



Conference Paper

SERVQUAL Gap Analysis for Service Development of State-owned Export-Import Training Services for Small- and Medium Enterprises in East Java, Indonesia

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Abstract

In the current era, international relations is essential to boost the country's economic growth. One of the activities that support it is the export-import (exim) trade activities. To conduct the activities successfully, the SMEs must understand the characteristics of targeted consumers and other matters related to technical implementation of international trade. This becomes an opportunity for the exim training services. There are two kinds of training services, namely, state-owned service and the private-owned ones. Participants have expectations for the trainings of providing the substantial materials. In addition, as service enterprises, participants can assess the quality of their services with SERVQUAL to analyze the gap between expectations and reality that they experience. For further enhancements, state-owned exim training services need to upgrade their competitiveness in order to be the main alternative for SMEs to participate in the exim trainings. By using gap analysis method, the service developments suggested in this would provide more focus on customers so that they can develop their capabilities during the trainings. This quantitative research was conducted by gathering primary data that were obtained by distributing questionnaires to 120 SMEs' CEOs and Exim Managers as participants of the exim trainings in East Java Province of Indonesia. The data were analyzed with SERVQUAL Gap Score. The score was simply acquired by calculating the customers' actual satisfaction deducted by customers' perceived expectation. This research used SERVQUAL dimensions to analyze the gaps that occurred within the indicators. It showed that two dimensions that did not need to be developed were the responsiveness and empathy. The gap in these dimensions was positive. Conversely, the remaining three dimensions that needed some service development were tangibles, reliability, and assurance. The results of this study would contribute to not only an exim training in Department of Trade and Commerce, but also management science, especially to the quality of other State-owned training services in other departments in Indonesia. Since the britanication to the realization and a separation of the control o ities. According to the data provided by Badan Pusat Statistik (Indonesia's Statistical

Keywords: state-owned export import training services, SERVOUAL, gap analysis center) 2016, the non-oil and gas sector recorded US\$17,943 billion. It increased by

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Received: 29 August 2018 Accepted: 18 September 2018 Published: 11 November 2018

Publishing services provided by Knowledge E

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Selection and Peer-review under the responsibility of the ICOI-2018 Conference Committee.

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8.77% compared to 2015 which was only US\$16,495 (www.bisnis.tempo.co, 2016). It explains that exim activities have become one of the main objectives of small and medium enterprises (SMEs) in expanding their business. It also emphasizes that SMEs in Indonesia are currently being intensively engaged in exim activities.

To conduct the activities successfully, the SMEs must understand the characteristics of targeted consumers and other matters related to the technical implementation of international trade. This becomes an opportunity for the exim training services. There are two kinds of training services, namely state-owned service and the private-owned one. State-owned exim training services provide several advantages. First, The SMEs will be directly enlisted at the archives of Indonesia's Department of Trade. Furthermore, The Department of Trade will have the numbers of SMEs that are eligible to conduct export-import activities during the training sessions dan certifications (UPT P3E Jatim, 2017).

Participants have expectations for the trainings of providing the substantial materials. Additionally, as service enterprises, participants can assess the quality of their services with SERVQUAL in order to analyze the gaps between expectations and reality experienced by the participants (Parasuraman, Zeithaml and Berry, 1988). For further enhancements, state-owned exim training services need to upgrade their competitiveness in order to be the main alternative for SMEs to participate in the exim trainings. By using gap analysis method, the service developments suggested in this article will provide more focus on customers so that they can develop their capabilities during the trainings.

2. Literature Review

2.1. Service quality model

SERVQUAL Model is based on the assumption of customers who compare the performance of services on attributes relevant to the ideal or perfect standard for each attribute of services. If the performance complies with or exceeds the standards, the perception over the overall service quality will be positive and vice versa. In other words, this model analyzes the gaps between two major variables: expected services and actual services [6, 11].

There are five SERVQUAL dimensions [5, 6]: tangible, reliability, responsiveness, assurance, and empathy.

- 1. Tangible (physical evidence) is the ability of a company in showing its existence to external parties. It deals with a reliable physical infrastructures that surrounds the environment as a physical proof of services provided by the service provider, including the physical facility such as buildings, warehouses, equipment, and also the appearance of employees.
- 2. Reliability is the company's ability to provide services in accordance with the promised services accurately and trustworthily. Performance should be in line with customer expectations, such as timeliness, standard service with zero errors, sympathetic attitude, and high accuracy.
- 3. Responsiveness is with regard to the willingness of the staff to assist the customers and respond to the request as quickly as possible.
- 4. Assurance is knowledge, capability, courtesy, and trustworthiness possessed by the staff.
- 5. Empathy means that the company understands the problems of the customers and acts in the best interest of them, as well as giving personal attention to the them.

