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THE USE OF IPA IN BRICKS AND CLICKS SERVICE QUALITY (LESSON LEARNED FROM ICT SHOP)

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Abstract

The globalization and the speed of internet technology make the business environment change dramatically. By using internet technology, retail business can have more than one channel or in other words they have two channel distribution strategies, bricks and clicks shop. Previous study of clicks retail business failures stated that consumers noted service quality problems as the most frequently stated problem [2-4]. This study will highlight the gap between bricks and clicks service quality in technology shop. By using purposive sampling for this survey, there are 40 respondents in this research. The survey will be analyzed by using importance-performance analysis (IPA). There will be two questionnaires, SERVQUAL and E-S-QUAL. The result of this research is discussed.

I. Introduction

1 The speed of technology makes the business environment change

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dramatically. Competition in retail business is also influenced by the progress of internet technology. By using internet technology, retail business can have more than one channel or in other words they have two channel distribution strategies, bricks and clicks shop. Yet a lot of the research pertains to the domain of brick-and-mortar retailers, even as the emergence of pure online play and bricks-and-clicks retailers has grown steadily in the past decade [1].

Basically, retail business developed their clicks channel by using website. With their website, retail business may also utilize not only for transaction but also advertising and managing their customer relationship. Because of this reason, the retail business should manage not only their service quality in bricks channel but also clicks channel for their service quality. Service quality has been shown to promote customer loyalty and retention, which is important to any retailer, including online retailers [2].

Previous study of clicks retail business failures stated that consumers noted service quality problems as the most frequently stated problem [2-4]. Although consumers are concerned about website interactivity, the main concern for consumers is the delivery of the desired product or service [5, 6]. This study will highlight the gap between bricks and clicks service quality in technology shop. By getting to know the gap, the company can do several evaluations with their strategy to sustain and grow their business.

II. Literature Review

Bricks and clicks (aka clicks and bricks, click and mortar, or bricks, clicks and flips) is a business model by which a company integrates both offline (bricks) and online (clicks) presences, sometimes with the third extra flips (physical catalogs). For example, an electronics store may allow the user to order online and delivery to their customer with promising day.

Basically, bricks and clicks model has been used by retailers to extend their logistics and supply chains. The reason for their implementation is, because it is far easier for a retailer to establish an online presence than it is for a start-up company to employ a successful pure play strategy, or for an online retailer to establish a brick store.

There are several advantages in the areas of existing products and services for click and mortar firms. Following item is the advantage: core competency. Successful shop will continue their growth by planning to have more than one core competency. It can develop new product or service. By extension their business goes online; the company can intensively and extensively use this core competency, existing supplier networks. It is easier to manage supplier relationship of trust and to ensure delivery and stock, brand. By going online, the existing firms have invested in brand advertising with reasonable cost. Keep customer and acquire new customers. With this strategy, the firm not only serves their customers but also acquire new customers.

Gap analysis is discrepancy between expectations obtained by the perception that involves part of management, employees, and customers [7]. According to [7], there are five types of gap analysis that are using in service quality gap analysis. Service gap, which indicates the difference between the expectations between the desires to be desired by the customer to the circumstances that they have accepted now. Knowledge gap is desired by the customer expectation and hope that desired by the management company. Standard gap is the disparity between the perception of the management company and customers, the question here is: where the standard of delivery standards is? Delivery gap is the desired perception of the company to the customer with the actual circumstances that have occurred in the company. Communication gap is the discrepancy between customers with communications that are or were owned by the company, in this case is to deliver accurate, precise and clear to customers about the products or services offered.

According to [7], the first step that needs to be done to define service quality is customer satisfaction which distinguishes it as both relate to each other, where customer satisfaction is measured for short-term and based on transaction-specific, whereas service quality is formed by the behavior of the overall evaluation of the performance in the long run. So to conclude, any activities between companies and customers will lead to customer satisfaction which, if added constantly, will be a perception about the service quality of the company.

According to [8], traditional service quality refers to the quality and experience of the relationship between non-customers with internet-based companies. Measurement tool that can be used in traditional service quality is SERVQUAL which has dimensions which are: tangibles: display the physical form of facilities, equipment, personnel, and communication materials; reliability: the ability to realize the promises that have been made by a company or business unit in question accurately; responsiveness: has the ability to assist customers and provide services; assurance: knowledge and information from the employee that can boost your confidence and trust of customers; and empathy: keeps, gives individual attention to each customer.

