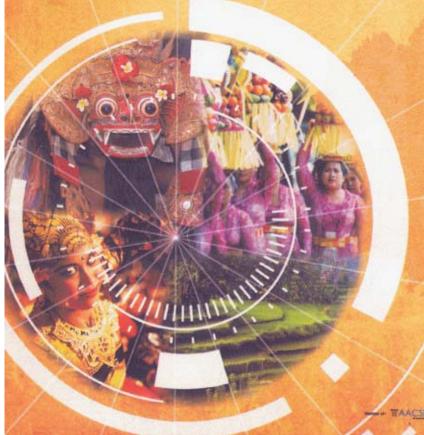






Department of Management Faculty Of Business and Economics Universitas Surabaya

CHALLENGES AND OF THE LEADING EDGE IN WORLD CLASS SUPPLY CHAIN MANAGEMENT











PROCEEDING

THE 10th INTERNATIONAL ANNUAL SYMPOSIUM ON MANAGEMENT

CHALLENGES AND OPPORTUNITIES OF THE LEADING EDGE IN WORLD CLASS SUPPLY CHAIN MANAGEMENT

Bali, March 16th, 2013

Department Of Management Faculty of Business and Economics Universitas Surbaya

Proceeding

The 10^{th} UBAYA International Annual Symposium on Management

CHALLENGES AND OPPORTUNITIES OF THE LEADING EDGE IN WORLD CLASS SUPPLY CHAIN MANAGEMENT

Editors:

Werner R. Murhadi, Dr Prita Ayu, MM

Reviewers:

Candra S. Chayadi, Ph.D. (School of Business, Eastern Illinois University)

Dudy Anandya, Dr (Universitas Surabaya)

Joniarto Parung, Ph.D, Prof. (Universitas Surabaya)

Ning Gao, Ph.D. (Manchester Business School)

Wahyu Soedarmono, Ph.D. (Research Analyst, The World Bank, Jakarta)

Yuanto Kusnadi, Ph.D. (City of Hongkong University)

Published by:

Department of Management, faculty of Business & Economics Universitas Surabaya

Jl. Raya Kalirungkut

Surabaya, Indonesia 60293

Phone : +62-31-2981139 Fax : +62-31-2981239

ISBN: 978-979-99365-7-8

Copyright © 2013 Department of Management, faculty of Business & Economics, Universitas Surabaya

LOGISTIC SERVICE QUALITY IN PT MENTARI SEJATI PERKASA (MSP) SURABAYA

Siti Rahayu Fitri Novika Anthony Soenardi Sudartan

Fakultas Bisnis dan Ekonomika Universitas Surabaya

sitirahayu151@gmail.com novika andin@yahoo.com

INTISARI

PT MSP merupakan badan usaha yang bergerak di bidang jasa angkutan kontainer melalui jalur laut. Dalam melayani pelanggannya, kualitas layanan yang ditawarkan PT MSP sangat penting untuk mengevaluasi layanan yang selama ini diberikan kepada pelanggan. Penelitian ini bertujuan untuk mengambarkan perbedaan kualitas layanan logistik di PT MSP berdasarkan persepsi pelanggan perusahaan dan perseorangan.

Jenis penelitian yang digunakan adalah deskriptif konklusif. Target populasi adalah pelanggan PT MSP di Surabaya, yang terdiri dari pelanggan perseorangan dan perusahaan. Jumlah populasi dalam penelitian ini teridentifikasi, yaitu terdiri dari 238 pelanggan perseorangan dan 361 pelanggan perusahaan. Dengan demikian, penelitian ini menggunakan Probability Pampling dengan tingkat kesalahan 5% (0,05).

Temuan utama penelitian adalah menunjukan adanya perbedaan persepsi pelanggan perusahaan dan perseorangan terhadap kualitas layanan logistik lebih tinggi dibandingkan pelanggan perseorangan.

Kata Kunci: Kualitas layanan, logistik, kualitas layanan logistik

ABSTRACT

PT MSP is a business entity engaged in container transport by sea. In serving customers, the quality of service offered by PT MSP is very important to evaluate the service that had been provided to the customer. This study aims to portray the difference in quality of logistics services in PT MSP based on customer perception and individual companies.

This type of research is descriptive conclusive. The target population is PT MSP customers in Surabaya, which consists of individuals and corporate customers. Total population in this study was identified, which is composed of 238 individual customers and 361 corporate customers. Thus, this study uses Probability Sampling with an error rate of 5% (0.05).

The main finding of the study is to show the difference in customer perception of the company and individual logistics service quality higher than individual customers.

Keywords: Quality of service, logistics, logistics service quality

1. INTRODUCTION

Trade is one of the main drivers of economic growth. Economic growth can develop in case of trade. In addition, economic growth will be a multiplier effect for other trade sectors. The trade sector needs the support of the transport sector. In fact, transportation is a major factor supporting the advancement of trade. Trade cannot occur without the availability of adequate transportation. Transportation is divided into 3 types, namely land, sea, and air.

Indonesian Logistics Association (ALI) targeting national logistics industry growth in 2012 could reach 20% compared to the year 2011 in the range of 13-14%. This triggered the growth of Indonesia's economy is getting better predicted by sustained domestic consumption. Proposed development of sea-based transportation logistics and import restrictions on entry of goods into Indonesia into two units, namely in the areas east and west become important (http://www.jurnas.com/halaman/15/2012-01-18/195964).

One of the advantages of sea transport is the economies of scale, because sea transport offers lower cost to a greater volume of goods. Although air transport is so powerful and fast, marine transportation still plays an important role. Goods are scattered in many places more easily serviced by sea transport. Mobilization of commodities and industrial tools with giant size can be achieved by use of sea transport. This is because sea transport barely knows the weight and dimension limits.

Currently, 71% of international trade is using maritime transport. From the weight of goods transported, 96% of world trade is transported by sea. In Indonesia, more than 90% of the volumes of exports or imports are transported by sea. In addition, more than 88% of national inter-island movements of goods are transported by sea.

