ranging from 20 to 50. The average score of 40.2692 indicates that service quality is rated fairly well, with a standard deviation of 6.59984 suggesting relatively consistent perceptions, though some variation exists.

Customer Satisfaction

This variable had a minimum score of 21 and a maximum of 40 from 104 respondents. The average score of 32.2981 suggests generally good customer satisfaction, with a standard deviation of 4.28336 showing more consistency in satisfaction levels compared to the other variables.

Table 2. Validation Test

TQM		SERVQUAL		Customer Satisfaction	
X1.1	1	X2.1	0.198	Y1	1
X1.2	0.522	X2.2	0.321	Y2	0.522
X1.3	0.522	X2.3	0.199	Y3	0.522
X1.4	0.402	X2.4	0.199	Y4	0.402
X1.5	0.498	X2.5	0.211	Y5	0.498
X1.6	0.464	X2.6	0.195	Y6	0.464
X1.7	0.355	X2.7	0.279	Y7	0.355
X1.8	0.229	X2.8	0.196	Y8	0.229
X1.9	0.480	X2.9	0.200		
X1.10	0.432	X2.10	0.255		
X1.11	0.362				
X1.12	0.457				
X1.13	0.300				
X1.14	0.691				
X1.15	0.506				
X1.16	0.673				
X1.17	0.329				
X1.18	0.491				
X1.19	0.588				
X1.20	0.575				

The validation test results show that the calculated r-value for each indicator is above the r-table value (0.1927). Therefore, it can be concluded that all indicators used in this study are valid.

Table 3. Reliability Test Results

Variable	Cronbach's Alpha	N of Items	Description
TQM	0.925	20	Excellent reliability
SERVQUAL	0.925	10	Excellent reliability
Customer Satisfaction	0.840	8	High reliability

Source: Spss Output, (2024)

Based on the reliability test results, the measurement instruments for the TQM (Total Quality Management) and SERVQUAL (Service Quality) variables achieved a Cronbach's Alpha value of 0.925, which falls into the category of excellent reliability (Alpha > 0.90). This indicates that both instruments are highly reliable and consistent in measuring the intended concepts. Meanwhile, the CUSTOMER SATISFACTION variable obtained a Cronbach's Alpha value of 0.840, categorized as high reliability ($0.70 \leq$ Alpha < 0.90), suggesting that this instrument is also reliable and consistent, although not as strong as the other two variables.

Table 4. Classical Assumtion Test

Test	Variable	Result
Normality Test (One-Sample Kolmogorov-Smirnov Test)		0.200
Heteroscedasticity Test	TQM	Sig. = 0.627
	SERVQUAL	Sig. = 0.431
Multicollinearity Test	TQM	VIF = 1.006
	SERVQUAL	VIF = 1.197

Source: Spss Output, (2024)

This table summarizes the results for the following tests:
1. Normality Test. The p-value for normality is 0.200 (Asymp. Sig.), indicating that the residuals are normally distributed.
2. Heteroscedasticity Test. The variables "TQM" and "SERVQUAL" have p-values of 0.627 and 0.431, respectively. These high significance values (greater than 0.05) suggest that there is no strong evidence of heteroscedasticity in this regression model.
3. Multicollinearity Test. The VIF values for TQM and SERVQUAL are both below 10, suggesting no multicollinearity issues.

Table 5. Coefficient of Determination Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.961[a]	0.924	0.923	1.19078	1.617

a. Predictors: (Constant), SERVQUAL, TQM
b. Dependent Variable: CUSTOMER SATISFACTION

Source: Spss Output, (2024)

The results of the coefficient of determination test show that the Adjusted R Square value is 0.923. This means that approximately 92.3% of the variation in the Customer Satisfaction variable can be explained by the combination of TQM and SERVQUAL. The remaining 39.6% may be influenced by other variables outside of this study.

Table 6. Multiple Regression Test

Coefficientsᵃ

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.638	1.159		0.550	0.583
	TQM	0.415	0.012	0.963	35.052	0.000
	SERVQUAL	0.379	0.018	0.028	1.005	0.317

a. Dependent Variable: CUSTOMER SATISFACTION

Source: Spss Output, (2024)

$$Y = 0.638 + 0.415X1 + 0.379X2 + \varepsilon$$

Interpretation:
1. Constant ($\beta_0 = 0.638$). The constant value of 0.638 indicates that if both total quality management (X1) and service quality (X2) are zero, the average initial value of customer satisfaction (Y) is 0.638.
2. Coefficient of X1 ($\beta_1 = 0.415$). The coefficient of 0.415 suggests that for every one-unit increase in total quality management (X1), Customer Satisfaction (Y) will increase by 0.415 units, assuming other variables remain constant.
3. Coefficient of X2 ($\beta_2 = 0.379$). The coefficient of 0.379 indicates that for every one-unit increase in service quality (X2), customer satisfaction (Y) will increase by 0.379 units, assuming other variables remain constant.

