# GAP ANALYSIS TOWARDS SERVICE QUALITY IN PT DJASA SUMATERA FINAL PROJECT

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*Abstract. Freight forwarder industry has grown along with Indonesian's needs to distribute products. In order to sustain in the industry, PT Djasa Sumatera has to evaluate its service so that they can improve it. The purpose of the research is to calculate the customer gap of PT. Djasa Sumatera through examination of the service quality dimensions. This study also intends to examine the customer gap and the impact of service quality dimensions toward the degree of customer satisfaction for PT. Djasa Sumatera. This study used quantitative approach by distributing a survey to 50 respondents of the PT Djasa Sumatera's consumer in the first quarter of 2016. The respondents are the person who directly involved with PT Djasa Sumatera. The author adopted service quality dimensions for Business-to-Business to measure reliability, competence, consultative selling, credibility, price, responsiveness, geographical presence and tangibles as the dimension (Westbrook and Peterson, 1998). This study asses the customer expectation and customer perception to calculate the gap score. Findings show that there are gaps for all service dimensions is negative. It means that the delivery service that has been provided by PT Djasa Sumatera is not in accordance to costumer's expectation. The widest gap is credibility, also responsiveness dimensions has the highest expectation than the others. This means PT Djasa Sumatera could focus on these two dimensions to close the gap score. In the chapter five, the author made a recommendation for service improvement that can be pursued by PT Djasa Sumatera*

*Keywords : Service Quality, Business-to-Business, Freight Forwarder*

## Introduction

In accordance with population growth are increasing from year to year led to an increase well as on the needs must be fulfilled. Unwitting to fulfill their needs, a delivery phenomenon for human has become the tradition. Delivery is the act of delivering or distributing something. Delivery problem has become a culture that adverse when the amount of demand is high. The high of demand if accompanied by a bad delivery could cause disappointment that will affect the sales. Indonesia as an archipelago country lead the distribution of a product become wide and difficult. Therefore company that sells goods needs delivery service to fulfill customer demand and increase company's profit. Delivering goods by ship needs container as a shelter of the goods. That is why they need freight forwarder. Freight forwarder is a company that provides service in delivery, transportation and receipt of the goods.

With a large amount of goods demand and wide distribution in Indonesia, there will be an increasing demand of freight forwarder services. Freight forwarder service provider companies have an opportunity to expand their business either from development of their products and offerings the business scope area. The freight forwarder acts as an intermediary between a shipper and various transportation services such as ocean shipping on cargo ships, trucking, expedited shipping by air freight, and moving goods by rail. A freight forwarding service utilizes established relationships with carriers, from air freighters and trucking

companies, to rail freighters and ocean liners, in order to negotiate the best possible price to move shippers' goods along the most economical route by working out various bids and choosing the one that best balances speed, cost, and reliability. Freight forwarders handle the considerable logistics of shipping goods from one international destination to another, a task that would otherwise be a formidable burden for their client. There are a lot of types of products with its own offerings so the competition in freight forwarder service is tight. It will give a lot of advantages if the company knows clearly what factors that make customer satisfy with their product, so the customer will stay with their current service provider PT Djasa Sumatera was established in 1983 and is headquartered in Jakarta. Already served around 150 customers through Indonesia. Supported by more than 300 employees, 20 subsidiaries, and 3 branch offices. PT Djasa Sumatera has expanded their network and services to more than 20 big cities and 40 destination around Indonesia. PT Djasa Sumatera destinations including Sumatera (Medan, Padang, Palembang, Pekanbaru, Batam, Riau), Kalimantan (Balikpapan, Banjarmasin, Tarakan, Pontianak, Berau), Sulawesi (Manado, Makassar, Kendari, Palu) and Papua (Nabire, Sorong, Jayapura, Fak-Fak). PT Djasa Sumatera do prepare the 20" and 40" container to cover the delivery.