Trading and distribution of goods with a higher volume makes the logistics business has an important role. Logistics business is now not just move goods from one place to another. Logistics business today is more to offer solutions to the problem of distribution. Service logistics companies do not just distribute goods, but help the problems companies are unaware of the procedures for shipping, import export procedures, as well as other problems associated with the distribution of goods. Chapman et al. (2002); within Sumantri and Lau (2011) states that logistics has a complex role in managing the flow of goods, services and related information. Currently the role of logistics expands not only to move products and materials but also to create competitive advantage by providing services roommates meet customer demand.

Facing globalization and free trade, the role of logistics services are increasingly important. Exporters and importers as well as a growing number of companies that deliver a variety of matters relating to the distribution of goods to companies that can organize and develop its logistics activities

(www.gafeksi.or.id). Neither the company nor the researchers were aware of the importance of the role of logistics services to the company's success (Bienstock, Mentzer, and Bird, 1997; Bowersox, Mentzer, and Speh, 1995; Brebsinger and Lambert, 1990; Mentzer, Gomes and Krapfel, 1989 in Mentzer, Flint, and Hult, 2001).

At the macro-level logistics performance of industries in a country has a major impact on economic performance of the country. The logistics performance of all sectors Influences on the economic growth and prosperity of a country (Hannigan & Mangan, 2001). The more efficient the logistics management, the smaller the margin logistics costs in the goods or services purchased by consumers. The quality of logistics performance margins will reduce costs in the product or service, improve operational efficiency, improve a country's access to international markets and increase of the trade volume. When all sectors within a country have a superior logistics performance, the competitiveness of a country improves their bargaining roommates will increase of power in regional and international levels. In a competitive supply chain world, effectiveness and efficiency of domestic logistics systems and their Connectedness to global logistics is a key to the success of a country (Sumantri and Lau, 2011)

The needs of the logistics industry in Indonesia is strongly influenced conditions in Indonesia which is an archipelagic nation. Transport and logistics plays a very important in the trade and distribution of goods between islands. Commodities that are particularly islands outside Java island, it all depends on sea transport.

The condition is also supported by the globalization that makes people and goods mobility is increasing. This has an impact on the growth of the logistics industry. The fact that Indonesia is the largest logistics market in ASEAN also affect the growth of the logistics industry. Indonesia's efforts to Achieve an effective and efficient logistics system is influenced by the state of Indonesia has 17.504 islands roommates, 225 million population and abundant natural resources such as oil, gas, coal and palm oil. The circumstances indicate that Indonesia is a promising market as well as wealth resources. The geographical condition that it only has 22% of the land means the supply and demand distribution has Becoming a crucial issue and requires reliable distribution systems. Logistics sector also faces challenges internationally. Free trade agreements in the ASEAN region lead to more competitive market. Customer expectations of offered goods and services have increased. Similarly customers demand lower costs. To respond to this situation, Indonesia needs an outperformed logistics performance (Sumantri and Lau, 2011).

To observe how far the performance of Indonesian logistics sector is, a national logistics performance measurement is needed. The performance of a country's logistics sector compared to logistics sector in other countries in the world can be identified using the Logistics Performance Index (LPI). In 2010, The LPI shows that the Indonesian logistics sector needs to be improved (see Table 1). LPI is the weighted average of the country scores on six key dimensions roommates consist of efficiency of the clearance process; quality of trade and transport related infrastructure; ease of arranging shipments; competence and quality of logistics services; ability to track and trace consignments; and timeliness of shipments in reaching destination within the scheduled or expected delivery time. The scorecards demonstrate comparative performance using a scale

from 1 to 5 in roommates 1 being the worst performance for the given dimension. Indonesia logistics performance index is below the world's logistics performance index, unless the dimension of timeliness.

Table 1. The 2010 Logistics Performance Index of Indonesia Compare to World Average Score

World Average Beore								
	Indonesia	Indonesia		Difference				
Overall LPI	Score	2.76	Score	-0.11				
	Rank	75	2.87					
Customs	Score	2.43	2.59	-0.16				
	Rank	72	2.39					
Infrastructure	Score	2.54	2.64	-0.09				
	Rank	69	2.04					
International shipment	Score	2.82	2.85	-0.02				
	Rank	80	2.83					
Logistic competence	Score	2.47	2.76	-0.29				
	Rank	92	2.70					
Tracking and tracing	Score	2.77	2.92	-0.15				
	Rank	80	2.32					
Timeliness	Score	3.46	3.41	0.06				
	Rank	69	3.41					

Source: World Bank

Indonesia logistics performance index can be input for logistic companies in Indonesia to improve their performance, in order to compete in the international market. In Indonesia logistics functions that have evolved considerably with the technology that makes the logistics function leads to a solution in the distribution of goods. Coverage logistics business grew to more broadly cover: domestic shipping, freight forwarders, transport, and courier, value added warehouse and distributors.

Increasingly complex services in the logistics industry makes logistic enterprises should pay more attention to the customer service aspect. Research on quality of services specifically for logistic services has performed by Mentzer, Flint, and Hult (2001). In the study referred to the terms of service quality research Parasuraman, Zeithaml, and Berry (1985) whose dimensions adjusted logistic services to logistics service quality (LSQ).

During 2003-2007, the number of shipping companies in Indonesia increased. Based on data from the Directorate General of Sea Transportation, in 2003 there were 1705 companies consisting of: a national shipping company (1030), non-shipping company (267) and the shipping company of the people (408). In 2007, the number of shipping companies increased to 2326 the company, which consists of 1,432 national shipping companies, 334 companies and 560 non-cruise shipping companies' folk (www.datacon.co.id/Angkutanlaut2008Ind). For domestic shipping category, there are several companies, namely PT Tanto Intim Line, PT Meratus Line, PT Spil, PT Mentari Sejati Perkasa, PT Maersk Line, and about 2300 other domestic shipping companies.

Freight business in Indonesia is divided into 4 categories with levels like a pyramid, which can be seen in table 2. Based on the known local companies as

much as 80% of Indonesia are at their door to door, a 15% level of logistics, and 1% that succeed in SCM.

