SERVICECAPE MANAGEMENT ANALYSIS OF BORMA SUPERMARKET DAGO, INDONESIA

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Abstract

Borma Supermarket is a family owned supermarket business that is established in 1977. Currently the management of Borma supermarket feels that they are not as competitive as their competitor and want to improve their performance which can be done through improving the servicescape aspects of the store. A good servicescape management that makes a place comfortable for either customers and employee will benefit the company in many ways. The paper will focus on the perception of the customers toward the servicescape elements that currently exist in the supermarket. Borma servicescape is important because good servicescape will attract more customers. The objective of the paper is to know what is the gap that currently happens between the existing store servicescape quality with the perception of the customers in order to create a superior servicescape quality. From known gap, the management will know what the customers think about the servicescape of the store and able to make an improvement according to the customers opinion. The finding shows that most of the customers agreed that the servicescape quality is acceptable. In order to be more competitive in the supermarket business, Borma management could improve servicescape condition to increase customers' satisfaction level. The survey indicated that several servicescape elements are poor so management must work it out to better one.

Keywords : serviscape, retail store, customer perception, supermarket

Introduction

In 1977, it was "Toko Borobudur" a convenience store and later it became supermarket known as Borma. In 1978, Borma owner expanded his business in restaurant and fashion store at the same location as convenience store. Customers found that those two stores and restaurant were very convenient to fulfill their needs. In 1990, the owner changed his store name into Borma due to patent problem. Nowadays Borma had twelve outlets in Bandung. Incoming competition is very fierce because many retail store sprung out very rapid. The competitors have numerous branches, which are outnumbered Borma twelve branches. Borma management had compared Borma's servicescape and competitor's servicescape, and they found out that competitors are better than Borma.

Servicescape is the store's atmosphere and the atmosphere can influence buying behaviour of costumer. Borma management try to get a competitive advantage in superior servicescape quality. The purpose of this paper is to know the perception of the customers toward the servicescape elements quality of Borma.

The scope of research is only to measure Borma Supermarket Dago customers' perception toward the store current servicescape condition. Therefore, a study of Borma current internal management is not necessary. The research and discussion explored is all a customers' based problem not the management neither the management nor the employee of the store. By doing so the management of Borma supermarket will be able to get a feedback from the customers point of view that make them know what kind of

servicescape elements that currently exist need an improvement.

Theoretical Foundation

Zeithaml, Parasuraman and Berry developed SERVQUAL with ten variables : reliability, responsiveness, competence, access, courtesy,communication, credibility, security, knowing the customer and tangibles. Later SERVQUAL was redefined into RATER short for Reliability, Assurance, Tangibles, Empathy and Responsiveness. Tangibles factor defined as the physical evidence perceived by the customers. Tangible factors build the perception of the curtomers toward the

Tangibles factor defined as the physical evidence perceived by the customers. Tangible factors build the perception of the customers toward the image of the company. Servicescape is one of tangible variables. Bitner defined servicescape as following quotation. "The way to manage the environment in which the service is delivered and in which the firm and customers interact and any tangible commodities that facilitate the performance or communication of the service" (Bitner, 1992). Servicescape has its own strategic roles in business as Package, Facilitator, Socializer, Differentiator. The complexity of servicescape of a service area is differentiated into several types based on who perform actions in the servicescape environment which is described in the Table. 1 below.

Table 1. Typology of Service Organization Based on Variation in Form and Usage of Servicescape

Types of Service Organizations Based on Who Performs Actions Within the Servicescape	Physical Complexity of the Servicescape	
	Elaborate	Lean
Self-service (customer only)	Golf Land	ATM
	Surf 'n Splash	Ticketron, Post office kiosk, Movie theatre, Express mail dropoff
Interpersonal services (both customer and employee)	Hotels	Dry Cleaner
	Restaurants	Hot dog stand
	Health Clinic	Hair salon
	Bank	
	Airline	
	School	
Remote Service (employee only)	Telephone company	Telephone mail desk
	Insurance company	Automated voice-messaging-based service
	Utility	
	Many professional service	

Based on typology of service, supermarket can be categorized into intrapersonal servicescape and elaborate complexity. Supermarket covers relatively large space and has several floors. In supermarket, there are three elements servicescape: layout of the store, equipments, ambient condition, and signage.