Freight forwarder provider has bright future, especially in Indonesia. It makes the competitor's company keep coming with their own specialty. In terms to improve their services to customers, PT Djasa Sumatera wants to know if the services they provided so far already met their customer expectations or not. PT Djasa Sumatera has not ever done the service quality research for their own company. So, to improve themselves and compete in this industry, this research tried to assess, **"What is quality perceived in Business-to-Business of PT Djasa Sumatera?"** Based on the research questions, the purpose of the research is to calculate the customer gap of PT. Djasa Sumatera uses the service quality dimensions. From the problem identification, there are two questions that will be solved through this research, which are: How much the gap between customer expectations and customer perceptions of service quality of PT. Djasa Sumatera?

**Literature Review**

**Service**
Gronroos (2000, p.46) defined service as a process consisting of a series of more or less intangible activities that normally, but not necessarily always, take place in interactions between the customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solutions to customer problems. PT. Djasa Sumatera provide their customer a door-to-door service with full container load cargo at the same time guaranteeing shipping costs that fit the customer's budget need. PT. Djasa Sumatera do prepare the 20" and 40" container for the delivery. PT. Djasa Sumatera strategy to achieve and maintain consumers by promoting health, safety and environmental safety throughout company. PT. Djasa Sumatera also provides cost effective and reliable solutions to help consumers reach their goals. PT Djasa Sumatera only delivers dry packaged product which does not require special handling such as air conditioner, fan and mixer like mortar, fresh fish and cold meat. PT. Djasa Sumatera has more than 90 trucks and able to provide 2-8 shipments per month, for each destination. PT. Djasa Sumatera is working closely with consumers, colleagues and third parties to ensure smooth operation. PT Djasa Sumatera is maintaining communication and control through all phases of the journey, including the stuffing, delivery and handling analysis. PT. Djasa Sumatera also provide technical support to the consumers, ensure customer satisfaction in terms of quality, price, maintaining communication and safety.

**Service Characteristic**

Service is not limited to personal services only, the concept of services is wider. Services define in a number of ways, but not a single one is universally accepted. There are 5 major unique characteristics or classification of services in service marketing which are:

a. Perishability

Service cannot behold, stored, saved, returned or resold once it is used. It is difficult to synchronize supply and demand with services. PT.Djasa Sumatera cannot predict the demand that the consumer wants because it depends on the demand from destination place and the factory readiness.

b. Intangibility

Services cannot be seen or tasted, it is difficult for the consumer to measure service value and quality. In freight forwarder, the customer only knows that the delivery service is on time or not, the goods they ask to deliver arrived at the destination safely or not, the amount of the goods are in accordance with the data.

c. Variability

Service is always unique, it is hard to provide each service identically. The freight forwarder company cannot always deliver the goods with same truck, and arrive in the same time, with the same driver and the same price.

d. Inseparably

Service provision and provider are inseparable from the service consumption and consumer. PT. Djasa Sumatera will take the product on their own and delivered it by their own too. So the company will contact directly to the consumer to deliver the consumer goods. The service provision will meet directly with the provider to feel the services.

e. Non-Ownership

The consumer only have an access, but cannot own the service. The freight forwarding's consumer just uses the delivery service but they do not own the company or regulate the service process.

**Service Gaps**

Parasuraman (1998) developed the model gaps. These five gaps are described as:

Gap 1(Customer Gap): The differences in expectations between shippers and carriers. This gap indicates the amount of discrepancy between what service shippers actually expect and the service carriers think shippers expect

Gap 2 (Policy Gap): This gap occurs when management incorrectly translates shipper expectations into service quality specifications.

Gap 3 (Delivery Gap): The third gap is caused when service delivery does not meet service quality specifications. This gap is also found only on the carrier side of the model and represents a breakdown in customer service implementation within the organization. According to Zeithaml, Parasuraman, and Berry, this can be caused by a lack of teamwork (employees and management not working toward a common goal), or confusion surrounding control (who is accountable for quality control).

Gap 4 (Communication Gap): The difference between the service delivered and the external communications from the carrier to the shipper

Gap 5 (Knowledge Gap) :Significant difference between the customers' expectations of the service quality and the quality of service the customer receives. This gap is the direct and indirect result of adverse effects in the four prior gaps in the model. It measures the cumulative impact of the differences in any or all of the first four gaps.

According to Brown and Bond (1995), "the gap model is one of the best received and most valuable contributions to the services literature". The model identifies seven key discrepancies or gaps relating to managerial perceptions of service quality, and tasks associated with service delivery to customers.