Service quality to increase customer satisfaction and loyalty in a traditional business can be done using SERVQUAL [7]. According to [8], can be used E-S-QUAL (electronic service quality) to measure the service quality provided by the websites to customers who shop online. In the studies that have been done, there are two important measurements for capturing electronic service quality, namely: E-S-QUAL and E-Recs-QUAL.

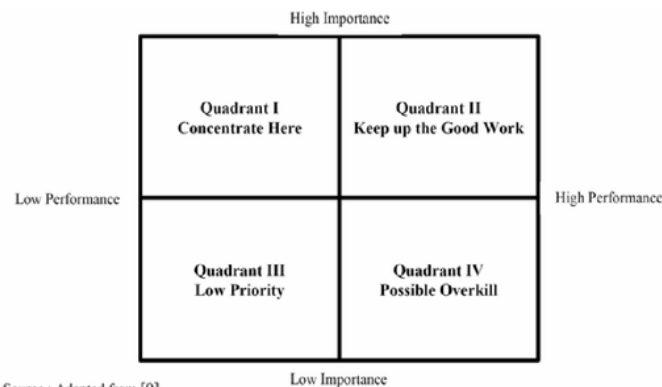
Dimensions that exist in E-S-QUAL are a major dimension of the electronic service quality. The dimensions are: efficiency: the ease and speed of accessing and using the website; fulfillment: fulfillment of orders and availability of goods in accordance with the promised; system availability: technical functions corresponding to the website; and privacy: refers to the security and protection of customer information on the website.

E-Recs-QUAL: E-Recs-QUAL are e-recovery service quality that is intended only for customers who have no routine interaction with websites such as, e.g., for returns, warranty, or other problems. Dimensions that exist in the E-Recs-QUAL are: responsiveness: the level of effectiveness in handling problems and returns through the website; compensation: refers to the compensation provided through the website above problems faced by customers; and contact: availability features help through online or phone features.

III. Research Method

By using purposive sampling for this survey, there are 40 respondents in this research. The selection was made from customers that make a transaction in brick and click shop. The survey will be analyzed by using importance-performance analysis (IPA). There will be two questionnaires: SERVQUAL and E-S-QUAL. SERVQUAL questionnaire contains 16 questions related to the perception of the quality of service received by the customer directly. Dimensions contained in the SERVQUAL are: tangibles, reliability, responsiveness, assurance, and empathy. E-S-QUAL questionnaire contains 16 questions related to the perception of the quality of service received by customers who interact online. Dimensions contained in the E-S-QUAL are: efficiency, system availability, fulfillment, privacy, responsiveness, compensation, and contact.

Importance-performance analysis (IPA) is an evaluation tool to analyze the gap between importance and performance. IPA evaluation tool is used to prescribe the prioritization of attributes for improvement and guidance for strategy [9]. The two dimensional IPA model is divided into four quadrants with performance on the x-axis and importance on the y-axis. As a result of this, four quadrants called concentrate here, keep up the good work, low priority and possible overkill. An example of IPA grid is shown in Figure 1.



Source : Adapted from [9].

Figure 1. The IPA framework.

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- Quadrant I (high importance, low performance) is namely concentrate here. Attributes that fall into this quadrant represent the key areas that need to be improved with top priority.

- Quadrant II (high importance, high performance) is namely keep up the good work. All attributes that fall into this quadrant are the strength of the organization and should be maintained to achieve continuous improvement.

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- Quadrant III (low importance, low performance) is namely low priority. Any of the attributes that fall into this quadrant are not really important and pose no threat to the organizations.

- Quadrant IV (low importance, high performance) is namely possible overkill. This attribute denotes that are overly emphasized by the organizations; therefore, organizations should reflect on these attributes, instead of continuing to focus in this quadrant, organizations should allocate more resources to deal with attributes that reside in Quadrant I.

IV. Research Finding

Based on 40 respondents that are filled in the questionnaires, the result is analyzed by calculating the difference between the average value of the importance and value of the average performance of the same factors. The ideal gap value is 100%, which means that the service provided meets customer expectations. As seen in Table 1, the table is describing the result of gap from SERVQUAL measurement indicators.

From the result, it can be seen that “stores accept payment by cash, debit cards and credit cards” is highest, with the value is 94%. This means that the stores provide several methods of payment in brick shop. This service is very important for customer and the shop can provide the service very well. That is why the result is highest.