2.2. Gap analysis

Parasuraman et al. (1985) describe in details about five gaps of service quality that could potentially be the source of service quality issues. The gaps are illustrated in the Figure 1.

Gap 1 is called The Knowledge Gap, existing due to the differences between customer expectations and management perceptions of customer expectations. This gap means that the management perceived the customer expectations of service quality inaccurately. Gap 2 is called The Standards Gap. This gap, resulting from the differences between the perception of management to customer expectations and the specification of service quality. This gap means that the service quality specification offered by the company is inconsistent with the management perception of quality expected by the customers. Gap 3 is called The Delivery Gap that exists between service quality specifications and service delivery. It means that the specification of service quality is not fully fulfilled by production performance or the delivery process of the service. The fourth gap is called The Communication Gap which is between service delivery and external communication. It means that company's promises and offered values which are communicated through marketing communication are delivered inconsistently with

the service delivered to the customers. Finally, Gap 5 which is called Service Gap exists due to the differences between customers' perceived service and expected service. It means that the services are perceived inconsistently with the service expected ([6]; Tjiptono, 2007).

The performance of the company is considered 'good' if the value of the gap is positive. In the contrary, if the gap has a negative value, it indicates that the company's performance is not optimal in certain parts or the organization, and, thus, it needs development. This development needs to be done in order to improve company's capability, increase satisfaction, and survive the competition ([6]; Tjiptono, 2007). Since this research was aimed to examine merely The Service Gap (Gap 5), the 'good' performance of the service was manifested through the positive value of the gap. It means that customers (or participants) experienced a satisfactory service where the actual service is better than perceived expected service.

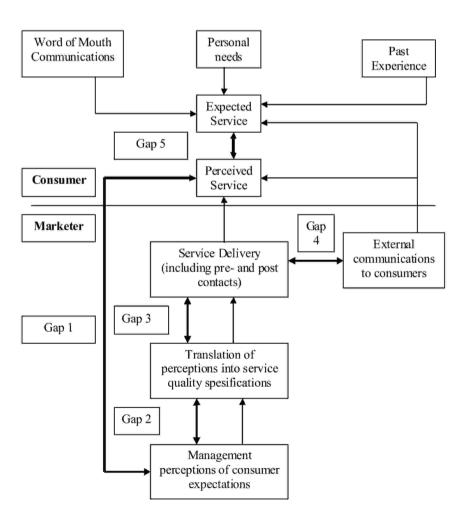


Figure 1: Gap analysis. Parasuraman et al. (1985); Tjiptono (2007).



3. Methods

This quantitative research was conducted by gathering primary data obtained by distributing questionnaires to SMEs' CEOs and Exim Managers as the participants of the exim trainings in East Java Province of Indonesia in early 2017. The sampling method used in in this research was the non-probability sampling method [2, 8]. The dimensions and indicators used in questionnaires are shown in Table 1. Questionnaires were distributed to 130 respondents collected from four batches of trainings but only 120 could be used for further analysis. The data were analyzed with SERVQUAL Gap Score. The score was simply acquired by calculating the customers' actual satisfaction deducted by customers' perceived expectation. All measures used a response scale from 1 for 'strongly disagree' to 4 for 'strongly agree'.

TABLE 1: Dimensions and indicators.

No.	Dimensions	Indicators
1	Tangible	 1a. Comfortable and tidy study room 1b. Good food 1c. Good layout of study room 1d. High quality modules and training material 1e. Availability of training equipment that supports the training process 1f. Comfortable and clean hostelry 1g. Visually attractive website 1h. Adequate information in website
2	Reliability	2a. Training sessions are good and on time2b. Trainings and materials are delivered professionally2c. Training materials are important to participants2d. Overall quality of the training is good
3	Responsiveness	3a. Quick service and responses by staffs3b. Perceptive complaint handling responses by staffs
4	Assurance	4a. Trainers allocate time for discussions4b. Trainers answer participants' questions informatively4c. Trainers' competencies are compatible with training materials
5	Empathy	5a. Trainers understand the information needed by the participants 5b. Trainers understand the state of the participants

4. Results and Discussion

According to the results of the survey (Table 2), from 120 respondents, there were two main characteristics that described them. The first was personal demographic of the respondents in which most of them were male (61 respondents) at the age of 41–60 years old (63 respondents). The second characteristics was the demography of the business owned by the respondents. Most of the SMEs that participated in exim trainings were newly established companies which were established from 2007 to



2017 (99 companies). This proved that the phenomenon of the increased exim activity Indonesia until 2017, especially in East Java Province, was still high. Furthermore, the type of business owned by most of the respondents was F&B business (89 companies). In addition, most companies (51 companies) came from Surabaya, which is the Capital City of East Java Province, and from Lamongan (32 companies).

