

**SERVICE QUALITY OF CONSULTING BUSINESS-TO-BUSINESS
FROM ENGINEERS OF OIL AND GAS COMPANY IN: A CASE
STUDY OF PT. LAPI ITB**

Jene Lokasthiti Az and Ira Fachira
School of Business and Management
Institute Technology of Bandung
j.lokasthiti@sbm-itb.ac.id

Abstract . The development of globalization has induced the need for universities that capable to develop independent and democratic society to compete internationally. Through the Government Regulation Nr. 155/ 2000, ITB was legalized to be State Owned Legal Entity (BHMN). Being so, ITB has greater autonomy to regulate itself complemented with greater responsibility to improve its competitiveness in the global world with commercial business unit, which is PT. LAPI ITB. PT. LAPI ITB engaged in consultancy and training. This research explores about concept of service quality in B2B context. The calculation based on dimensions used in this research has been adjusted from B2C to B2B, which are Responsiveness, Credibility, Consultative Selling, Reliability, Competence and Price as the dimension (Westbrook and Peterson, 1998). This new form of SERVQUAL in B2B context expected to be able to reflect customer gap score of expected and real performance of PT. LAPI ITB. Which with the 110 of correspondents based on 10% of finished projects in term of 2014, resulted that the gap of performance service and expected service is negative, which means that PT. LAPI ITB did not perform their service especially in Responsiveness, Credibility, Consultative Selling, Reliability, Competence and Price. Analyzing this dimension of SERVQUAL in PT. LAPI ITB has resulting that an improvement of service is quite necessary for their company. However, based on the result of customer's expectation in consulting (B2B context) fairly high enough. This might happen because customer fully entrust the job to PT. LAPI ITB, and the result of projects and assignments is important for their company's work process. So its normal for the company to expect the highest possibility of performance.

Keywords: Marketing Research; Service Quality; Business-to-Business Context.

Introduction

Nowadays, globalization has played a big role in many business fields in Indonesia. The term Globalization refers to processes of international integration arising from the interchange of worldviews, products, ideas, and other aspects of culture (*Wikipedia; globalization*). The development of globalization has induced the need for universities that capable to develop independent and democratic society to compete internationally. Through the Government Regulation Nr. 155/ 2000, Institute Technology Bandung (ITB) was legalized to be State Owned Legal Entity (BHMN). Being so, ITB has greater autonomy to regulate itself complemented with greater responsibility to improve its competitiveness in the global world.

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Technology of Bandung has established 3 main units that act as its growth machines. The first main unit is Academic Unit (SAK), second is Property and Fund Unit (SUK) and the third is Commercial Business Unit (UUK). Moreover, PT. LAPI (*Lembaga Afiliasi Penelitian Industri*) ITB is one of ITB's Commercial Business Unit providing services in training, consultancy and appropriate technology business-to-business that assures its high quality of work that fully supported by ITB. PT. LAPI ITB carries out three main lines of business, which are:

1. Consultancy
2. Educating and Training
3. Development of Appropriate Technology

With this various model of business served by PT. LAPI ITB, they also facing various business partner such; oil and gas company (which involving engineering for example: fluid stimulation in oil wells), educational parties (professors, campuses, etc.), commercial sectors (transportation; ex: airport in designing basic and grand design). This research will focus business sector in oil and gas company, which involving engineers as the correspondents. This research is focusing on problem "Whether consumer's expectation has already met with what they had perceived in PT. LAPI ITB".

Literature Review

Customes Expection and Performance in Service Context

Consumer expectations are beliefs about service delivery that serve as standards or reference points against which performance is judged (Zeithaml, Bitner and Gramler, 2006). Consumer is comparing there perception of performance with these reference points when evaluating service quality, through knowledge about customer expectation is critical to service marketers (Zeithaml, Bitner and Gramler, 2006). How customer perceives service, is how they assess whether they have experienced quality service.