Servicescape management has several dimensions that determine the level of servicescape quality. The level of servicescape quality influence individual behaviour from costumer and employee. Detailed diagram is printed below.
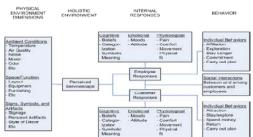

Figure 1. Servicescape Quality Variables

In physical environment dimensions, there are 3 variables: ambient condition, space/function and sign & symbol. Ambient condition means the surrounding environment and space/function means the layout of store and equipment. Meanwhile sign & symbols show

company's identity. Individual responders perceive individually the physical environment dimension. The customer response defines customer behavior. She/he stays longer to explore more, spend more money, or plan to come back to store. The employee response and behavior are the same. Employee is happy to work and make commitment in her/ his job. That scenario gives more benefit for company. Reverse scenario adverse the company.

Research Methodology

A direct observation was very helpful to acquire the data about the servicescape elements that currently exist in Borma Supermarket Dago and the characteristics that they possess. From this observation, researcher made a preliminary analysis and evaluation. Preliminary analysis elicit some proper research question for interview. Management staff and operational staff were interviewed to minimize bias opinion. They were asked about existing servicescape elements that require an attention.

All the existing serviscape elements were the base for questionnaire form. The respondent gave score in range of one to five for each question. The score would summed for final score that show existing Borma supermarket serviscape condition. There were two types of questions in the questionnaire : positive and negative questions.
In this research, Krejcie and Morgan sampling method was used. The average number customers in Borma supermarket daily was around 300 – 400 peoples per day. Therefore the number of the population was 400. After looked up at the Krejcie and Morgan table, the sample size is 197 respondents. Then the number was rounded up to 200.

The questionnaire were distributed to two hundred Borma supermarket customers which are selected randomly. The result of the questionnaire would be the current common perception of Borma supermarket customers toward the existing servicescape condition of the supermarket. Then researcher could make improvement recommendation from survey data. Total score were calculated from questionnaire. Total score show the score of current servicescape condition. Mean of each

servicescape elements in questionnaire were rated to value in range one to four.

Data Analysis

During observation, four variables were found in ambient condition dimension. The four variables were temperature, air quality, noise and music. The temperature condition in Borma supermarket Dago is relatively high especially in the noon. Many employees complained about the heat at noon. Borma building didn't equipped with air conditioner. In addition, this building had small number of ventilation and it made the air quality worse. Since Borma Dago is located in the busy main road of Dago, customers often heard disturbing noise from outside. The interview also showed that the employee feel bored when they are working. Employee said that music entertainment could make ambient more convenient to work. The only entertainment they heard, was the music from Dahlia FM mobile radio station when the van parked at the front of the store.

In layout/ equipment dimension, four variables were elicited. Some of the aisles in the store were very narrow even the cart could not pass through some aisles. The cashier area was very small. Only five cashiers at maximum served the customers and it made a long line of queues in the area. The management also state that during peak hour they saw frequently very long queue there. The fixtures are one of the main components in supermarket business. In some aisles, the merchandise presentation did not fit the theoretical review because it placed too high or too low from line of view. Customer was hardly to search for snack since the snack was put at the top fixtures. A toilet located in the front of the store was dirty.

Exterior signage, directional signage, decoration and POS (point of sales) were observed as appropriate question to ask. The exterior signage was big but somehow it is invisible for the passing through people. The store consist of five stories selling area but there were no floor signage available. Customer would find difficulties to search for product because there are very small numbers of categorical signage. There was no specific artistic decoration in the store. The store was white painted and empty ceilings.

It is important to ask the customers association about Borma. Are they think Borma as low priced store or prestigious. In the cashier area, many customers complained about the price difference between the price tag (Point of Sales) and cashier machine's price. When they had price difference, they would cancel the purchase and sometimes they felt furiousness.