Parasuraman et al. (1988) developed a set of 22 items for five dimensions that were used to measure customer's expectation and perception. The model can be used as a tool in various organizations when assessing whether the organization has realistic views on customer expectations and how to increase their quality of service by researching and diminishing these gaps.
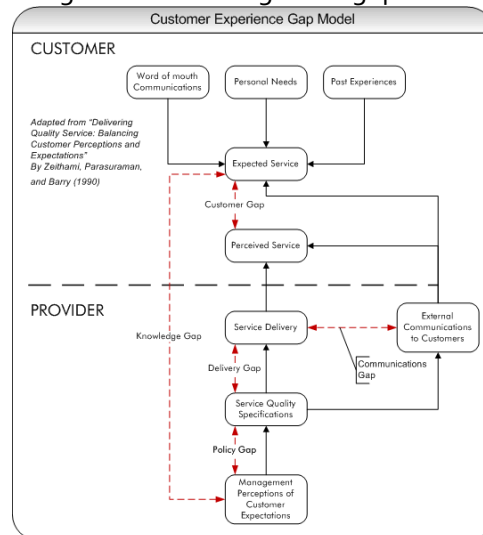


*Figure 1 Customer Experience Gap Model*

### Service Quality

The definitions of service quality vary only in wording but typically involve determining whether perceived service delivery meets, exceeds or fails to meet customer expectations (Cronin and Taylor, 1992; Oliver, 1993; Zeithaml, Berry and Parasuraman, 1993).Service quality can be viewed as the level of service attributes

*Figure 2 SERVQUAL Model by Parasuraman, et al. (1988)*

needed to make the service acceptable and profitable in the market place, thus satisfying the marketers' needs for profitability and economic success. The comparison between perceived service and expectation can be form into ten original components affecting service quality by Parasuraman, Zeitham&

$$\text{SERVQUAL} = \text{Performance} - \text{Expectations}$$

Berry (1985). Then Westbrook and Peterson (1998) interviewed business costumers of risk management services to assess their perception of quality. The researchers brought up with twelve dimensions for perceived service quality in Business-to-Business context:

- Reliability
  Consistency of performance and dependability.
- Responsiveness
  Willingness and readiness to provide service.
- Competence
  Possession of required skills and knowledge to perform this service.

- Access
  Approachability and ease of contact.
- Credibility
  Trustworthiness, believability, honest.
- Interpersonal Skill
  The willingness to communicate and courtesy of the service provider.
- Consultative Selling
  The service provider's ability to embed within the costumer's operation.

- Price
  The monetary allocation in return for service.
- Product Offering
  The amount of services available to the clients.
- Market Clout
  Provider's ability to secure the best service offerings at the lowest prices.
- Geographical Presence
  Being able to offer the services in other distal markets.
- Tangibles
  Tangible support for service delivery.

Jene Lokasthiti (2015) already used six dimensions for her research in PT LAPI ITB, which are Reliability, Responsiveness, Competence, Credibility, Consultative Selling, Prices. Jene chose these six dimensions because it could support service quality in her business-to-business research in consultancy and training company.

## Dimensions
Based on the adjustment of dimensions that can represents service quality in business context there are several that can be used as measurement scale. Based on determinant of Westbrook and Peterson (1998) this are dimensions and items used in this research that can support service quality research in Business-to-Business context. This study adopts Jene Lokasthiti (2015) and framework to PT Djasa Sumatera service:
- Reliability
Defined as "Delivering the promised performance dependably and accurately" (Schneider & White, 2004) for example the company can take and deliver the goods on time. The consumer can get the consistency of the delivery quality, so the consumer will feel the PT Djasa Sumatera's dependability.
- Competence
Defined as "possession of required skill and knowledge to perform the service" for example the driver have to had General B2 driving license to drive the truck and the company have delivery management system that resulted the delivery is on time.
- Consultative Selling
Defined as "Provider's ability to embed within the client's operation" for example the company will know exactly what the consumer's company is. The company know what the consumer need, standard and business process. So, the company will work in accordance to consumer advocacy. For example the company have to fill the goods arrival form from the consumer's website.
- Credibility
Defined as "Trustworthiness, believability, honest" for example the company have good reputation when the consumer's ask others that have used or is using the service.
- Responsiveness
Defined as "Willingness of the organization to provide prompt service and help customers", for example the shipping is arrive on time but the destination is not ready to accommodate the products, so the company will help the consumer to look for the nearer warehouse to keep the products although it is not the company's responsibility.
- Price
Defined as "Monetary allocation in return of service" for example the company set the price too expensive but the consumer's budget is not match with the price or the consumer already agreed with expensive price but the company deliver the goods late. It will make the consumer consider, if the money they have spent is worth it or not.