The lowest value gap in this survey is “no need to queue long to make transactions or customer service”, the value is 52%. It means that customer is not comfortable with the services in terms of transactions or when the customer needs to do consultation with customer service. This can be

assumed that the staff that serves the customer is less than customer who wants to do transaction or consult with customer service. And the rest of measurement indicators are in the mid gap. The details of measurement indicators can be seen in Table 1.

Table 1. Gap result from SERVQUAL measurement indicators

SERVQUAL	Measurement indicators	Importance	Performance	Gap
Tangible	Store layout and easy to reach (1)	4.78	3.85	81%
	Store atmosphere clean, comfortable, and well maintained (2)	4.78	3.5	73%
	The store has modern facilities and useful (3)	4.75	3.83	81%
	Neat arrangement of goods display and easy viewing (4)	4.85	4.1	85%
	Employees neat and clean appearance (5)	4.55	3.73	82%
	Stores accept payment by cash, debit cards, and credit cards (6)	4.95	4.63	94%
Reliability	Goods sold are comprehensive (7)	4.85	3.53	73%
	Promised quality product as expected (8)	4.9	3.6	73%
	Price of a given product in accordance with the quality of its products (9)	4.98	4.08	82%
Responsiveness	No need to queue long to make transactions or customer service (10)	4.9	2.55	52%
	Employees provide services to the fast and responsive (11)	4.95	3.08	62%
	The cashier can serve payments quickly (12)	4.93	3.68	75%
Assurance	Employee master information about products sold well (13)	4.95	3.58	72%
	Information provided by employees assist in the purchase consideration (14)	4.8	3.6	75%
Empathy	Employees serving with friendly and courteous (15)	4.88	3.53	72%
	Asking employees to offer more help (16)	4.6	3.73	81%

From Table 2, the highest value gap is “website shows the number of companies that can be contacted by phone”, with value 99%. In this result, it can be concluded that service quality through website that the company provided, especially in terms for contact, is very satisfying to the customers. Information about companies is important according to customer and the company can provide the expectation. But there is problem with “information available stock as displayed on website”, the value is the lowest 50%. With this result, it can be concluded that the information that is displayed in website is not up-to-date, especially information about stock of the product. So the company should be aware about this matter, this is critical problem when the customer wants to buy the product but stock information with stock in warehouse is not up-to-date. And the impact of this will make the sales turn down.

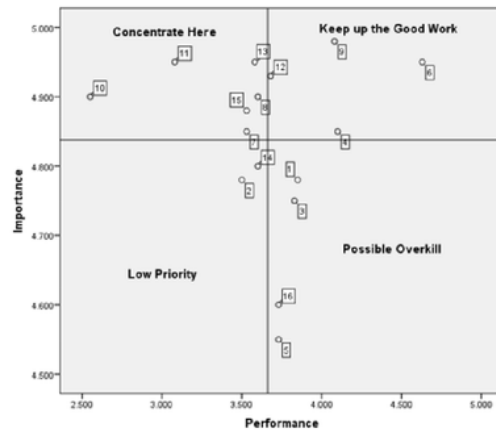


Figure 2. The IPA result for SERVQUAL.

Based on Figure 2, there are 4 quadrants and each quadrant has different meaning and strategy. The company should pay attention to the items that fall into concentrate here. The items are goods sold are comprehensive, promised quality product as expected, employees provide services to the fast and responsive, the cashier can serve payment quickly, employees master information about products sold well, and employees serving friendly and with courteousness. So, the company should be improved to achieve the items to quadrant keep up the good work.

Table 2. Importance-performance analysis result from E-S-QUAL measurement indicators

E-S-QUAL	Measurement indicators	Importance	Performance	Gap
Efficiency	View website neatly arranged (1)	4.73	2.73	58%
	Categorization of products on my website makes it easy to find the products I need (2)	4.93	2.45	50%
	Navigation/link that allows me to browse through the information (3)	4.8	3.08	64%
	Information displayed neatly and well regulated (4)	4.83	2.73	57%
	Shopping online can be done easily and quickly (5)	4.93	3.43	70%
	Website storing my personal data and addresses to be used on the next transaction (6)	4.73	2.5	53%
System availability	Websites can always be accessible and available whenever required (7)	4.6	3.98	87%
	Website and product information is easily found through search engines (8)	4.7	3.4	72%
	Fulfillment	Information available stock as displayed on website (9)	5	2.48
Orders according to the delivery time promised (10)		5	4.13	83%
Website validate the items that I ordered online (11)		5	4.25	85%
Privacy		My personal information is not shared with any other website (12)	4.4	4.3
Responsiveness	Website provide information if I order or transaction cannot be processed (13)	4.95	3.38	68%
Compensation	No compensation was given if the order did not arrive on time (14)	4.63	2.6	56%
Contact	Website shows the number of companies that can be contacted by phone (15)	4.95	4.9	99%
	Websites featuring online customer service can be contacted and responded well (16)	4.95	3.7	75%

