Study on Strategies to Upgrade Operational Performance of Company H

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ABSTRACT :*By Importance-Performance Analysis (IPA), this study probes into customers' importance and satisfaction with product and service quality. Analytical and generalized result serves as suggestion of operational strategy for Company H. This study treats customers as questionnaire subjects. After retrieving questionnaires, according to IPA, it recognizes the priorities to improve product and service quality. According to questionnaire survey result, items which fall in Zone of Concentrate Here are below. Service personnel can immediately respond to customers' demands, bright and tidy appearance of facilities and service personnel treat customers' benefits as priority. The company should improve quality of these items to upgrade the performance.*
KEYWORDS-*importance, IPA, Service Quality*

I. INTRODUCTION

The company should develop unique characteristics, recognize customers' needs and enhance customers' satisfaction with quality to attract more consumers and obtain higher profits. This study adopts IPA to explore customers' different importance and satisfaction regarding items of product and service quality. According to research result, it obtains service items which should be improved. Through Responsiveness, Tangibility, Reliability, Care and Guarantee, this study analyzes product and service quality of the company. By IPA, it probes into difference of customers' importance and satisfaction with quality items to assist with Company H to recognize the direction of quality improvement and upgrade competitiveness.

II. LITERATURE REVIEW

Literature review includes two parts: study of service quality and Importance-Performance Analysis.
2.1 Product and service quality
Bateson & Hoffman (2002) argued that service quality is the attitude established by customers' long-term and overall evaluation regarding performance of service providers. Parasuraman et al. (1988) stated that service quality includes 5 dimensions (1) Reliability; (2) Responsiveness; (3) Guarantee; (4) Care; (5) Tangibility. They emphasized that service quality is determined by customers and the evaluation of service quality is based on the gap between customers' expectation towards service and actual perception. Haywood-Farmer (1998) suggested three dimensions of service quality (1) equipment, processes and procedures; (2) service personnel's behavior; (3) service personnel's professional judgment. Based on SERVQUAL proposed by Parasuraman et al. (1988), this study classifies measurement dimensions of product and service quality into Responsiveness, Tangibility, Reliability, Care, and Guarantee. Quality measurement items are revised according to questionnaires of Mohsin & Ryan (2005), Chung & Chen (2015), Parasuraman et al. (1988) and Haywood-Farmer (1988), based on business characteristics of Company H.

2.2 Importance-Performance Analysis (IPA)
Importance-Performance Analysis is analytical method introduced by Martilla and James (1977). Hansen and Bush (1999) stated that IPA allows the companies to recognize prior key factors of improvement by service or quality attributes. Analytical method of IPA is to calculate means of importance and performance values of service quality items. Axis x means satisfaction and axis y is importance. IPA divides the plane into four quadrants A, B, C and D, as shown in Figure 1.

Quadrant A - Zone of Concentrate Here: it is important for customers; however, customers' present perception of performance level does not meet their expectation. The company should invest more resources to improve it as priority.

Quadrant B - Zone of Keep Up the Good Work: it is important for customers and customers' present perception of performance is positive. It is major competitive advantage.

Quadrant C Zone of Low Priority: it is less important for customers. Their present perception of performance level

is low. It is the corporate source of low priority.

Quadrant D - Zone of Possible Overkill: It is less important for customers. However, customers' present perception of performance level is high. The company can apply the resources to the zone which requires urgent improvement.

Quadrant A Zone of Concentrate Here	Quadrant B Zone of Keep Up the Good Work
Quadrant C Zone of Low Priority	Quadrant D Zone of Possible Overkill

Importance (vertical axis)

