Gap Analysis of Price and Service Quality in Service Industry (The Case Study of CV Jasamas Surya)

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Abstract. As a service company, advertising agency will also face the same competition during the ASEAN Economic Community as other businesses. As such, advertising agency should improve its service in order to compete in this borderless market, and CV Jasamas Surya (JS) is no exception. JS, a newspaper advertising agency, found that though its monthly revenue is increased, the numbers of monthly orders and routine customers were decreased. It can be because the price is increased every year. Additionally, the company also received complaints from its customer. It might indicate low customer satisfaction. Thus, this research is conducted to find out the gap between customers' perception and expectation of price and service quality in JS. The population of this research is JS's customers who have used JS's service at least three times in this past one year. Data gathered through distributing the questionnaire to 94 customers were analyzed using gap analysis. The research result shows that the gap between customers' perception and expectation of price and service quality is -0.73 and -0.49 respectively. It indicates that pricing policy and service quality that company gives could not fulfill customers' expectation. In addition, IPA matrix shows one indicator of price and three indicators of service quality should be improved as high priority. JS needs to reduce the gap by balancing the service quality it provides to customer with the price.

Keywords: Gap Analysis, Service Industry, Service Quality, Price.

1 Introduction

In 2016, Indonesia is officially implementing ASEAN Economic Community as part of the free trade agreement in ASEAN. This policy aims to increase member's countries competitiveness against India, America, and China. Not only will heavy industries, service industry will also face a tough competition. As such, companies should improve their qualities. Companies are suggested to identify the gap between customers' perception and customers' expectation. By doing so, companies can identify which aspect that companies already well performed and which aspect that companies need to improve.