

Analysis of Customer's Satisfaction on the Quality of Expedition Service as a Way of Improving Customer's Competitiveness through Servqual and IPA Method:

(A Case Study at Pt. Komando Global Express)

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Abstract:- Komando Global Express is an expedition service company with two criteria of customers, i.e., corporate and retail customer. This research focuses on the issue regarding the corporate customer of the company. Despite an increase in the number of the corporate customer, it is revealed that the corporation using the service of Komando Global Express does not remain the same for five semesters. The data of the retail customers are not that detailed due to unclear cooperation contract between the company and the customers. The problem of corporate customers is worthy of investigation using Service Quality (Servqual) and Important Performance Analysis (IPA) method. The result shows that the level of customer's satisfaction on the service of Komando Global Express is of high category. However, this does not ensure the competitiveness of the company. Such an issue blames the lack of 12 attributes of the quality of services. Improvement of these attributes is crucial, especially the aspect of responsiveness and assurance, while the sustainability of the other six attributes related to the tangibility, reliability and empathy need to be maintained.

Keywords:- Quality, Service, Competitiveness, Servqual, IPA.

I. INTRODUCTION

Komando Global Express is a part of KOMANDO GROUP, an expedition service company. As one of the largest companies in East Jakarta with a number of branches throughout Indonesia, Komando Global Express is well-known for its facilities and infrastructures supported with young and experienced professional. This 3-year-old company serves goods and document shipping services and is competent to become one of the best companies in Indonesia.

The customers of the company are corporate and retail customer. Corporate customer refers to an institution or individual as a user of the logistical service by Komando Global Express with a contract system for a certain period of time, while the retail customer is those without the contract system. Komando Global Express has signed a contract with seven corporations in the semester I in 2017.

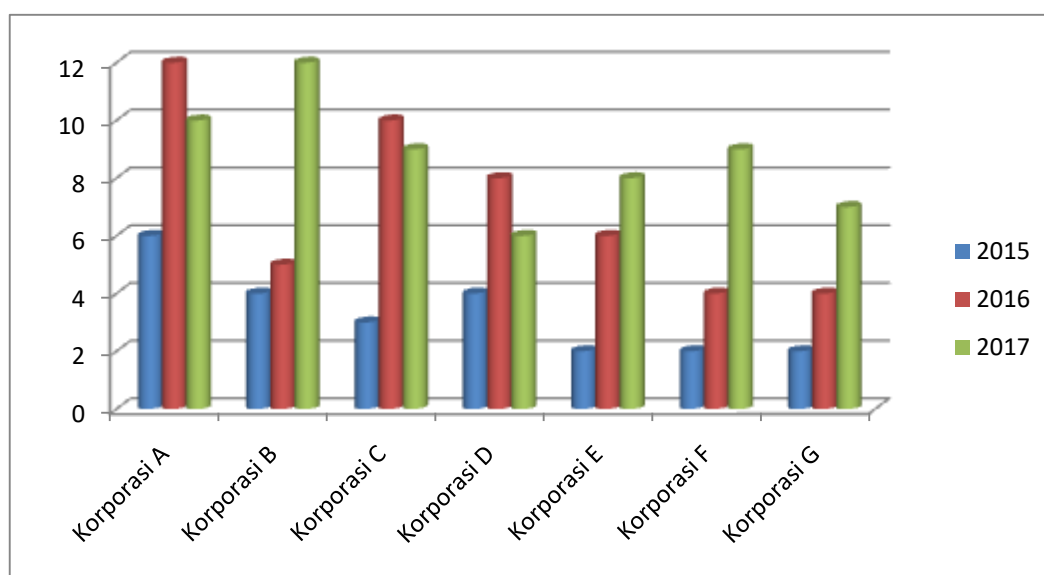


Fig 1:- Corporate Customers of the Expedition Service (Source: Komando Globalindo Express, 2018)

There has been an increase in the number of corporate customers in the recent two years. However, the graph reveals that these customers are less loyal to Komando Global Express as the customers are changing. This blames the issue of customer's satisfaction regarding the service provided by the company. Such an issue is worth investigating by implementing Servqual method while the proposed solutions are made using the IPA diagram.