Table 2. Category Business Delivery Service

Category	Characteristic
1. Port to Port	No technology implementation
2. Door to Door	Proficient basic IT skills
3. Logistics	IT systems have been integrated and mastered several logistics services such as warehousing, distribution, and licensing
4. Supply Chain Management	IT systems are integrated with each other and can do the planning, procurement and distribution to final customers (end customers)

Source: SWA, 9 Augusts 2007

For the category of domestic shipping company, business category are reported in Table 3.

Table 3. Domestic Shipping Businesses operating in Surabaya

	11 0	1 0
Company Name	Starting	Business Networking
	Operated	
1. PT Tanto Intim Line	1970	Domestic shipping
2. PT Meratus	1957	Domestic and international
		shipping
3. PT SPIL	1969	Domestic shipping
4. PT Mentari Sejati	1996	Domestic shipping
Perkasa		
5. PT Alken Line	1991	Domestic shipping

(Source: Company website)

Domestic shipping business has been growing as an impact of increasing competition. To win the competition, the domestic shipping business operators must know how to meet customer needs. One aspect of a valued customer in choosing domestic shipping is price competitive. Another point of concern is the customer's quality, speed, security, and items to place the goal to complete (www.vibiznews.com, October 19, 2007).

PT MSP is a domestic shipping firms established in 1996. At first, the company is engaged in the transportation of bulk cargo routes serving Surabaya - Luwuk, Surabaya - Gorontalo, and vice versa. Each line served two ships with a capacity of 1200 tons. In 2001, the company revamp its services to shipping companies that serve cargo in a container and add services such as routing paths, Surabaya - Sorong, Surabaya - Jayapura, Surabaya - Biak, Surabaya - Manokwari. Service conducted by two ships each with a capacity of 4400 tons. In 2003, the company expanded its service line route from Surabaya - Ternate, Surabaya - Ampana and vice versa. In 2006, the route service lines grew longer the Surabaya - Tobelo. After 10 years serving domestic flights, in 2007, it serves international routes, namely Banyuwangi - Singapore. In addition, the company also caters delivery via ground transportation.

Goods are sent via PT MSP can be secured to a third party to transfer risk through insurance. The use of insurance is optional, but depending on the sender. Risks insured are the types of risk are defined and established internationally. Goods are insured (Subject Matter of insured) is insured items will be insured to the insurer. The type of goods and the number of items will influence the rate that will determine insurance premiums. The amount of insurance rates ranged between 0.5 - 1% multiplied by the estimated price of the goods. PT MSP itself will be received and filed a claim to replace the customer if goods sent by mistake PT MSP wet. Errors caused PT MSP is if the hatch leaking ship load space, so the claims will be reimbursed water into hold. and the Referring to the research of Mentzer, Flint, and Hult (2001) study aims to describe differences in the quality of logistics services offered by PT MSP according to customer's perception of individuals and corporate customers in Surabaya. In this research, Mentzer, Flint, and Hult (2001) differentiated by customer segment. different because each segment has service needs services The remainder of this paper will describe the literature review, followed by methodology, discussion of the research results and recommendations in accordance with the results of the study.

2. LITERATURE REVIEW

2.1. Service Quality

Business competition intensifies, requires businesses to provide quality service to customers. Understanding the quality of services will enable companies to design services according to customer needs. According to Zeithaml, Parasuraman, and Berry (1990:44) service quality is the customer's perception of the superiority of the service. Quality of services provided by the firm depends on consumer perceptions of the service received. Thus, a company trying to make the services provided meets or exceeds customer expectations.

Consumer perception must be constantly monitored, because according to Blumberg (1991:24): service quality is very strongly affected by customer perception of reality. If consumers' assessment of the quality of service the company is different from before, then the consumer's perception of a business entity can change. In addition, consumers often judge the quality of service when consumers are dissatisfied. According to Blumberg (1991: 69), service quality is most Often measured by the customer at times when the service organization fail to perform. Consumers often do not pay attention to the quality of services provided by the company at the time of the quality of services provided meet or exceed customer expectations. Consumers would rate the quality of service at the time the company failed to provide the service.

According to Bateson and Hofman (1999:339) service quality offers a way of Achieving success among competing service. Particularly where a number of firms that ever nearly identical services are competing within a small area, establishing service quality may be the only way of differentiation oneself. Quality of service is a way for a company to achieve success in their respective service quality of the company is one of the traits that make the company different from other companies in the same business scope.

2.2. Logistics

Logistics Company that has a good quality of service will be the company's competitive advantage in a competitive world-class level of competition. For that company should pay attention to the constituent elements of logistic services.

The Council of Logistics Management (CLM), a pioneer organization in the U.S. logistics management defines logistics as part of the supply chain process that plans, implements, and controls the efficient, effective flow and storage of goods, services, and related information from the point of origin to the point of consumption in order to meet customer's requirements ". Logistics is the management of the flow of goods and services from the beginning to meet the needs of consumer goods. In management, information systems are critical in supporting the process (Sumantri and Lau, 2011).

Logistics is the flow of goods. Today, the meaning of goods must be defined from a wider angle for a systematic establishment of entrepreneurial logistics management. What are goods? They include the general merchandise, such as the products of agriculture, husbandry, fishing, raw materials, semi-products, parts, finished products, parcels and rubbish. It also includes some characteristics, roommates are not Recognized in the traditional ways, such as electricity, electronic files, credit cards, check or paper money, and the professional services, such as the office supplies, packing materials, logistic service, and janitor service. The flow of goods will be accomplished by trading, sales, logistics service through the coordination of person, location and information (Li and Chang, 2008).

In addition to the movement of goods and services, logistics is also very closely related to marketing channels. Good logistics management strategy will enable companies to efficiently manage the flow of goods, which is expected to maximize corporate profits. This is consistent with the definition of the logistic Christopher (1998:4), namely: "Logistics is the process Strategically managing the procurement, movement and storage of materials, parts and finished inventory (and the related information flows) through the organization and its marketing channels in such a way that current and future profitability are maximed through the cost-effective fulfillment of orders".

