

Service Innovation as Strategy to Beat Competitor in Business Services Setting

(Case Study of a Small and Medium Industrial Company)

J. E. Sutanto, Jenny Rosita
Universitas Ciputra, Surabaya, Indonesia J. E. Sutanto, Jenny Rosita
Universitas Ciputra, Surabaya, Indonesia

Abstract

Purpose – The purpose of this study is that service sector exists along with another sector development. Service sector does not only give facilities, but also as activity that can show good result output which becomes important effort especially in facing the economic challenge at this globalization era.

Methodology – That is used in this study has determined the population of 1153 food and beverage industrial companies which have multi-business and multi-products in East Java area according to the Indonesian Business Field Classification in 2002 based on the BPS data of East Java province that consists of 28 regencies and 6 cities. Whereas, the sample of this study consists of 117 industrial companies of food and beverage.

Conclusion - If there is a competitor issue in internal area, so the first thing that should be done is paying the attention to the internal efficiency but not making decision to it like reducing cost or employee redundancy. However, the company should try to change the strategy by improving the quality and building good relationship with consumers.

Implications – A company will give appreciation or praise the employee and emphasize on doing the important quality culture. Second effect, besides internal effect is external effect, shaped consumer satisfaction statement that will increase service business.

Keywords: service innovation, strategy to beat competitor, business service, small and medium industry, dimension service quality