- Geographical Presence

Defined as "Ability to offer the services in other distal markets" for example the consumers have to send their goods to new location, so could the company cover the consumer's new location or not.

- Tangibles

Defined as "Tangibles support for service delivery" for example the consumer wants their goods being delivered by good truck and container, so it is company's responsibility to provide it to consumer.

## Customer Gap

Based on "Services Marketing: Integral Customer Focus Across the Firm", customer gap is the differences between customer expectation and perceptions. Customer expectation are standard or reference points that customer bring into service experience, while customer perceptions are subjective assessment of actual experience. Rummler in 1987 defined gap analysis as a gap between current performances and expected performances. Gap analysis involves a comparison of how a given function should be performed to achieve an effective implementation and how it is being performed. Customer expectations are standards or reference points that customers bring into service experience and customer perceptions are subjective assessment of actual experience. It is critical to close the gap between standards the consumers bring into their experiences and the consumer's subjective assessment because it will affect the consumer's satisfaction itself. In this research we determine the customer's expectation and perception by eight dimensions: Reliability, Competence, Consultative Selling, Price, Credibility, Responsiveness, Geographical Presence, and Tangibles that will lead to the customer satisfaction.

## Methodology

### Research Design

This research focused to current active consumers of PT. Djasa Sumatera in order to make sure the consumers have already perceived the quality service given. So the research begin with defining research objectives to find out the problem that occurred in the company where the research was done which later become a base of this research and then look for theoretical review to get concepts that pertain with the research. To obtain the pertaining concepts, the researcher look for journals, books, and previous thesis that might help the research. Then, decide the research method, researcher determine the method that will be used for the research. The researcher will determine the sample method, data analysis method, research variable, and questionnaire. After the questionnaire is ready, the researcher will collect the data. This research used quantitative methodology as data collective method, emphasize on objective measurement and numerical analysis of data collected through questionnaires. The interview to PT Djasa Sumatera owner was done to find out the company details like business process, business profile, and consumer's data. Quantitative research also focused on numerical data and generalized it across company. In this research, company that become the main focus of sample were PT. Djasa Sumatera's consumers. Mostly the questionnaire will be spread by email and few of it will be sent personally because of the consideration of PT Djasa Sumatera's owner. The data that already collected than being analyzed by reliability test, validity test and gap analysis. The researcher will use SPSS to test the validity and reliability of this research. The methodology to calculate and analyze the data will be based on gap formula as below:

Gap = Perception – Expectation

The final step is to finding the gap between customer expectation and customer perception. The improvement of service can be from the dimensions that has wide gap.

### Variable in Questionnaire

Adapting research belong to Jene Lokasthiti (2015), the six dimensions had been adjusted into B2B context in Indonesia by research to consultancy and training company, for this research, the researcher

add two more dimensions to support the research from the determinants of Westbrook and Peterson (1998): Geographical Presence and Tangibles. This research use eight dimensions which are Reliability, Competence, Consultative Selling, Credibility, Price, Responsiveness, Geographical Presence, and Tangibles. This research coded each question into items below in order to analysis in data collection. The questionnaire will be in Bahasa Indonesia due to needs of clearness of correspondents answer. These are the coded items based on questionnaire:

*Table 1 Dimensions of Business-to-Business SERVQUAL by Westbrook and Peterson (1998) in context of Business to Business by Darene,V. Gemmel, P.(2004)*

| | | |
|---|---|---|
| Reliability | R1 | Delivering quality for consumer satisfaction based on the agreement |
| | R2 | PT Djasa Sumatera is consistently performing the service correctly |
| Competence | C1 | PT Djasa Sumatera possesses good problem-solving skills |
| | C2 | PT Djasa Sumatera has sufficient expertise in the area of provided skills |
| Consultative Selling | CS1 | Certain duties and responsibilities for the client are absorbed by PT Djasa Sumatera |
| | CS2 | PT Djasa Sumatera incurs risk for the client |
| Credibility | CD1 | PT Djasa Sumatera have a good reputation in the market |
| | CD2 | PT Djasa Sumatera have a good track record in delivery |
| | CD3 | PT Djasa Sumatera protects confidential and proprietary information of the consumer |
| Price | P1 | The price given by PT Djasa Sumatera meets the client's budget objectives |
| | P2 | The price given by PT Djasa Sumatera relates to the quality delivered |
| Responsiveness | RP1 | PT Djasa Sumateradeliver the service on time |
| Geographical Presence | GP1 | PT Djasa Sumatera is able to offer his service in various location |
| Tangibles | T1 | PT Djasa Sumatera use good condition tangible in deliver the service |

**Sampling Method**
The total of sample is 37 active consumers in 2016. Based on that, this research takes 43 companies as the sample size. Total correspondents are 57 operational staffs, who directly had a worked together with PT

Djasa Sumatera. The Operation staffs were chosen to be the correspondents of this research because they are directly involved in the delivery process.

**Data Processing and Analysis**
After gathering data from questionnaire method, the data processed and analyzed thru different ways:
1.  Reliability and Validity Test
Questionnaire of a research have to qualify the reliability and validity test (Azwar, 1997). The reliability and validity test for 67 correspondents will be process by SPSS Software and it will be divided into dimensions of expectation and performance. The indicator is the α must be more than 0.7.
2.  Customer Gaps in Service
The gap will be determine by the calculation of the average value of perception reduced by the average value of respondent's expectations at any attribute.

**Conclusion and Recommendation**
After testing the data, the result will be concluded by comparing the consumers perceived and expectation of service in PT. Djasa Sumatera. The result used to find is there any gap between what has consumer expected and perceived in PT. Djasa Sumatera. This research aim to look for any unused factor that might minimize the possibility of gaps in PT Djasa Sumatera's service. The analysis will be divided to eight variable which are: Reliability, Competence, Consultative Selling, Credibility, Price, Responsiveness, Price, Geographical Presence, and Tangibles.

**Data Analysis**

**Reliability Test**
In order to make sure the data has a consistent score of certain people at the same time, which lead to the extent of measurement that can be trusted, the reliability test had to be done. This research is using SPSS from IBM as a testing tool. Reliability test is conducted into two sections, which are expectation and performance. The Cronbach's alpha score of expected service and performance service are all higher than 0.7 as acceptable of reliability. Items that measure respondent perception of expected service and performance service are reliable, has a consistent measurement of scale, and also highly correlated with the other variable.

**Validity Test**
The validity test will be done by comparing the r value and r-table. The respondents of this research are 50 people, and from there we will get the degree of freedom of 48 is 0.279 by looking at the table of critical values of the Pearson Product-Moment Correlation Coefficient for alpha 0.05. The 0.279 will be used as r table. The r value will be the data from the total item correlation table that from SPSS when calculate the reliability. The amount of e table value of expectation service is 0.279 so the entire variable is valid because the entire dimension is above 0.279. Valid means that the variable that is being measured is able to accurately represent the concept of interest, or this case all variable that measures the expected value of all dimensions. The amount of e table value of perceived service is 0.279 so the entire variable is valid because the entire dimension is above 0.279. Valid means that the variable that is being measured is able to accurately represent the concept of interest, or this case all variable that measures the perceived value of all dimensions.