Activity Logistics involves the integration of information, transportation, preparation, warehousing, materials handling, and packaging. In practice, the logistics that was once considered as a complement in a company, change roles. Li and Chang (2008) stated, today's logistics has been considered to have the potential to (1) reducing the delivery time, (2) increasing the delivery times, (3) lowering the shortage of products, (4) making speedy delivery or even deliver on holidays, and (5) improving the service quality. Logistics is no longer a supporter, but has become a key element for the company's strategic functions. Good logistics management to make the company achieve efficiency and provide added value to consumers, and achieve competitive advantage better than the competition.

Logistics management activities include inbound and outbound transportation management, warehousing, material handling, logistics network design, fulfilling orders, stock management, demand and supply planning, and management of Third Party Logistics provider. In a different approach, the logistics function also includes purchasing, planning production schedules, packaging, and consumer services. Logistics Management is an integrated function, which coordinates and optimizes all logistics activities, and integrate

logistics activities with other functions, such as marketing, manufacturing, finance, and information technology.

2.3. Logistics Service Quality

According to Coyle, Bardi, and Langley (1992), logistics service quality is a part of a product's marketing offering is the company's ability to deliver the right amount of the right product at the right place at the right time in the right condition at the right price with the right information. Logistic service quality plays an important role in the marketing and distribution of products. Therefore the company should be able to send the right amount of the right product at the right place, the right time in the right conditions, and at the right price with the right information.

The statement was supported by Bienstock, Mentzer, and Bird (1997) which states that the quality of logistics service performance marketing is a key component that helps create customer satisfaction. Consumer satisfaction is the degree to which the performance of the product or service assumption will match consumer expectations.

Michael Porter (2001) states that the concept can support the above theory is the inbound logistics and outbound logistics in the value chain model (www.fao.org/fileadmin/user_upload/fisheries/docs/ValueChain.pdf). logistics are activities associated with receiving, storing, distributing inputs into the production of goods (eg, material handling, storage, inventory control, vehicle scheduling, and returns to the supplier. Outbound logistics are activities associated with the collection, storage, and distribution of the product to the purchaser, (eg, storage of finished products, material handling, shipping operations with the vehicle, ordering and scheduling processes.

According to Mentzer, Flint, and Hult (2001), there are nine dimensions of quality of logistics services, namely:

1. Contact Personnel Quality

Personnel contact quality refers to the customer orientation of the supplier's logistics contact people. Quality of individual contact is customer orientation towards logistics supplier, where specific customer care whether employees have adequate knowledge, empathy towards customer problems and hospitality emplovee attitudes in helping customers tackle the problem.

2. Order quantities Release

Order quantites release are related to the concept of product availability. Quantity order fulfillment related to product availability. Product is anything that can be offered to a market for attention, possessed, used, or consumed to satisfy the customer or user needs. The importance of the availability of the products have long been recognized as an important component of logistics excellence.

3. Information Quality

Information quality refers to customers perceptions of the information provided by the supplier regarding products from roomates customers may choose. Many consumers who do not understand the things related logistic services. It is important for companies to always inform their products to consumers.

4. Ordering Procedures

Ordering procedures refers to the efficiency and effectiveness of the Procedures Followed by the supplier. The booking procedure shows the effectiveness and

efficiency of the procedure provided by the supplier. The procedure is the processing step to complete an activity.

5. Ordering Accuracy

Order accuracy refers to how closely match customers orders shipments upon arrival. The purpose of the definition is the accuracy of the order to show compliance with the activities of service delivery customer order once the order arrives.

6. Order Condition

Order condition refers to the lack of damage to orders. Order refers to the condition that the presence or absence of damage to the order. 7. Order Quality

Order quality refers to how well products work. The purpose of this statement is to show how good the quality of our products can work. Included also in this case how the level of quality of service provided to suit customer needs. 8. Order Discrepancy Handling

Order discrepancy handling refers to how well any discrepancy in orders after the orders arrive. The purpose of the definition is handling nonconformities order after the order arrives. This discrepancy include employee attitudes about responsiveness in dealing with customer issues raised.

9. Timeliness

Timeliness refers to Whether orders arrive at the customer location when promised. More broadly, timeliness also refers to the length of time between order placement and receipt. The statement means that our customers can get the place as promised. More breadth, timeliness relates to the length of time in shipping goods. The delivery time can be influenced by the time of transport.

3. RESEARCH METHODS

This type of research used in this research is descriptive conclusive research that aims to describe and explain the characteristics of a particular problem or situation in order to gain an understanding of the logistics service quality and make proof of the hypothesis which states that there are differences in the perception of the quality of logistics services offered by PT MSP according to the customer's perception of individuals and corporate customers in Surabaya The variables addressed in this study is the quality of logistics services.

The operational definition of quality logistics services in Surabaya is consumer perception of services provided by PT. MSP to deliver the right amount of the right product at the right place, the right time in the right conditions, and at the right price with the right information. Indicators of the quality of logistics services in the study were: Personnel Contact Quality, Order Release quantities, Information Quality, Ordering Procedures, Ordering Accuracy, Order Condition, Quality Order, Order Discrepancy Handling, Timeliness

Research using primary data. Derived from the survey results, by distributing questionnaires to the customers as much as 149 individual and 190 corporate customers, in order to obtain data from respondents directly. The target population in this research is PT MSP customers in Surabaya, which consists of individual customers and corporate customers. Characteristics of the population are individual customers are all customers who do not use the company as the name of the sender, who had used the services of PT MSP in the last two years.

Aras measurements used in this study is the measurement interval cedar. Because the statements used in the questionnaire was to determine the impact or ask the opinion of the respondents on certain statements. Questionnaires were distributed to the respondents are closed (close-ended question), it means the respondent's answer has been limited to providing alternative answers that have been prepared using the measurement scale called a numerical scale with mono polar type. This measurement scale using seven scales in which respondents were asked to provide the method level on each scale according to the opinion. Answer with a value of 1 means most respondents gave a negative assessment of the statement. While the answer to the value of 7 means the respondents gave the most positive assessment of the existing statement.