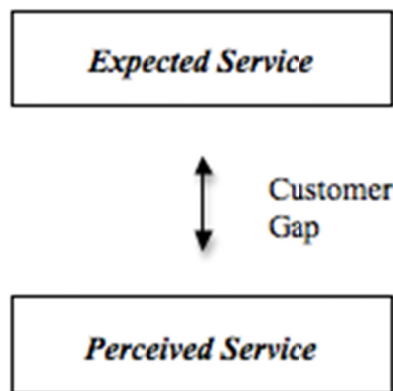


Figure 1 .The Customer Gap

Customer expectations are standards or reference points that customers bring into the service experience, whereas customer perceptions are subjective assessments of actual service experience. Customer expectations often consist of what customer believes should or will happen. The important of knowing customer expectation and performance is to close the gap between what customer expects and what they perceive post service. This is critical to delivering quality service (Zeithaml, Bitner and Gramler, 2006). Being wrong about what customer want can mean losing a customer's business, and also mean expanding money, time,

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and another resources on things that do not count to the customer (Zeithaml, Bitner and Gramler, 2006). Because of that, in delivering quality service must begin with a clear understanding of what customer want.

Service Quality

Service quality can be defined as an assessment of how well a delivered service conforms to consumer’s expectation (Zeithaml, Bitner and Gramler, 2006). Service quality assessment often used to assess the service quality provided to their consumer in order to improve their service, quickly identify problems. In general, service quality is a consumer comparison between perceived services with expected service in which if the former falls short of the latter the consumers are disappointed (Zeithaml, Bitner and Gramler, 2006). In assessing service quality, the comparison between perceived service and expected service can be form into an equation that able to show the gap between customer’s expectation and the actual performance, which is:

$$SERVQUAL = Performance - Expectations$$

Gaps Model Dimensions

In SERVQUAL model, the dimensions used are quite different between B2B and B2C. People commonly used Parasuraman, et al. 1988 as the tools to assess the Gap score o service quality. But, in B2B context, the business process is more complicated than B2C because of that, an adjustment of dimension has to be done for assessing gaps score in service quality B2B context. Below are the dimensions used in B2B context (Westbrook and Peterson, 1998);

Table 1 .Dimension of SERVQUAL B2B context (Westbrook and Peterson,1998)

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<i>Responsive</i>	The service provider meets deadlines for projects and assignment
<i>Competence</i>	The service provider possesses good problem-solving skills.
	The service provider has sufficient expertise in the area of provided skills.
<i>Reliability</i>	Projects and assignments are properly followed-through by the service provider.
	Delivering quality for consumer satisfaction based on their what has been promised.
<i>Consultative Selling</i>	The service provider absorbs certain duties and responsibilities for the client.

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	The service provider incurs risk for the client.
Credibility	The personnel of the service provider have a good reputation in the market.
	The personnel of the service provider have a good track record in consulting.
	The service provider protects confidential and proprietary information of the customer.
Price	The price of the service provider meets the client's budget objectives.
	The price of the service provider relates to the quality delivered.

Study of **Company's performance and customer expectation** of service is important for this research. This study will be defining expectations as desires or wants of customers because this allows us to know exactly what service providers show offer and this is based on based past experience and information received (Douglas & Connor, 2003, p.167). It is important to understand and measure customer's expectations in order to identify any gaps in delivering services with quality that could ensure satisfaction, Negi, (2009). Perceptions of customers are based solely on what they receive from the service encounter (Douglas & Connor, 2003, p.167).