**Overall Gap Score of Service in PT Djasa Sumatera**

*Table 5 Gap score of Overall Dimension*

| Dimension | Performance Service | Expectation Service | Gap Score |
|---|---|---|---|
| Reliability | 3.48 | 4.66 | -1.18 |
| Competence | 3.6 | 4.7 | -1.1 |
| Consultative Selling | 3.52 | 4.71 | -1.19 |
| Credibility | 3.49 | 4.73 | -1.24 |
| Price | 3.47 | 4.49 | -1.02 |
| Responsiveness | 3.58 | 4.76 | -1.18 |
| Geographical Presence | 3.62 | 4.7 | -1.08 |
| Tangibles | 3.44 | 4.6 | -1.16 |

The table above is the summary of the customer gap for each dimension of SERVQUAL in PT Djasa Sumatera. It shows that all dimensions have negative gap score, which means that the services customers receiving is not according to their expectation. The credibility dimension has -1.24 gap score, which chosen as the dimensions with biggest gap. It shows that PT Djasa Sumatera is lack in reputation and track record for the service that have done. Customer expect better service performances from PT Djasa Sumatera, which lead to better reputation and track record. The second widest gap score is consultative selling with -1.19, which means the customer need PT Djasa Sumatera to be more responsible to the contract and make less risk to the customer than the customer have perceived before.

The next is reliability which lead to the consistency of the service delivery and suitability with the contract. It shows that PT Djasa Sumatera is not consistent enough to fulfill customer expectation of consistency and the service delivery that being done by PT Djasa Sumatera is not accordance to the contract as the customer expected. With the same gap score as reliability, responsiveness has -1.18 gap score too. It indeed have highest expectation score than the other dimensions with 4.76, the customer has higher expectation in PT Djasa Sumatera's responsiveness, but the performance is still not meet the customer's expectation which means the delivery service does not meet the deadline given. The fifth widest gap score is tangibles dimension, that represented by "The delivery service are using supporting tools that in good or proper condition" with gap score of -1.16. It can be seen that tangibles dimensions has the lowest performance score. This means that the supporting tools that being used to deliver the goods by PT Djasa Sumatera have to be improved the most. Competence dimension has -1.1 gap score, which lead to lack of skill in problem solving and expertise in delivery. The customer expect PT Djasa sumatera to have better problem solving skill to help the customer's problem and better expertise to improve PT Djasa Sumatera performance in delivery the customer's goods.

The second narrowest gap score is geographical presence dimensions. It has highest performance score but still have negative gap score with -1.08. Even thought, PT Djasa Sumatera can reach wide area for delivery service, it still can not meet the customer's expectation. So, PT Djasa Sumatera have to widen the area they cover to meet customer's expectation. The last dimension and have narrowest gap score is price with -1.02. PT Djasa Sumatera can focuses to improve the performance to meets the expectation of customer in price dimension. This can be PT Djasa Sumatera strong point in providing service because it has lowest expectation score, yet PT Djasa Sumatera can provide better performance and delivery result that accordance to the price and customer's budget. This gap score is representing that customer has higher expectation in all dimensions of service quality in B2B context. By the highest performance score is geographical presence with 3.62 and lowest expectation score is price with 4.49 gap score should

become PT Djasa Sumatera positive point to close the gap in these two dimensions. The PT Djasa Sumatera weakest point is credibility dimensions with    -1.24 gap score. Even though the demand of freight forwarding is high but have good reputation and track record is needed to compete in this market and to maintain customer's information is a must to increase the company's credibility.
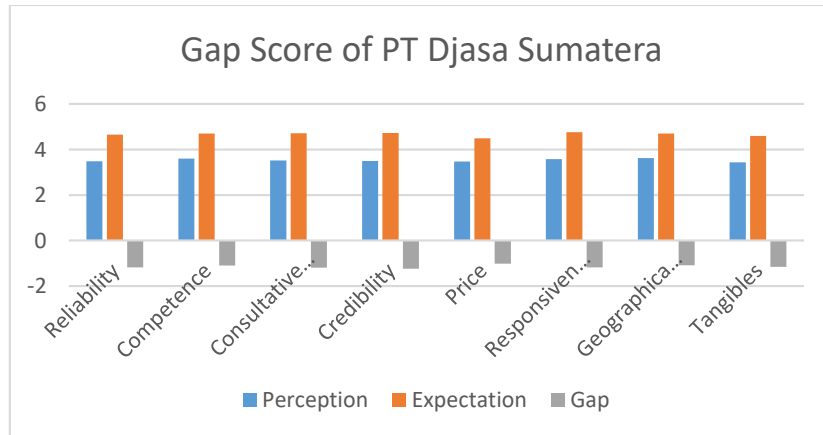


*Figure 3 Overall Gap Score*

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