4. RESULTS AND DISCUSSIONS

Measuring customer perceptions of the quality of logistics services offered by PT MSP conducted by giving questionnaires to customers. In the early stages distributed to 30 respondents and 30 respondents individual customers enterprise customers and then tested the validity and reliability of the questionnaires used. How to measure the validity of using the internal consistency of the Pearson product moment correlation method. A variable will be valid if the value of the correlation coefficient significantly smaller than the alpha of 0.05. Validity of the test results showed that all the statements in the questionnaire was declared invalid. While the reliability test using SPSS 15.0 For Windows Evaluation, reliability values obtained for 0.909 and 0.926 for individual customers for enterprise customers. Value of reliability (Cronbach's Alpha) for individual and corporate customers is greater than 0.6 then the item is in the whole variable is reliable. Once the questionnaire is declared valid and reliable data collection continued until the amount is considered quite representative of the population. The results of the overall perception of the quality of data collection logistics services offered by PT MSP Surabaya shown in Table 4.

Table 4. Descriptive statistics of Logistics Service Quality
Offered by PT MSP

No	Pernyataan	Perseorangan		Peru	Perusahaan		
		Mean	SD	KV	Mea	SD	KV
		(\bar{x})		(%)	n		(%)
					(x)		
1.	Employees PT. MSP has	5,42	1,21	22,30	5,02	1,19	23,69
	sufficient knowledge						
2.	Employees friendliness of PT.	5,08	1,44	28,35	5,45	1,09	19,92
	MSP in serving customers.						
	Personel Contact Quality	5,25	1,32	25,32	5,23	1,14	21,81
3.	Able to meet the customer	5,12	1,60	31,20	5,31	1,36	25,58
	service needs						
4.	Ability PT. MSP to fulfill	4,76	1,72	36,21	5,23	1,27	24,32
	orders in the time promised.						
	Order Release Quantities	4,94	1,66	33,70	5,27	1,31	24,95
5.	The availability of sufficient	4,88	1,69	34,68	5,33	1,26	23,64
	information on PT. MSP						
	services						