Customer's satisfaction is regarded as the core objective of any businesses (Tjiptono, 2008), including shipping services. Services that meet the expectation of a customer are defined as the satisfaction to the services (Parasuraman *et al.*, 1988). Customer's satisfaction is determined by the service's quality, meaning that the satisfaction is achieved if the service satisfies the needs of the customers or even more than what the customers expected. A service provider always endeavors to enhance its quality and performance since the customer's satisfaction is central to the loyalty of the customer (Fecikova, 2004). The satisfaction and loyalty of the customer are able to influence people to keep using a company's services and to contribute to the market share of the company (Hansemark dan Albinsson, 2004).

Generally, the term customer's loyalty is used in describing a condition where a customer does not mind with the price change. This customer remains to buy the products or use any services from the same company; other companies or service providers are unable to influence such a customer as well (Zineldin, 2006). A customer achieves satisfaction if the product or service meets his or her needs at an affordable price. As a result, the customer will buy the product or use the service from the same company. This decision-making in purchasing a product or using a service does not end during the transaction; it even contributes in the later process after the purchasing. At this point, once the customer achieves satisfaction, he or she remains loyal in using the service or purchasing the product by the same company.

Komando Global Express is an expedition service company with two criteria of customers, i.e., corporate and retail customer. However, the company faces an issue regarding its corporate customers. Despite an increase in the number of the corporate customer, it is revealed that the corporation using the service of Komando Global Express does not remain the same for five semesters. The data of the retail customers are not that detailed due to unclear cooperation contract between the company and the customers.

➤ *Problem Statement*

From the above discussion, the problem statement of this research is as follows:

How to improve the competitiveness of the customer's satisfaction regarding the quality of services by Komando Global Express and its impact on the customer's loyalty?

➤ *Objective of Research*

The objectives of this research are twofold:

- To analyze the level of customer's satisfaction towards the service by Komando Global Express.
- To decide alternatives in improving the quality of the service that meets the needs of customers.

➤ *Research Methodology*

This quantitative research employed Servqual and IPA method. The design of this research is explorative and descriptive. The use of descriptive method enables to explore the phenomenon of the quality of services. Identifying services that the customers expect was carried out using the Servqual method. The explorative method was used to explain the gap between the expected quality and the reality of the quality of services defined by the customers. This is to identify the advantages and lacks the services by Komando Global Express.

The sample involved corporate customers of Komando Global Express. As many as eight respondents were selected as the sample from each corporation; the total respondents are 56 people. The respondent here refers to the employee of the corporation who is responsible for managing the logistic shipping or expedition, either as the sender or the receiver of the goods shipped using the service by Komando Global Express.

➤ *Customer's Satisfaction*

The perception of the quality of the service was measured using a questionnaire adapted from the SERVQUAL instrument (Parasuraman *et al.*, 1988). Likert scale format (1-5) was used to measure the importance and perception of the quality of services discussed within this research. The recapitulation of the score describing the perception regarding the quality of the service is displayed on several scales (Steers, 1993). The category is as follows:

- 20 – 40 Low satisfaction
- 41 – 79 Moderate satisfaction
- 80 – 100 Highly satisfied

The total sum of the score was divided by the number of the respondents to identify the level of satisfaction in average (Steers, 1993). The result of the calculation reaches 4660 with a total of 56 respondents. The total score from dividing these two values reaches 83.21, falls under the highly satisfied category.

➤ *Importance and Perception of the Quality of Service*

The assessment of the attribute of each aspect was done using a Likert scale (score ranges from 1-5). The result of the calculation is provided in the following table.