TABLE 2: Respondents' characteristics, n = 120.

Personal Demographics	Results		
Gender	Male: 61 Female: 59		
Age Group [3]	18–40 years old: 55 41–60 years old: 63 61 years old and above: 2		
Business Demographics	Results		
SME company established since	1985-1995: 5 1996-2006: 16 2007-2017: 99		
Types of SME business	Handicraft: 10 F&B: 89 Embroidery: 1 Batik: 4 Aromatherapy: 2 Furniture: 2 Garment: 11 Jewelry and Accessories: 1		
SME company origin (cities in East Java Province in Indonesia)	Kota Batu: 3 Malang: 8 Bangkalan: 1 Kediri: 8 Lamongan: 32 Madiun: 4 Mojokerto: 1 Pasuruan: 1 Sidoarjo: 6 Surabaya: 51 Tulungagung: 5		

The next discussion of gap analysis using SERVQUAL dimensions was summarized in Table 3. It showed that two dimensions that did not need to be developed were *responsiveness* and *empathy*. The gap occurred in these dimensions was positive. It means that the state-owned exim training services were considered quite responsive in handling complaints and requests from trainees. The services were also good because it provided a friendly and kind-hearted service. It also means that the trainers and staffs of the state-owned exim training services put their best efforts to understand participants' needs and expectations.

Conversely, the remaining 3 dimensions needed some service development. In *tangibles*, there were three negative gaps: website appearance (-0.108), information provided in the website (-0.334) and quality of food (-0.266). The visual appearance and



information provided in state-owned exim Training services' website was not adequate. They already delegated the management of website appearance and content to 3rd party, but unfortunately the maintenance was not conducted regularly. The next gap was the quality of food which was constrained by the budget. It affected to the selection of menus during meal times and coffee break became limited. Since it was state-owned, the budget became a centralized decision. Proposing additional food budget would have had to be postponed until the next budget year if it had been approved by the Department of Trade and Commerce.

According the calculated gap value of *reliability*, the negative value only occurred in the training sessions (–0.092). Most of the participants found that the time of some sessions were allocated less than they had been scheduled and some sessions were allocated more than they had been scheduled. Reckoned that the participants were CEOs and Managers, it made the time allocation and punctuality crucial. It is important to the state-owned exim training services to manage their trainers and time-management in accordance with the existing schedule.

Last negative-valued dimension was 4b in assurance (-0.05). The participants felt that the answers given by the trainers about their questions and cases were considered less informative. They demanded more practical and applicable solutions, instead of conceptual statements. They also welcomed more long-term activities, such as post-training stewardship of exim about their business in order to help them control and evaluate the phase of the activities.

5. Conclusion

According to the results in Table 3, there were some negative gaps occurred. These gaps showed the development priorities that need to be done by the state-owned training services. The first development need to be done is adding more information to the training service's website and making it more visually appealed. The second development is about the punctuation about the training session, overall, it would be better for the state-owned exim training services to evaluate their performance from the participants' point of view as customers.

The results of this study contributes not only to an exim training in Department of Trade and Commerce, but also to management science, especially to the quality of other state-owned training services in other departments in Indonesia. Since the organization culture of state-owned and government-owned services is similar, this method could be used in wider areas of governance.

Dimensions	Question No.	Expected Service	Actual Service	Gap
Tangibles	1a	3.158	3.35	0.192
	1b	3.008	2.9	-0.108*
	1C	3.041	3.125	0.084
	1d	3.016	3.016	0
	1e	3.025	3.125	0.1
	1f	3.025	3.126	0.101
	19	3.075	2.741	-0.334*
	1h	3.041	2.775	-0.266*
Reliability	2a	3.058	2.966	-0.092*
	2b	3.083	3.208	0.125
	20	3.125	3.183	0.058
	2d	3.125	3.216	0.091
Responsiveness	3a	3.066	3.1	0.034
	3b	3.1	3.191	0.091
Assurance	4a	3.141	3.166	0.025
	4b	3.133	3.083	-0.05*
	4C	3.183	3.208	0.025
Empathy	5 a	3.133	3.516	0.383
	5b	3.133	3.241	0.108

TABLE 3: Gap analysis using SERVQUAL dimensions.

This research used SERVQUAL dimensions to analyze the gaps that occurred within the indicators. This research would recommend a further research regarding the satisfaction of the SMEs of state-owned training services. Moreover, further research could also examine the competitive nature of state-owned and private-owned training services to find out whether this nature will affect the preferences and intentions of SMEs to entrust their capability to be improved by one of them.

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