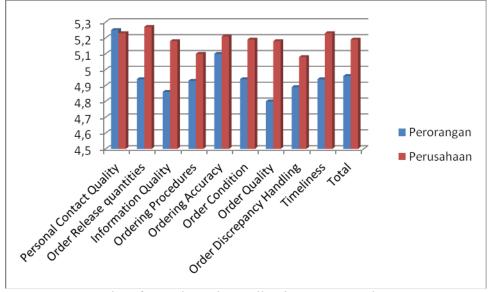
Ease of getting information about PT. MSP services. Information Quality 4,86 1,72 35,36 5,18 1,26 24,34
Information Quality
7. Convenience booking procedures at PT. MSP 4,99 1,74 34,89 5,13 1,18 23,02 8. Procedures booking service in the PT. MSP can be in a short time. 4,87 1,25 25,69 5,06 1,34 26,54 9. Correspondence between the number of services (container) ordered the service (container) received 5,09 1,37 26,94 5,20 1,36 26,11 10. Compatibility between variants of the service (type, size, door-to-door, etc.) are ordered with the service received. 5,11 1,49 29,16 5,22 1,16 22,15 11. The good condition of items received 5,07 1,51 29,79 5,25 1,30 24,69 12. Correspondence between items received by the current state of early delivery. 4,81 1,75 36,43 5,14 1,27 24,71 13. The ability of the product received to function properly 4,94 1,63 33,11 5,19 1,28 24,70 14. Convenience of claim procedure on damaged item. 4,80 1,48 30,77 5,18 1,28
Booking procedures at PT.
MSP
the PT. MSP can be in a short time. Ordering Procedures 4,93 1,49 30,29 5,10 1,26 24,78
the PT. MSP can be in a short time. Ordering Procedures 4,93 1,49 30,29 5,10 1,26 24,78
9. Correspondence between the number of services (container) ordered the service (container) received 10. Compatibility between variants of the service (type, size, door-to-door, etc.) are ordered with the service received. 11. The good condition of items received 12. Correspondence between items received by the current state of early delivery. 13. The ability of the product received to function properly 14. Convenience of claim procedure on damaged item. 15. Responsiveness PT. MSP in addressing problems with the services ordered 16. The employees ability of PT. 4,98 1,61 32,30 5,16 1,42 27,54
9. Correspondence between the number of services (container) ordered the service (container) ordered the service (container) received 10. Compatibility between variants of the service (type, size, door-to-door, etc.) are ordered with the service received. 11. The good condition of items received 12. Correspondence between items received by the current state of early delivery. 13. The ability of the product received to function properly 14. Convenience of claim procedure on damaged item. 15. Responsiveness PT. MSP in addressing problems with the services ordered 16. The employees ability of PT. 4,98 1,61 32,30 5,16 1,42 27,54
10. Compatibility between variants of the service (type, size, door-to-door, etc.) are ordered with the service received.
10. Compatibility between variants of the service (type, size, door-to-door, etc.) are ordered with the service received.
Teceived
10. Compatibility between variants of the service (type, size, door-to-door, etc.) are ordered with the service received.
variants of the service (type, size, door-to-door, etc.) are ordered with the service received. **Ordering Accuracy** The good condition of items received by the current state of early delivery. **Order Condition** **Order Condition** The ability of the product received to function properly 12. Convenience of claim procedure on damaged item. **Order Quality** **Order Quality** **Order Quality** **Aso I,48 30,77 5,18 1,28 24,81 1,27 24,81 1,28 24,81
Size, door-to-door, etc.) are ordered with the service received. Ordering Accuracy 5,10 1,43 28,05 5,21 1,26 24,13 The good condition of items received 4,81 1,75 36,43 5,14 1,27 24,71 12. Correspondence between items received by the current state of early delivery. Order Condition 4,94 1,63 33,11 5,19 1,28 24,70 13. The ability of the product received to function properly 14. Convenience of claim procedure on damaged item. Order Quality 4,80 1,48 30,77 5,18 1,28 24,81 15. Responsiveness PT. MSP in addressing problems with the services ordered 16. The employees ability of PT. 4,98 1,61 32,30 5,16 1,42 27,54
ordered with the service received. **Ordering Accuracy** The good condition of items received 12. Correspondence between items received by the current state of early delivery. **Order Condition** **Order Condition** The ability of the product received to function properly 14. Convenience of claim procedure on damaged item. **Order Quality** **Order Quality** **A80
The good condition of items received 12. Correspondence between items received 4,81 1,75 36,43 5,14 1,27 24,71
11. The good condition of items received 1,51 29,79 5,25 1,30 24,69 12. Correspondence between items received by the current state of early delivery.
The good condition of items received 1,51 29,79 5,25 1,30 24,69
received 12. Correspondence between items received by the current state of early delivery. 13. The ability of the product received to function properly 14. Convenience of claim procedure on damaged item. 15. Responsiveness PT. MSP in addressing problems with the services ordered 16. The employees ability of PT. 4,98 1,61 32,30 5,16 1,42 27,54
12. Correspondence items received by the current state of early delivery. 4,81 1,75 36,43 5,14 1,27 24,71 Order Condition 4,94 1,63 33,11 5,19 1,28 24,70 13. The ability of the product received to function properly 4,82 1,55 32,10 5,25 1,29 24,54 14. Convenience of claim procedure on damaged item. 4,77 1,41 29,45 5,11 1,28 25,09 15. Responsiveness PT. MSP in addressing problems with the services ordered 4,79 1,53 32,03 4,99 1,39 27,82 16. The employees ability of PT. 4,98 1,61 32,30 5,16 1,42 27,54
items received by the current state of early delivery. **Order Condition** 13. The ability of the product received to function properly 14. Convenience of claim procedure on damaged item. **Order Quality** 15. Responsiveness PT. MSP in addressing problems with the services ordered* 16. The employees ability of PT. 4,98 1,61 32,30 5,16 1,42 27,54 1,42 27,54
State of early delivery.
Order Condition 4,94 1,63 33,11 5,19 1,28 24,70 13. The ability of the product received to function properly 4,82 1,55 32,10 5,25 1,29 24,54 14. Convenience of claim procedure on damaged item. 4,77 1,41 29,45 5,11 1,28 25,09 15. Responsiveness PT. MSP in addressing problems with the services ordered 4,79 1,53 32,03 4,99 1,39 27,82 16. The employees ability of PT. 4,98 1,61 32,30 5,16 1,42 27,54
13. The ability of the product received to function properly 14. Convenience of claim procedure on damaged item. 15. Responsiveness PT. MSP in addressing problems with the services ordered 16. The employees ability of PT. 4,98 1,61 32,30 5,16 1,42 27,54
received to function properly 14. Convenience of claim 4,77 1,41 29,45 5,11 1,28 25,09 procedure on damaged item. **Order Quality** 15. Responsiveness PT. MSP in addressing problems with the services ordered* 16. The employees ability of PT. 4,98 1,61 32,30 5,16 1,42 27,54
14. Convenience of procedure on damaged item. 4,77 1,41 29,45 5,11 1,28 25,09 Order Quality 4,80 1,48 30,77 5,18 1,28 24,81 15. Responsiveness PT. MSP in addressing problems with the services ordered 4,79 1,53 32,03 4,99 1,39 27,82 16. The employees ability of PT. 4,98 1,61 32,30 5,16 1,42 27,54
Drder Quality 4,80 1,48 30,77 5,18 1,28 24,81
Order Quality 4,80 1,48 30,77 5,18 1,28 24,81 15. Responsiveness PT. MSP in addressing problems with the services ordered 4,79 1,53 32,03 4,99 1,39 27,82 16. The employees ability of PT. 4,98 1,61 32,30 5,16 1,42 27,54
15. Responsiveness PT. MSP in addressing problems with the services ordered 16. The employees ability of PT. 4,98 1,61 32,30 5,16 1,42 27,54
addressing problems with the services ordered 16. The employees ability of PT. 4,98 1,61 32,30 5,16 1,42 27,54
services ordered 5 5 6 1,61 32,30 5,16 1,42 27,54
16. The employees ability of PT. 4,98 1,61 32,30 5,16 1,42 27,54
The employees dointy of 11.
IMSU handle problems with
the service booked up quickly.
Order Discrepancy Handling 4,89 1,57 32,16 5,08 1,40 27,68 17 17 18 1,40 </td
17. Punctuality ordered goods 4,72 1,65 34,87 5,25 1,46 27,77
arrived as promised time
arrived as promised time 5,16 1,59 30,72 5,22 1,33 25,56
arrived as promised time 18. Speed time arrival of goods ordered. 5,16 1,59 30,72 5,22 1,33 25,56 ordered.
arrived as promised time 5,16 1,59 30,72 5,22 1,33 25,56

Source: Results of questionnaire Collecting, processed

Average of customer perception of the company was 5.19. This suggests that having a higher value than the perception of the individual customer that is equal to 4.96. This illustrates that the customer's perception of quality of service the

company provides logistics PT MSP more positive than individual customers. When viewed from the diversity of respondents' shows that individual customers have a greater diversity of answers than the customers of the company, the value of the power coefficient of variation of 31% for individual customers and 25% for corporate customers.

According Bienstock, Mentzer, and Bird (1997), "The quality of logistics service performance marketing is a key component that helps create customer satisfaction", in this study shows that PT MSP has been able to provide the services that customers perceived quality, it is a key marketing components that can help create an individual or company's customer satisfaction.