There are 2 items that company does not need to push their efforts, because the items are low importance and low performance. The items are store atmosphere clean, comfortable, and well maintained and information provided by employees assisting in the purchase consideration. Basically, these two items are already meeting customer expectation.

In possible overkill quadrant, there are store layout and easy to reach, the store has modern facilities and useful, and employees in neat and clean appearance, asking employees to offer more help. In this area, company should reflect on these attributes, instead of continuing to focus in this quadrant, company should allocate more resources to deal with attributes that reside in concentrate here. And lastly, quadrant keep up the good work, consists of neat arrangement of goods display and easy viewing. Stores accept payment by cash, debit cards, and credit cards, price of a given product in accordance with the quality of its products, the cashier can serve payments quickly.

Basically, in this item, companies are required to maintain their performance by sustaining their resources. Figure 3 describes the result of IPA for E-S-QUAL. There are 3 items that company should concentrate here. The items are categorization of products on my website makes it easy to find the products I need, information displayed neatly and well regulated, and information available stock as displayed on website. The company should prepare extra resources to maximize their performance. In quadrant possible overkill, there are 3 items that company should not focus in this area. The items are websites can always be accessible and available whenever required, website and product information is easily found through search engines, and my personal information is not shared with any other website. And the last 2 quadrants are low priority quadrant and keep up the good work quadrant. For low priority quadrant, the items viewed are website neatly arranged, navigation/link that allows us to browse through the information, website storing our personal data and addresses to be used on the next transaction, no compensation was given if the order did not arrive on time. And lastly, items in keep up the good work quadrant are not really needed to pay attention for the company. Because, basically company only needed to maintain its performance in this area.

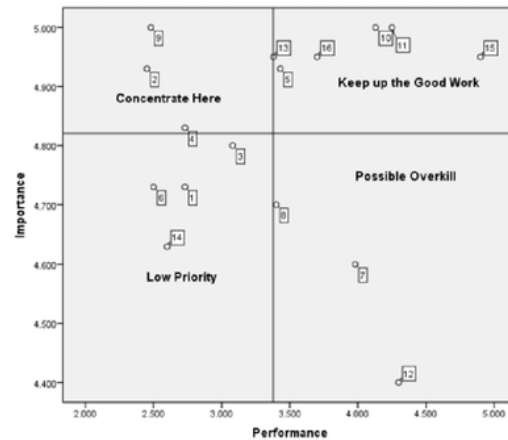


Figure 3. The IPA result for E-S-QUAL.

V. Conclusion and Discussion

Based on the result from SERVQUAL and E-S-QUAL, found the problems faced by the company: the website look less neat and easier for customers to search for products and information, absence recording system inventory, order handling store less fast, less than optimal customer service due to lack of skills and limited time, check out the shopping websites are less effective, with the type of customer or partner dealers cannot place an order through the website, and the absence of a membership system for customers.

The problem with speed of service can be minimized by designing more effective process for stores as a queuing system to make it more presentable and better communication systems between the warehouses and counter sales. Other issues should be of concern is the friendliness of employees and product knowledge to customer information, in this case, company must provide training to employees to be better and also increase the ease of customers to access product information through the website, which if the goods are sought after by customers should also be added in order to overcome the problem of the completeness of in-stock items. The stock system records both new items coming into the warehouse and goods out of

the warehouse. Categorization of the product should also be made more structured in order to facilitate customers to search items, as well as setting the presentation of information should be neat with a better website design. Storage of personal data can also be done by making the system so that the member for customers when they are shopping, they enter when registration for the member can be re-used for the transaction. In addition to the above problem, other factors should also be considered for the design of new and better website. The new website should have a neater appearance, easy navigation search, allowing customers to know the status of the order processing, online shopping, and the ease of searching through the search engine websites.

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