Table 7. Hypothesis Test

Variable	t	Sig.	Description
TQM	35.052	0.000	H0 is rejected, H1 is accepted
SERVQUAL	1.005	0.317	H0 is accepted, H2 is rejected

Source: Spss Output, (2024)

Interpretation:
1. TQM (Total Quality Management) on Customer Satisfaction. The t-value is 35.052, Sig. 0.000 < 0.05. This means total quality management (TQM) has an impact on customer satisfaction. Therefore, H0 is rejected, and H1 is accepted.
2. SERVQUAL (service quality) on customer satisfaction. The t-value is 1.005, Sig. 0.317 > 0.05. This means service quality (SERVQUAL) does not have an impact on customer satisfaction. Therefore, H0 is accepted, and H2 is rejected.

Table 8. Results of the F-Test

ANOVAᵃ

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1746.545	2	873.272	615.862	.000ᵇ
	Residual	143.215	101	1.418		
	Total	1889.760	103			

a. Dependent Variable: CUSTOMER SATISFACTION

b. Predictors: (Constant), SERVQUAL, TQM

Source: Spss Output, (2024)

The results of the F-test show a Sig. value of 0.000 < 0.005. This means that, overall (simultaneously), the variables SERVQUAL and TQM have an effect on customer satisfaction.

Discussion

The Impact of Total Quality Management (TQM) on Customer Satisfaction

Total Quality Management (TQM) is a managerial approach that focuses on overall quality improvement across all aspects of an organization. TQM encompasses all activities, from planning and production to customer service, with the ultimate goal of providing maximum customer satisfaction (Heizer, 2017). The implementation of TQM ensures that products or services meet or exceed customer expectations. This includes quality control, process improvement, and product/service innovation (Khalil Dar et al., 2023). The results of this study indicate that TQM has a positive effect on customer satisfaction, meaning that companies that effectively implement total quality management are able to increase customer satisfaction. One of the main principles of TQM is customer focus, which places the needs and expectations of customers as the top priority. By understanding and meeting customer needs, companies can enhance customer satisfaction. Moreover, TQM promotes continuous process improvement, so product defects, service errors, or customer complaints can be minimized (Fernandes & Fernandez, 2022). Additionally, internally, employees are encouraged to contribute to quality improvement. With involved and trained employees, they can provide better service to customers, thereby improving the overall customer experience (Le & Nguyen, 2023).

This aligns with expert theory that emphasizes customer satisfaction occurs when their experiences with products or services exceed expectations. Elements of TQM, such as continuous process improvement, customer focus, and employee involvement, significantly contribute to creating positive customer experiences, which in turn enhance satisfaction levels (Kotler et al., 2021). These findings are consistent with previous research indicating that TQM influences customer satisfaction, meaning the better the implementation of total quality management, the higher the customer satisfaction achieved (Le & Nguyen, 2023). This is also supported by findings (Kamaruddin et al., 2021; Suyono et al., 2020). that TQM principles effectively enhance customer satisfaction, especially in a challenging and technology-oriented global business environment.

The implementation of TQM is an important factor in efforts to increase customer satisfaction. It includes the company's efforts to build long-term relationships with customers through effective communication, after-sales service, and responsiveness to customer feedback. This strengthens customer loyalty and satisfaction (Owusu-Kyei et al., 2023). Overall, by applying TQM principles, organizations can improve operational efficiency, reduce costs, and increase the value perceived by customers. All of these directly contribute to enhanced customer satisfaction (Adhinata et al., 2023; Aprilyanti & Pattyranie, 2024).

The Impact of Service Quality (SERVQUAL) on Customer Satisfaction

The results of the study indicate that service quality (SERVQUAL) does not have a significant effect on customer satisfaction. In this study, service quality is not the main factor that leads customers to feel satisfied with the offered product. While service quality is considered important in creating customer satisfaction, if one of the service dimensions is not met adequately or if customers have expectations that differ from what the company provides, service quality may not have a significant impact on customer satisfaction (Shi & Shang, 2020).