Data Analysis and Conclusion

Respondents Basic Data

Based on needs of PT. LAPI ITB for measuring perceived quality of service they have given, these are the user list of PT. LAPI ITB in service of consulting (particularly energy company) which are the main objectives of this riset. This user lists was chosen based on 10% of completed project in term of 2014 which is 108 project of consulting. 100 questionnaire was distributed evenly all of energy company who has ever worked with PT. LAPI ITB. These are the user list of PT. LAPI ITB that become the correspondents of this research:

Table 2. List of Employer's Company

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No	Companies	Company Information	Business Type
1	PT. Pertamina Geothermal Energy	Menara Cakrawala Lantai 15, Jl. MH Thamrin No. 9 Jakarta 10340 Indonesia	Oil and Gas company
2	PT. Pertamina EP	Menara Standard Chartered 21-28 Floor Jl. Prof. Dr. Satrio No. 164 Jakarta 12950, 021 57974000/fax; 021 57974555	Oil and Gas company
3	Energy Equity Epic (Sengkang)	Menara 165 20th Floor, Jl. TB. Simatupang Kav. 1, Cilandak Timur, Jakarta Selatan 12560, 021-29407040	Oil and Gas company

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4	Chevron Geothermal Salak, Ltd.	Gedung Sentral Senayan II 25th Floor, Jl. Asia Afrika No. 8 Jakarta 10270 - Operation Office: Desa Karyamekar. Kec. Pasirwangi, Kab Garut - Jawa Barat 44151	Oil and Gas company
5	Star Energy Geothermal Wayang Windu, Ltd.	Wisma Barito Pacific, Star Energy Tower 11th Floor, Jl. Letjen S. Parman Kav. 62-63, Jakarta 11410, 021 5325828/ Fax : 021 30021474	Oil and Gas company
6	Conoco Philips Indonesia	Gedung Ratu Prabu 52, Jl. TB Simatupang, Kav. 1B, Jakarta 12560, 021 785410000/Fax: 021 78541898/9 - 78541692	Oil and Gas company
7	PT. Pertamina Hulu Energy.	Perkantoran Hijau Arkadia, Tower F, 10th floor Jl. Letjen T.B. Simatupang Kav. 88 PO Box 1063 Jakarta	Oil and Gas company
8	BP Berau Ltd.	Perkantoran Hijau Arkadia, Jl. TB. Simatupang Kav. 88, Jakarta 12520, 021-78542280/78548455	Oil and Gas company
9	PT. Pertamina Geothermal Energy Kamojang	Jl. Raya Kamojang, Kabupaten Bandung PO Box 120 Garut – 44101, 022 7806882-83/ fas 022 7806379	Oil and Gas company
10	PT. Pertamina EP Asset 1	Menara Standard Chartered Lt. 03 - Jl. Prof. Dr. Satrio 164 Jakarta, 021 57974000/Fax: 021 57946323	Oil and Gas company
11	JOB Pertamina – Talisman (Ogan Komering) Ltd.	7th Floor Setiabudi Atrium - Jl. H.R. Rasuna Said Kav. 62, Jakarta 12920, 021-2521810/ Fax : 021-5210773	Oil and Gas company

Table 3 Characteristic of Employer

No	Answer	F	%
1	Yes	110	100,0
2	No	0	0
Total		110	100,0

Overall Dimension's Gap

After reliability and validity test of correspondent's data, data can be further analyzed based on result. Based on conducted research, below are the gaps of overall dimensions calculated from average score of performance service and expectation service;

Table 4 Overall Gap Score

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Responsiveness	Performance Service	Expectation Service	Gap Score
Responsiveness	3.60	4.77	-1.17
Competence	3.75	4.75	-1.00
Reliability	3.68	4.75	-1.07
Consultative selling	3.73	4.76	-1.03
Credibility	3.85	4.75	-0.90
Price	3.72	4.56	-0.85

Table above shows the recapitulation of average gap score each dimension. From table above, can be seen that customer expect more in Responsiveness dimension that represented by "Consulting service meets deadline for projects and assignments given" with gap score of -1,17. In this dimension, customer of PT. LAPI ITB has the higher expectation score, which is 4,77, but PT. LAPI ITB's response in performing "meets deadline" has the lowest score. It means that customer has the higher expectation in PT. LAPI ITB's responsiveness, which leads to its timeliness in completing projects and assignments, *that PT. LAPI ITB cannot complete the timeliness of projects and assignments.*