Satisfaction
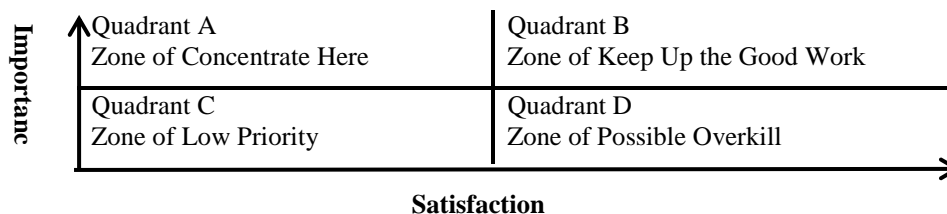
III.   RESEARCH METHOD

Questionnaires of this study are measured by Likert 5-point scale, including the following dimensions (1) Responsiveness; (2) Tangibility; (3) Reliability; (4) Care; (5) Guarantee. It distributed the questionnaires from January to February 2019. Questionnaire subjects were customers of the company. It retrieved 68 valid questionnaires and adopted IPA. Table 1 shows reliability values of this study. Nunnally (1978) stated that in exploratory research, reliability should be at least 0.7 to be accepted. Questionnaire of this study meets the standard. It was developed by literature review and it meets content validity.

IV.   RESULTS ANALYSIS

This study analyzes questionnaire survey result. The scoring is based on Likert 5-point scale. Satisfaction is scored according to subjects' responses. "Strongly agree" is 5 points and "Strongly disagree" is 1 point. Importance of service quality items is scored according to subjects' responses. "Highly important" is 5 points and "highly unimportant" is 1 point. Analysis of importance and satisfaction is shown in Table 2. Items falling in Zone of Keep Up the Good Work are item 8, item 9, item 10, item 12, item 13, item 18, item 20 and item 21. Items falling in Zone of Possible Overkill are item 3, item 4, item 6 and item 11. Items falling in Zone of Low Priority are item 2, item 5, item 14, item 16, item 17 and item 19. Items falling in Zone of Concentrate Here are item 1, item 7 and item 15.

V.   CONCLUSION

Through questionnaire survey, this study treats customers of Company H as subjects. According to research result, the conclusion is shown below. Based on finding of IPA, items which fall in Zone of Concentrate Here are as follows. Service personnel can immediately respond to customers' demands, bright and tidy appearance of facilities and service personnel treat customers' benefits as priority. The manager should enhance these service items to upgrade competitiveness. Items falling in Zone of Possible Overkill are not important for customers. However, the company makes excessive efforts. Items in Zone of Low Priority are not important for consumers. However, if the company can reinforce these service items in the condition of sufficient resources, the zone will be potentially advantageous. Items in Zone of Keep Up the Good Work are competitive advantages and it should keep up the good service quality.

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Table1: Reliability values of this study

Questionnaire Dimensions	Item	Cronbach's α	
		Importance	Satisfaction
Responsiveness	1,2,3,4	0.753	0.758
Tangibility	5,6,7,8,9	0.792	0.821
Reliability	10,11,12,13	0.813	0.819
Care	14,15,16,17	0.826	0.802
Guarantee	18,19,20,21	0.831	0.817

Table2: Analysis of Importance and Satisfaction of Service Quality

Item	Service quality item	Satisfaction	Importance
		Average	Average
1	Service personnel can immediately respond to customers' demands.	4	4.235
2	Service personnel are never too busy to respond to customers	3.985	4.132
3	Service personnel provide procedural description in detail	4.147	4.044
4	Service personnel are willing to assist with and serve customers	4.074	4.147
5	Tidy and neat production environment of the factory	3.853	3.985
6	Professional interior equipment	4.074	4.058
7	Bright and tidy appearance of facilities	3.971	4.176
8	Interior facility planning and production circulation meet the requirement	4.132	4.323
9	Products and services meet customers' needs	4.176	4.294
10	Service personnel assists with customers to solve problems	4.221	4.176
11	Service personnel fulfill commitment to customers	4.088	4.073
12	Service personnel accomplish the work immediately	4.221	4.191
13	Service personnel can provide reliable service	4.074	4.176
14	Service personnel actively care about customers individually	3.662	4
15.	Service personnel treat customers' benefits as priority	3.956	4.206
16.	Service personnel recognize individual customers' needs	3.912	4.0147
17.	They provide services by recognizing customers' needs	3.941	4.147
18.	They can respond to customers' questions with sufficient knowledge	4.191	4.294
19.	Reliable service for customers in workplace	3.838	4.029
20.	Service personnel provide responsible service	4.132	4.176
21	Customers' confidence is enhanced with service personnel's behavior	4.117	4.221
Average		4.036	4.148