Table 2. Complete Variables for Servicescape Dimension

Servicescape Dimension	Ambient Condition (D1)	Layout/ Equipment (D2)	Signs, Symbols and Artifacts (D3)
Variables	Temperature	Aisle Width	Exterior Signage
	Air Quality	Cashier Area	Directional signage
	Noise	Fixtures & merchandise presentation	Decoration
	Music	Toilets	Point of Sales

Descriptive Statistics Result

Below are the statistics of the questionnaire result regarding the servicescape elements. The servicescape quality in overall is based on the frequency analysis. The value is in range one to five, while one is for very poor and five is for very good. The descriptive statistic result is printed in table below.

Table 3. Descriptive Statistic Result

Variables	Mean	Mode	Std Dev	Conclusion
(D1) Temperature	2.76	2	0.864	fair to low
(D1) Air Quality	2.76	2	0.931	fair to low
(D1) Noise	2.80	2	1.003	fair to low
(D1) Music	2.95	4	1.120	fair
(D2) Aisle Width	3.17	4	1.013	fair
(D2) Cashier Area	2.64	2	1.112	low
(D2) Fixtures & merchandise presentation	3.56	4	0.831	rather good
(D2) Toilets	2.57	2	1.110	rather low
(D3) Exterior Signage	3.87	5	1.233	rather good
(D3) Directional signage	3.49	4	0.956	rather good
(D3) Decoration	3.36	4	1.085	rather fair
(D3) Point of Sales	2.80	2	1.176	rather fair

Many customers agree that the temperature room was sometimes too high. It was around 28°- 30°C at noon. Customers who visited the store at morning or night might give fair or good score for temperature quality. It was around 21°- 23°C at morning and it was around 24°- 26°C at night.
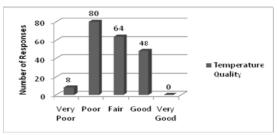

Figure 2. Temperature Quality

Customers thought that building air circulation system was not good. Lousy ventilation system made stuffy uncomfortable air condition inside the store. It was observed that during afternoon from one o'clock until two o'clock air condition inside the building was stuffy and uncomfortable. Respondent who gave good score for air quality might visit the store not at afternoon.
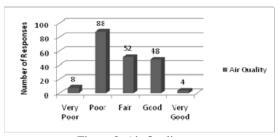

Figure 3. Air Quality

There were indifferent customers with the noise from outside but some customers were disturbed with the noises. Roaring motorbike, which are the most probable cause of noise, did not pass over every time. Probably undisturbed costumers were lucky enough not to hear occasional disturbing noise.
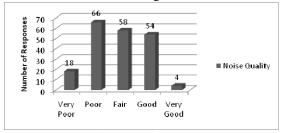

Figure 4. Noise

Some of respondent felt happy with the music dangdut from Dahlia mobile radio station. They might like the dangdut music. For the respondents who do not like dangdut, they felt unhappy with the music and the music increased their bad mood. The music was played for employees' entertainment to minimize boredom.
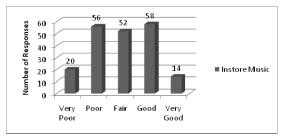
Figure 5. Music

Most frequent answer chosen for aisles width question was the good option. Customer mostly used shopping basket instead of cart. Some customers rated it poor because they used cart when they were shopping.
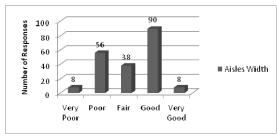

Figure 6. Aisles Width

Some customers agreed that the cashier area need an extension. They probably came during the peak hour and they had to wait long enough in the cashier queue. Others that choose positive might come during the non-peak hour period.
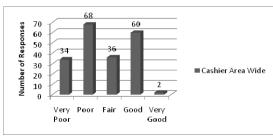

Figure 7. Cashier Area

Most of the customers agreed that the fixture height in Borma supermarket was already sufficient. Negative responses came mostly from old-age respondents who had handicap. For example, old-age respondent had difficulty to bend down to reach merchandise at the bottom of fixture. People who were below average height also had difficulty short to pick merchandise at the upper fixture.
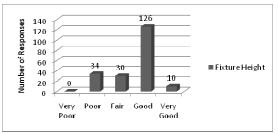

Figure 8. Fixture & Merchandise Presentation

Most customers agreed that the toilet was not clean. Good responses might come from middle to low class respondent. They are one of the main customers of Borma Dago and they probably had lower quality of sanitation.
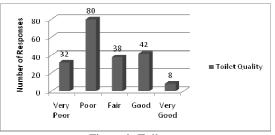