The dimension has second higher gap is Reliability which 1,07. This shows that customer expect more project descriptions and promises in Reliability dimension, *that PT. LAPI ITB cannot fulfill their promises to create customer satisfaction by delivering good service in consulting projects and assignments also following projects and assignments properly.* Also in Competencies shows the gap score of 1,00 which shows that *PT. LAPI ITB still lacks of skills and capitalizing its human resource to create a great competence because still does not meet what customer has expected.* In Consultative Selling, customer expectation still does not meet with what they have perceived means that *PT. LAPI ITB cannot explain the service provided well with what customer has expected.*

The Credibility dimension has -0,90 gap score which shows that even though *customer expect higher reputation, experience but this has the higher score of average score in performing their credibility which might lead to a good reputation but doesn't good enough with what has customer expected.* For the last dimension, which is Price, *shows that PT. LAPI ITB is quite good in completing projects and assignments accordance to price that customer has to pay but still does not good enough for the customer.*

Based on research, the price dimension has the lowest gap score with lowest expectation. PT. LAPI ITB can focus to manage their performance to meets the expectation of customer in price dimension which lead to better result in consulting to reach consumer expectation. This can be one of PT. LAPI ITB's strenght in providing service because the expectation of price dimension is not that high, yet PT. LAPI ITB can provide customer a good result of working project that in accordance with price that customer paid.

PT LAPI ITB also have to focus in completing the project and assignment faster with adequating human resource that capable to perform better, because this dimension has the highest expectation in service quality of PT. LAPI ITB, which makes this dimension as the weakness of PT. LAPI ITB. Perceptions of customers are based solely on what they receive from

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the service encounter (Douglas and Connor, 2003). Moreover, perception seem to be a stronger predictor of service quality (Cronin and Taylor, 1992). This negative perception of customer might resulting bad perception that impacting business process of PT. LAPI ITB. Bad services or result in quality of service will resulting decrease order, increase claims, delayed payment and generally lower supplier (Metha and Durvasula, 1998).

This gap score is representing that customer has higher expectation in all dimensions of service quality in B2B context. This means that customer has a negative perception towards PT. LAPI ITB. With the strength of price, PT. LAPI ITB should keeping the good outcomes of projects and assignments given by customer so that PT. LAPI ITB could possibly close the gap of service quality in price dimension. Last but not least, the weakness as in completing the timeliness of working projects and assignment should be the main focus of PT. LAPI ITB in improving service. Even though the projects and assignments is on a large scale and difficult, but the responsiveness dimension have to become the main focus in the completion of projects and assignments given by customer.

Conclusion

The customer gap of SERVQUAL's method by Westbrook and Peterson (1998) within 6 dimensions that has been adjusted to B2B context of PT. LAPI ITB has a negative gap score, which means that the expectation of consulting service in B2B context is higher than the performance of PT. LAPI ITB. *The service that customer expecting does not meets PT. LAPI ITB performance in providing service quality.* This means that PT. LAPI ITB have to make some improvement in tested dimensions so that might increase their performance in providing service in consulting. With the strength of price, PT. LAPI ITB should keeping the good outcomes of projects and assignments given by customer so that PT. LAPI ITB could possibly close the gap of service quality in price dimension. With responsiveness as the weakness, which is timeliness of working projects and assignment should become the main focus of PT. LAPI ITB in improving service.

Recommendation

In order to improve quality in their service, PT. LAPI ITB have to understand what their customer want. Understanding customer is a critical step in delivering service, so that in the future by understanding what customer want could close the gap between what the have expected and perceived. Because in B2B business the marketing strategy is quite different with B2B setting, PT. LAPI ITB have to make such internal strategy to maximize the performance of their company such as; appropriate staffing, timelimits strategy and working strategy. So that they can improve the performance of the company and closing the gap between customer expectation and the actual performance.