SERVQUAL focuses on the gap between customer expectations and their perceptions of the service they receive. If customer expectations are unrealistic or vary greatly, SERVQUAL measurements may not accurately reflect actual customer satisfaction. Customer expectations are highly subjective and can be influenced by various factors such as culture, past experiences, and specific situations. This makes SERVQUAL results not always reflective of actual satisfaction (Owusu-Kyei et al., 2023). In certain situations, non-service factors such as price, product quality, or even brand, may have a greater influence on customer satisfaction

than service quality. This aligns with expert theory that explains how price sensitivity plays a crucial role in increasing customer satisfaction, meaning the price customers pay is directly proportional to the service and quality they receive (Batra & Keller, 2016).

The findings of this study suggest that customers may place more focus on other aspects, such as product quality (which is linked to TQM), rather than on service quality. This could occur in certain industries where customers prioritize the end result over the interaction process. Service may be perceived as a "standard" or minimum requirement that the organization must provide. If customers already perceive a certain service as something ordinary and not extraordinary, then service quality will not have a significant impact on their satisfaction (Owusu-Kyei et al., 2023). SERVQUAL will only have a significant effect on customer satisfaction if it meets or exceeds customer expectations. If customer expectations are high but the actual service quality falls short, then service quality will not have a significant impact. Additionally, Kotler and Keller (2021) emphasize that customer satisfaction is a combination of several factors, including product quality, price, and service interactions.

Therefore, the findings of this study contradict previous research that showed SERVQUAL influences customer satisfaction, especially for customers who focus on expectations and perceptions of a product's service. This study instead shows that the Netflix customers involved in the research are not focused on the gap between expectations and perceptions, which do not always reflect reality.

The Impact of Total Quality Management (TQM) and Service Quality (SERVQUAL) on Customer Satisfaction

Total Quality Management (TQM) and SERVQUAL are two approaches that play a crucial role in enhancing customer satisfaction. When applied together, they create a synergy that strengthens an organization's ability to meet and even exceed customer expectations. TQM focuses on improving quality across all aspects of the organization, including internal processes, employee involvement, and the final product or service outcomes. TQM fosters a culture within the organization that encourages continuous improvement, ensuring that quality is ingrained in every activity. This approach enables organizations to achieve high efficiency and reduce defects, delivering consistent services to customers (Le & Nguyen, 2023). On the other hand, SERVQUAL offers a framework for understanding how customers evaluate the service quality they receive. SERVQUAL identifies the gap between customer expectations and their perceptions of the actual service. It is effective in measuring aspects that directly impact customer satisfaction, such as staff friendliness, response speed, and the quality of physical facilities. This data serves as a basis for companies to adjust and improve their services to better meet customer needs (Anh & Thanh, 2022).

When TQM and SERVQUAL are applied together, they create a complementary impact. TQM ensures that internal operational processes run optimally, resulting in high-quality services, while SERVQUAL helps identify and understand customers' specific needs. This combination provides dual benefits for the organization. TQM lays the foundation for internal quality, while SERVQUAL helps the company align that quality with customer perceptions. The result is service that is not only of high quality but also relevant to customer expectations. This positive effect not only increases customer satisfaction but also strengthens their loyalty. Satisfied customers are more likely to return, recommend the service to others, and create a positive image for the organization in the market (Owusu-Kyei et al., 2023).

Additionally, the combination of TQM and SERVQUAL also drives continuous innovation. By integrating SERVQUAL data into the TQM framework, organizations can identify specific areas for improvement and focus on enhancing the most important aspects for customers. For example, when SERVQUAL analysis indicates that customers feel the service is not responsive enough, the organization can develop specialized training for staff to respond

more quickly to customer needs. This creates better services while also fostering an organizational culture that adapts to changing market demands. TQM and SERVQUAL form a powerful combination to improve customer satisfaction. TQM ensures that the organization's operational quality continues to improve, while SERVQUAL provides direct insights from the customer's perspective. As a result, the company can achieve internal efficiency, meet customer expectations, and build long-term mutually beneficial relationships.

CONCLUSION

Based on the research findings, it can be concluded that:
1. Total Quality Management (TQM) has a positive impact on customer satisfaction due to its focus on customer needs, continuous improvement, and employee involvement.
2. Service Quality (SERVQUAL) does not have a significant impact on customer satisfaction, as customers are more focused on product quality and non-service factors such as price.
3. TQM and SERVQUAL, when combined, have an impact on customer satisfaction, with TQM providing the foundation for internal quality and SERVQUAL aligning services with customer expectations.

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