Source: Results of questionnaire Collecting, processed

Figure 1. Customer Perception and Individual Differences Corporate customers for each dimension of Logistics Service Quality in PT MSP

Logistics service quality as measured by the 9 dimensions shows that almost all of the logistics service quality dimensions perceived more positively by customers. Only the dimensions of Personal Contact Quality perception of individual customers slightly more positive than the company's customers. This suggests that there is a trend difference in perception of quality of logistics services between individual and corporate customers. Dimension highest perceived by individual customers is Personnel Contact Quality with mean 5.25. This data shows that employees are PT MSP has sufficient knowledge and sufficient hospitality personnel in connection with its individual customers. The dimensions of the lowest perceived by individual customers is Order Quality with mean 4.80. This is because the goods are delivered relatively small number of individual customers or volume so that the item will be included in a container along with other customer goods. Consequently, the contents of which is inserted into the container are usually heterogeneous and not well organized. At the time of container removed from the depot to ship and from ship to destination depot, moving the contents of the container because the setting is less neat. This condition can cause damage to the

contents of the container. At the company's customers, the contents of the packaging container of the same homogeneous, thus setting in neat containers.

The data show that the company's customers the highest dimension is perceived Release Order quantities with mean 5.27. These data indicate that PT MSP can serve enterprise customers to ensure the availability of services and can provide service according to the time promised. This is because PT MSP is always oriented to the scheduled departure of the ship set. Even when the ship is scheduled to depart the charge has not been filled, PT MSP will continue to dispatch ships to meet commitments to customers. The dimensions of the perceived lower than other dimensions by the company's customers are Discrepancy Handling Order with mean 5.08. This is because the procedure PT MSP at the time the ship arrived was unloaded from the previous port and load the cargo ready for the next port. Errors or demolition charge can only be detected and handled after the ship departed.

Allegations of differences in perception are then tested with a working hypothesis. Allegations first is the individual customer's perception of the quality of logistics services offered by PT MSP together with the customer's perception of the company. Alternative hypothesis suggests the opposite condition to the initial hypothesis, that there is a difference in perception of quality logistic services in PT MSP between individual and corporate customers. The hypothesis can be written as:

Ho: $\mu_A = \mu_B$ (Individual customer's perception of the quality of logistics services offered by PT MSP together with the company's customer perception)

H1: $\mu_A \neq \mu_B$ (Individual customer's perception of the quality of logistics services offered by PT MSP is not the same as the customer's perception of the company)

Table 5. Perception Mean Differences Test of Individual and Company Customer

ward company customer									
		Equality	Test for of	t-test for Equality of Means					
		Variances							
		F	Sig.	t	df	Sig.	(2-		
						tailed)			
Mean	Equal variances assumed	21.816	.000	-2.493	337	.013			
	Equal variances not assumed			-2.404	262.493	.017			

Source: Results of questionnaire Collecting, processed

Test for equality of variance showed a significant value to the value of the F test of 21.816. This means that the population variances both individual and corporate customers' perceptions can be assumed to be the same. Then the results of two different test populations using independent t-test for Equally of means showed significant values. That is, there are individual differences in customer perceptions of the quality of logistics services offered by PT MSP to customer perception of the company.

According to individual customers, the quality of individual contacts shown with sufficient knowledge of the employees. Individual customers who use PT

MSP will ask more details about the services offered, as most individual customer rather than the customer who uses the service regularly. To anticipate this, PT MSP often conduct training to increase employee knowledge about the services offered. According to the company's customers, the quality of the individual contact over the hospitality shown by employees in serving customers. This is due to the company's customers are customers who often use PT MSP services, resulting in more frequent contact with employees than individual customers. With cultural 4S PT MSP employees can serve customers with friendly.

Customers individuals and companies have the same opinion about the quantity of the order fulfillment. Order fulfillment quantity indicated by the ability of PT MSP in meeting service according to customer requirements. It is shown from the average high perception on this statement. However, the ability of PT MSP to fulfill orders in the time you promised, individual customers perceive the quality of service that is lower than the company's customers. This is because in an urgent situation, PT MSP should prioritize enterprise customers who are using the service partner and in large quantities.

Customer Information Quality dimensions of individual perceives lower than the company's customers. This is because the company's customers are repeat customers who always use the service in large numbers. To that end, employees of PT MSP always send the latest service information in the form of SMS and email hotline. Individual customers is not a regular customer so that if anyone asks just given information.

Dimension ordering procedures are perceived positively by individual and corporate customers. This is because the PT MSP marketing space where customers pass booking service, there is a flow chart of the booking procedure. However, individual customers perceive these dimensions lower than the company's customers. This is because the individual customer is a customer is not fixed, so the booking procedures they are unfamiliar. Also PT MSP has 3 locations stacking container depot for the purpose of different services. Individual customers are often confused about this. While enterprise customers who are the procedure booking service regulars, accustomed to PT Accuracy in ordering dimensions, overall customer gives the perception that high since PT MSP always try to provide service according to customer orders. Individual customers and companies by assessing the accuracy of the match between the quality booking service variants (type, size, door-to-door, etc.) are ordered with the service received.

On the dimension of order condition, shows the company's customers perceive higher dimensions than individual customers. This is because customers are always using the service company PT MSP in large numbers so that the main priority of PT MSP in providing the best service. While the individual customer, in the event of shortage of empty containers in Surabaya, enterprise customers have priority to get an empty container with a better condition. In order quality dimensions, individual customers have a perception of lower than enterprise customers. This is because the individual customer, which is inserted into the contents of the container are usually heterogeneous, so it can not be arranged neatly. At the time of container removed from the depot to depot ship and ship to destination, the contents of the container to move because the setting is less tidy. This can cause damage to the container contents. At the company's

customers, the contents of the packaging container of the same homogeneous, thus setting in neat containers.

Provide individual customer perception is lower than the dimension of the enterprise customer order discrepancy handling. The reason for the error is more common in individuals who use the service customers in small quantities (only 1 container) once a shipment. In rare mistake enterprise customers because they use PT MSP in large numbers (more than 5 containers) in a 1 time shipping.

In dimension timeliness, giving enterprise customers a higher perception than individual customers because of the current urgent situation, enterprise customers will be prioritized. The length of time in freight demonstrate the quality of logistics services based on time of goods ordered until the appropriate time promised. Meanwhile, according to the individual customer, the quality of logistics services indicated the arrival time of the speed of the goods ordered.