Figure 9. Toilet

Most of the customers agreed that the exterior signboard is visible. Twenty-five percents of the respondents' could not see the signboard easily. They were not aware about the signboard when they were driving vehicle.
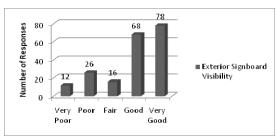

Figure 10. Exterior Signage

Most of the customers agreed that the categorical signage available in Borma currently already sufficient. Only few respondent answered that the directional signage was not sufficient. They came every day and had already known the merchandise location. Respondents who disagree might come infrequently to Borma.
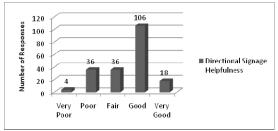
Figure 11. Directional Signage

Most of the customers agreed that the lack of decorations already reflects the low priced store image. Bulk of merchandise in the fixtures gave warehouse image not retail store. Minor negative answer might come from respondents who saw little decorations in the supermarket. During observation, it is obvious that the layout from management did not allocate a specific place for decoration. The store space was only focused to keep the merchandise. Supermarket layout usually provides 30% of their total space for a non-selling area, where we can put suitable decoration for customers comfort.
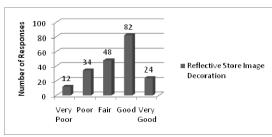

Figure 12. Decoration

The answers for POS question are evenly distributed either positively or negatively. inaccurate POS not always happen every time so not every customer had experienced inaccuracy of price. More than fifty percent of respondents answered that it was not good. It is critical because inaccurate POS can increase purchase cancelation that reduce store sales.
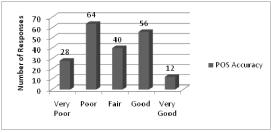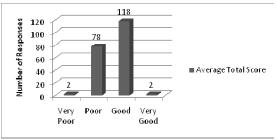

Figure 13. Point of Sales

Figure 14. Average Total Score

The mean of the result was 3.060833 point or fair to good (1 to 5 scales). It meant that the air quality condition in Borma Dago rated rather fair. The mode of the result was three. The customers rated the servicescape quality condition in Borma Dago as fair. The Standard Deviation was 0.3984846.

The average total score shows is good or most customers gave score of Borma servicescape good. Sixty percents of respondents were satisfied with overall servicescape of Borma Dago. Other 40% rated the servicescape performance as poor, therefore a servicescape improvement is needed to make them satisfied

Conclusion

Most of the servicescape elements in the supermarket still get a mean below 3 point (1 to 5 scales) or below the average. In order to gain a state of "superior" servicescape performance, several servicescape elements can be improved. Seven elements need to be improved because their mean got lower than 3. The seven elements are temperature, air system inside building, noise reduction, ambient music, wider cashier area and accurate POS. Based on the research result there are several suggestion in order to redesign the servicescape elements. Detailed suggestions are shown below. The improvement will be able to bring an improvement to the customers' satisfaction and it will increase Borma sales.

In implementing the servicescape redesign suggestions, a lot of capital and time are probably needed to redesign it. Air ventilation renovation and cashier area renovation require large capital. Music setting and frequent toilet cleaning service require small capital. This kind of improvement can improve the servicescape quality significantly. Long-term infrastructure redesign process can be done step by step to finally achieve the "Superior" servicescape quality of Borma supermarket

Further Research

A further research will also be required to review the quality of the servicescape performance continuously in order to make sure that the customers keep satisfied with the current condition of the servicescape performance, furthermore a contionuous research will also required for a post improvement process which will allow the management of the company review the improvement quality that are done in the supermarket.

Table. 4 Suggestion for Redesigning Servicescape Element

Servicescape Elements	Suggestions
Temperature Quality	Adding air condition machine
	Adding more ventilations
Air Quality	Adding air condition machine
	Adding more ventilations
Noise Quality	Replace the fully opened entrance with gated entrance to reduce noise
Music Quality	Setting neutral music which can be enjoyed by majority of people
	Tight control toward the music that are played in the store
Cashier Area Wide	Expand the cashier area
Toilet Quality	Redecorate the toilet
	Scheduled toilet cleaning
POS Accuracy	Training for employees with POS placing task
	Motivating employees to work accurately

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