Service's Quality	Expectation		Reality		Deviation
	Total Average	Standard Deviation (SD)	Total Average	Standard Deviation (SD)	
Tangible	4.1071	0.22792	4.0045	0.25889	0.10268
Reliability	4.2250	0.33262	3.7643	0.31243	0.46071
Responsiveness	4.2321	0.32283	3.7054	0.29040	0.52679
Assurance	4.2277	0.35122	3.6875	0.37004	0.54018
Empathy	4.2321	0.34699	3.7607	0.36065	0.47143
Total	4.2048	0.25872	3.7845	0.22256	0.42036

Table 1:- Average Score of the Respondent's Perception

The above table shows that all aspects of the quality of service are below the expected criteria. All in all, the result reveals that the respondents are dissatisfied with the service by the performance and services of Komando Global Express. This is due to the fact that the real services do not meet the expectation of the customers with the difference in the average score of 0.42 (from the Likert scale 1-5).

The aspect of responsiveness and empathy are in the first order of the average of the importance or the expectation of the customers regarding the services by Komando Global Express. Following these aspects, i.e., that the customers concern the most, are assurance and reliability. Tangibility is the aspects that the customer least consider.

The gap between the aspect of the expected service's quality and the perceived service's quality is the indication of the level of satisfaction in the Likert scale 1-5. The aspect of *assurance* is the one that falls below the satisfied quality

with the difference of 0.54; it is followed by several components, e.g., responsiveness with the value 0.53, empathy with the value 0.47, and reliability with the value 0.46. The lowest difference is in the aspect of *tangibility* with 0.10.

➤ Importance-Performance Analysis (IPA)

Importance-Performance Analysis, henceforth called IPA, was carried out to identify the competitiveness of Komando Global Express. This analysis aims to rank 1) the aspect of the quality of services that the customers consider it important, and 2) the customer's perception regarding the quality of services of Komando Global Express. Each attribute is classified into four quadrants. This analysis was done to explore each attribute of the aspect of quality in detail. It is intended to examine the detail of the improvement that should be made by Komando Global Express to elevate its competitiveness.

Attribute	Description	Average of Importance	Average of Performance	Quadrant
1.	The facilities are up-to-date	4.04	4.09	D
2.	Physical facilities are appealing	4.12	4.13	D
3.	Employees are well dressed	4.04	3.89	D
4.	Physical facilities are well-maintained	4.23	3.91	B
5.	Services are provided accordingly	4.18	3.75	C
6.	Package weighing and shipping route and distance are in accordance with calculated costs	4.21	3.79	B
7.	Preparation of the service is made accordingly	4.21	3.79	B
8.	Providing quality services from the beginning	4.25	3.79	B
9.	Ensuring the accuracy of the data	4.27	3.71	A
10.	The employees ensure that the package will arrive at the destination	4.21	3.66	A
11.	The employees are responsive	4.21	3.54	A
12.	The employees are well-prepared in responding to the customers' needs	4.27	3.91	A
13.	The employees are responsive to the customer's complaints	4.23	3.71	A
14.	The employees are able to convince the customers	4.21	3.66	A
15.	The customers are guaranteed safety shipping	4.25	3.68	A
16.	Employees act politely in responding the customers	4.23	3.63	A
17.	Employees are able to explain the types of shipping or delivery service	4.21	3.79	B
18.	Providing immediate response to every complaint	4.23	3.77	A
19.	The office hours are set accordingly to satisfy the customer's needs	4.23	3.77	A
20.	Noticing the customers regarding the delay of the shipping or delivery	4.23	3.79	B
21.	Understanding the needs of the customers	4.25	3.77	A
22.	The availability to contact the customer service	4.21	3.71	A
	Total	4.20	3.78	-

Table 2:- The IPA of the Quality of the Service by Komando Global Express

Below is a Cartesian diagram explaining the way each attribute influences the customer’s needs according to its quadrant:

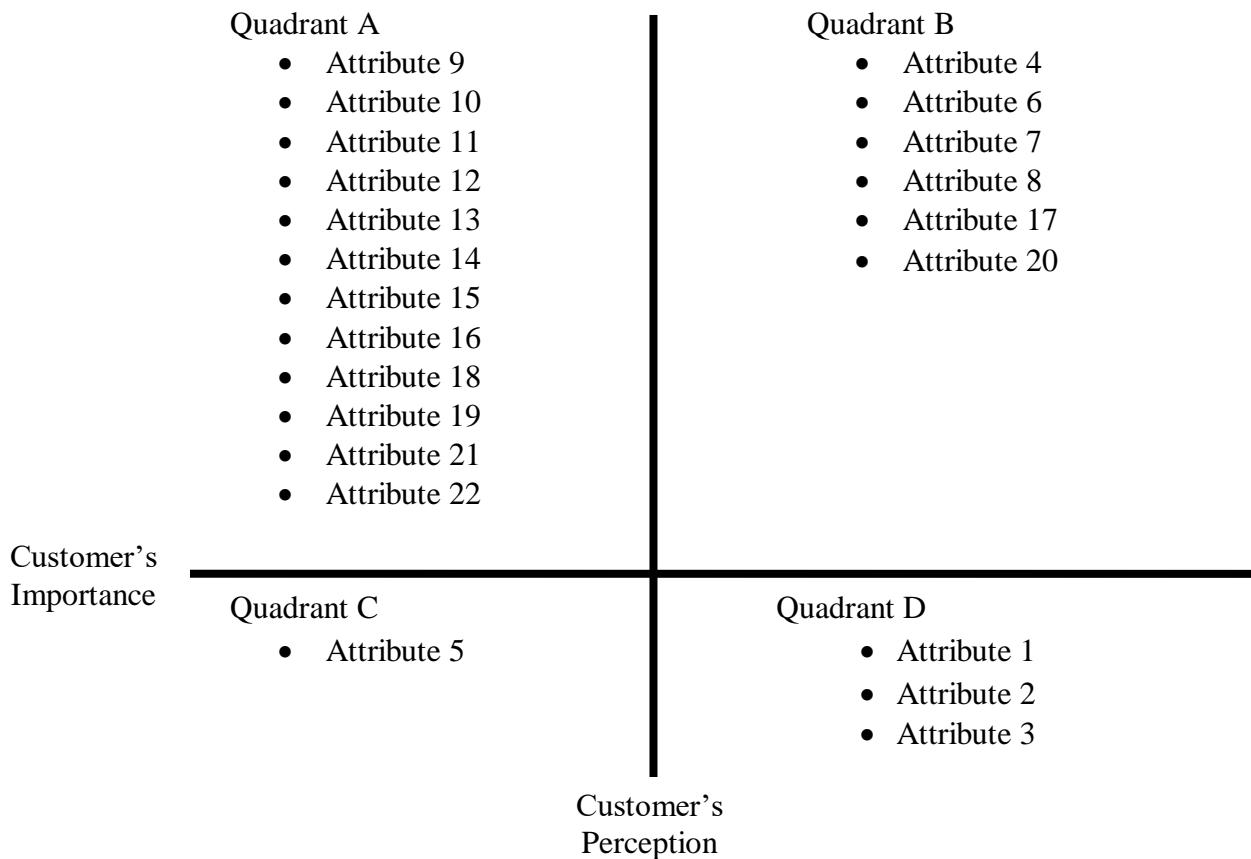


Fig 2

The above diagram reveals three items within quadrant D; these comprise every attribute of the aspect of tangibility, i.e., modern and appealing physical facilities, as well as the neatness of the employees. The company expects that the employees are able to keep the workplace clean and neat. This is to attract more customers to use the delivery service by Komando Global Express. However, it seems that the customers do not count such an issue in the shipping and delivery service.

In quadrant C is only one attribute that the customers and the company do not really concern. This refers to attribute number 5 related to the aspect of reliability.

According to the above diagram, quadrant A indicates the level of importance of the product or service attributes that the customers concern the most. These attributes, however, are not effectively implemented resulting in customer dissatisfaction. The company is urged to prioritize and improve the attributes within quadrant A to ensure the satisfaction of customers. There 12 attributes in Quadrant A consisting of one attribute describing reliability aspect, four attributes describing *responsiveness* aspect, four attributes describing *assurance* and three attributes describing *empathy*.