5. CONCLUSIONS AND RECOMMENDATIONS

PT MSP logistics service quality perceived positively by both individual customers and corporate customers. However, giving enterprise customers a more positive perception than individual customers. It is apparent from the ninth dimension of logistics service quality have been measured. Eight dimensions indicate a more positive perception of the company's customers rather than individual customer. This is because customers use the service logistics company PT MSP more regularly than an individual customer.

Customer's overall perception of the individual giving the average value of 4.96. Highest dimension personnel contact quality, and the lowest is the dimension of perception order quality. Customer perception of overall company providing high with an average value of 5.19. highest dimension according to customer's perception of the company is the release order quantities. While the lowest perception of the company's customers are the dimensions of order discrepancy handling.

The results of testing the difference of two independent populations using a t-test for equally of means showed significant values. That is, there are individual differences in customer perceptions of the quality of logistics services offered by PT MSP to customer perception of the company.

From the results of this study are expected PT MSP can take steps to improve gradually to improve the quality of logistics services, mainly related to individual customer needs are relatively heterogeneous demand and relatively small quantities. Besides that, there should be an effort to reduce damage to goods with a neat arrangement of goods in the container. Companies also need to conduct periodic training to employees about service procedures, as well as the speed in responding to complaints or concerns both individuals and corporate customers. In the longer term need to manage relationships with customers, given the company's customers have a tendency to use logistic services in the long term and the number of items a lot.

6. REFERENCES

Bateson, J. E. G., and Hofman, K. D., 1999, *Managing Services Marketing* (4th Edition), Chicago: The Dryden Press.

- Blumberg, D. F., 1991, *Managing Service as a Strategic Profit Centre*, Mc Graw-Hill, New York
- Bowersox, Donald J., John T. Mentzer, and Thomas W. Speh, 1995, Logistic Leverage, *Journal of Business Strategies*, 12 (Spring), 36-49.
- Bresinger, Ronald P., and Douglas M. Lambert, 1990, Can The Servqual Scale Be Generalized to Business-to-Business Services? In Enhancing Knowledge Development in Marketing, A. Parasuraman et al., eds. Chicago: American Marketing Association, 289.
- Chapman, R.L., Soosay, C. & Kandampully, J., 2002, Innovation in Logistic Services and The new business model: A conceptual framework Managing Service Quality 12(6), 358.
- Christopher, Martin, 1998, Logistics and Supply Chain Management: Strategies for Reducing Cost and Improving Service, 2nd Edition, Prentice Hall, London..
- Coyle, John J., Edward J. Bardi, and C. John Langley Jr., 1992, *The Management of Business Logistics*, 6th edition, St. Paul. MN, West Publishing Company.
- Hannigan, K. & Mangan, J., 2001, The role of logistics and supply chain management in determining the competitiveness of a peripheral economy, *Irish Marketing Review* 14(1), 35.
- John T. Mentzer, Daniel J. Flint, dan G. Thomas M. Hult, 2001, Logistics Service Quality as A Segment-Customized Process, *Journal of Marketing*, Vol. 65 October.
- Li, Tsai Chen, and Chang-Hsing Chang, Strategy for Global Logistics Management – Based on the Study of Bicycle Manufacturing by Fiege Goth Logistics Services Ltd., *The Journal of Human Resource and Adult* Learning Vol. 4, Num. 1, June 2008
- Mentzer, John T., Roger Gomes, and Robert E. Krapfel Jr., 1989, Physical Distribution Service: A Fundamental Marketing Concept?, *Journal of The Academy of Marketing Science*, 17 (Winter), 53-62
- Parasuraman, A., Valarie A. Zeithaml, and Leonard L. Berry, 1985, A Conceptual Model of Service Quality and Its Implications for Future Research, *Journal of Marketing*, 49 (Fall) 41-50.
- Sumantri, Yeni, and Sim Kim lau, The Current Status of Logistics Performance Drivers in Indonesia: An Emphasis on Potential Contributions of Logistics Service Providers (LSPs), *Progress in Business Innovation & Technology Management*, 001 (2011) 034-050

http://www.jurnas.com/halaman/15/2012-01-18/195964, Pertumbuhan Industri Logistik Ditargetkan 20 Persen, Rabu, 18 Jan 2012, download, 9 agustus 2012

http://industri.kontan.co.id/news/bisnis-logistik-berkembang-pesat-tapi-asingyang-berjaya/2011/11/29, Bisnis logistik berkembang pesat, tapi asing yang Berjaya, Sofyan Nur Hidayat, Selasa, 29 November 2011, 09:42 WIB

www.vibiznews.com, 19 Oktober 2007, diunduh 15 Pebruari 2013

www.fao.org/fileadmin/user_upload/fisheries/docs/ValueChain.pdf, download, 15 Pebruari 2013.

Department of Management **Faculty of Business and Economics** Universitas Surabaya





Certification of Participation

SITI RAHAYU

COMMITTEE

in the International Annual Symposium on Management

CHALLENGES AND OPPORTUNITIES OF THE LEADING EDGE IN WORLD CLASS SUPPLY CHAIN MANAGEMENT

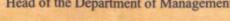
Bali, March 16th, 2013

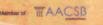
Drace. Liliana Inggrit Wijaya, M.M., RFP-I., CFP., AEPP., OWPTM

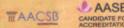
Head of the Department of Management

Drs. ec. A. Budhiman Setyawan, M.SIE.

Chairman of the Committee









Department of Management Faculty of Business and Economics Universitas Surabaya





Certification of Participation

Siti Rahayu

Paper Presenter

in the International Annual Symposium on Management

CHALLENGES AND OPPORTUNITIES OF THE LEADING EDGE IN WORLD CLASS SUPPLY CHAIN MANAGEMENT

Bali, March 16th, 2013

Dra.ec. Liliana Inggrit Wijaya, M.M., RFP-I., CFP., AEPP., OWP™

Head of the Department of Management

Drs. ec. A. Budhiman Setyawan, M.SIE.

Chairman of the Committee