In quadrant B, there are six attributes that are successfully implemented by Komando Global Express.

Such an achievement should be maintained as it satisfies the needs of the customers. The attributes comprise one attribute describing the tangibility aspect, three attributes describing the *reliability* aspect, and two attributes describing *empathy*.

➤ *The Result of IPA: Suggestions for Improving the Competitiveness of Komando Global Express*

The overall expedition services by Komando Global Express have satisfied the customer’s needs since the score, based on the Steers scale, regarding the customer’s perception towards the service falls under highly satisfied category (83.21). However, such a result does not ensure the competitiveness of the company due to the gap between the expected service and the perception of the real service by the company.

Each company attempts to offer products that are different and unique with other companies (Kotler, 2003). The differences emphasize the superiority of the product where it meets the needs of the customers. Improvement is required to fill the gap between the customer’s interest and the perception of the management regarding such an interest.

The performance of the company in ensuring the accuracy of the written data of the delivery service (attribute 9) is the one that should be improved in the aspect of reliability. This issue is crucial in every expedition or

delivery service as it determines the whole performances of the service. The customer service of the company is the one who is responsible for the problem. The lack of the employee with this responsibility refers to attribute 10, i.e., explaining the information regarding the duration of the delivery or shipment.

Customer service is demanded to immediately respond to the needs (attribute 12) and complaints (attribute 13) of the customer; this requires quality communication media (attribute 22). Other employees are also required to provide fast responses (attribute 11) in some services, e.g., packaging and picking up the package.

The gap between the interest and perception of the quality of service refers to the responsiveness and assurance aspect. Four attributes within the aspect of responsiveness and assurance are the ones that need to be improved by Komando Global Express to enhance its competitiveness. Responsiveness refers to the capability of the employees in assisting the customers through responsive services. Assurance is the way the employees foster the trust of the customers to the company by which it promotes security for the customers. This term also describes the attitude, behavior and the insight of the employees.

The improvement emphasizes the response in communicating with the customers. Quality communication demands a quality information system where it assists the employees in describing the types of service (attribute 17), and it enhances their performance to meet the customer's needs (attribute 21).

Leonard L. Berry, 1995 (as cited in Tjiptono, 2008) suggests that improving information system is among the efforts to minimize the gap between the needs of the customers and the management of the company. Effective information systems of service have several advantages. It functions to inform the customers' expectations, identify various shortcomings in company services, guide the allocation of company resources in improving service quality, enable companies to monitor service quality of competitors, provide feedback on efforts in improving service quality and provide quality benchmark alternatives service.

The employees are able to convince the customers (attribute 14) and the customers are guaranteed safety shipping by the service of Komando Global Express (attribute 15). Improving the attitude of the employees is essential to building good communication with the customers as it correlates with attribute 16. Another attribute that needs improvement is the setting of office hours to satisfy the customer's needs (attribute 19).

There are six attributes, based on three aspects of the quality of services that should be maintained by Komando Global Express to promote its competitiveness. Tangibility aspect is represented by attribute 4, while the reliability aspect is represented by attribute 6, 7 and 8, i.e., package

weighing and shipping route and distance are in accordance with calculated costs, the preparation that is made accordingly, and providing quality services from the beginning. The attribute of empathy is reflected from aspect 18 and 20, i.e., providing immediate response to every complaint and noticing the customers regarding the delay of the expedition.

II. CONCLUSION

- It is revealed that the level of customer's satisfaction on the service of Komando Global Express is of high category. However, this does not ensure the competitiveness of the company.
- Such an issue blames the lack of 12 attributes of the quality of services. Improvement of these attributes is crucial, especially the aspect of responsiveness and assurance, while the sustainability of the other six attributes related to the tangibility, reliability and empathy need to be maintained.

RECOMMENDATIONS

Improving communication quality with customers is essential to the aspect of responsiveness. This also enhances the assurance aspect and the competitiveness of the company.

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