

Assessment of Service Quality at the Credit Cooperative: A SERVQUAL and Importance-Performance Analysis Approach

Penilaian Kualitas Layanan di Koperasi Kredit: Pendekatan SERVQUAL dan Importance-Performance Analysis

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Abstract - In the competitive financial sector of Indonesia, the expansion of savings and loan Cooperatives, exemplified by the Sangosay Credit Cooperative established in 1983, faces challenges in retaining members and meeting their service expectations, particularly due to increasing competition from online lending platforms. This research investigates the service quality of Sangosay Credit Cooperative by utilizing the SERVQUAL framework, focusing on nineteen attributes based on five service quality dimensions. A qualitative approach was employed, involving a questionnaire distributed to 100 participants. The findings reveal that the services provided do not fully align with member expectations, as evidenced by gap scores ranging in reliability and in tangibles. The analysis highlighted notable deficiencies between the cooperative's offerings and member expectations, particularly in reliability, responsiveness, empathy, assurance, and tangibles. Critical areas for improvement identified include the timeliness of services, transaction simplicity, staff accountability, communication skills, and overall operational efficiency. The study recommends several actionable strategies, such as regular employee performance evaluations, comprehensive training programs, member feedback surveys, and enhanced customer service strategies to elevate service quality and better serve the cooperative's members.

Keywords: Importance Performance Analysis, Service Quality, SERVQUAL.

Abstrak - Dalam lanskap keuangan Indonesia yang kompetitif, pertumbuhan Koperasi simpan pinjam, seperti Koperasi Kredit Sangosay yang didirikan pada tahun 1983, menghadapi tantangan dalam mempertahankan anggota dan memenuhi harapan layanan mereka, terutama karena meningkatnya persaingan dari platform pinjaman daring. Penelitian ini menyelidiki kualitas layanan Koperasi Kredit Sangosay dengan memanfaatkan kerangka kerja SERVQUAL, dengan fokus pada sembilan belas atribut berdasarkan lima dimensi kualitas layanan. Pendekatan kualitatif digunakan, yang melibatkan kuesioner yang dibagikan kepada 100 peserta. Temuan tersebut mengungkapkan bahwa layanan yang diberikan tidak sepenuhnya selaras dengan harapan anggota, sebagaimana dibuktikan oleh skor kesenjangan dalam reliabilitas dan dalam tangibles. Analisis tersebut menyoroti kekurangan penting antara penawaran koperasi dan harapan anggota, khususnya dalam reliabilitas, responsiveness, empathy, assurance, dan tangibles. Area utama yang teridentifikasi untuk perbaikan meliputi ketepatan waktu layanan, kesederhanaan transaksi, akuntabilitas staf, keterampilan komunikasi, dan efisiensi operasional secara keseluruhan. Studi ini merekomendasikan beberapa strategi yang dapat ditindaklanjuti, seperti evaluasi kinerja karyawan secara berkala, program pelatihan yang komprehensif, survei umpan balik anggota, dan strategi layanan pelanggan yang ditingkatkan untuk meningkatkan kualitas layanan dan melayani anggota koperasi dengan lebih baik.

Kata Kunci: Importance Performance Analysis, Kualitas Layanan, SERVQUAL.

INTRODUCTION

Quality is critical for organizations striving to thrive in today's intensely competitive market landscape. The proliferation of similar enterprises across various industry sectors has intensified competition, compelling companies to continuously enhance the quality of their products and services. Quality competition, a prevalent phenomenon, necessitates that businesses adopt strategic measures to evaluate service and product quality. This evaluation process is crucial for identifying and bridging the gap between perceived and expected quality, as highlighted (Altuntas & Kansu, 2019).

The financial sector plays a pivotal role in underpinning the success of a nation's economic framework (Redaksi OCBC NISP, 2023). In Indonesia, the landscape of financial institutions encompasses a diverse range of entities, including both banking and non-banking institutions, among which savings

and loan cooperatives have gained significant traction. According to data from the central statistics agency (Statistik-Indonesia, 2019), the number of cooperatives in Indonesia increased from 123,048 in 2019 to 127,124 in 2020, further growing to 127,846 in 2021 and 130,354 in 2022. More recent figures from the ministry of cooperatives and small and medium enterprises indicate that as of 2024, there are 130,835 registered cooperatives. This growth presents a dual challenge: cooperatives must not only retain existing members but also continually elevate the quality of their services to enhance member retention, asset growth, business volume, and overall revenue. The emergence of online lending platforms has introduced additional challenges for savings and loan cooperatives/credit cooperatives. These platforms attract consumers by offering conveniences such as digital transaction processes, simplified applications and disbursement procedures, and loans with minimal collateral requirements. This shift in consumer preference is evidenced by the reported increase in online loan distributions, which reached IDR 22.76 trillion by March 2024, involving approximately 9.73 million accounts (Muhamad, 2024).

Sangosay credit cooperative stands out as a notable entity within East Nusa Tenggara (NTT). Established in 1983, it has successfully amassed thousands of members, with total assets surpassing IDR 1 trillion, and operates 28 branches throughout the province (Sangosay Credit Cooperative, (2024). Despite its substantial membership base, the cooperative faces significant challenges in meeting the diverse expectations and needs of its members, particularly concerning savings, loan services, and additional offerings aimed at enhancing members' welfare. In assessing and measuring service quality within cooperatives, this study employs the service quality (SERVQUAL) framework. SERVQUAL serves as a robust tool for quantifying service quality by analyses gaps between expected and perceived service levels. The framework encompasses five dimensions: reliability, assurance, tangibles, empathy, and responsiveness. Complementing this analysis, the study also utilizes the importance-performance analysis (IPA) method, designed to identify which service attributes require prioritized improvement based on consumer significance Adiandari et al., (2020), Hadining, (2020), Kumar et al., (2018), A. A. M. Putra, (2022), A. J. T. Putra, (2023), Tan & Pawitra, (2001). The outcomes of this research will provide insights into the current service quality of Sangosay Credit Cooperative, as assessed through the Servqual dimensions, while also delineating priority areas for enhancement based on the IPA framework.

LITERATURE REVIEW

Quality Service

The American Society of Marketing Professional Kotler & Keller, (2016) defines quality as the aggregate of features and attributes of a product or service that influence its capacity to meet explicitly stated or implied needs. This indicates that service quality is not just about the tangible attributes but also about the experiential aspects that directly influence customer satisfaction. According to Edvardsson et al., (2005), Redaksi OCBC NISP, (2022), service is fundamentally a value-creation process focused on the customer's perspective, characterized by interactive and relational dynamics. Sudana et al., (2021) reiterates that service quality involves actions aimed at delivering satisfaction to customers and employees alike. Rohaeni & Marwa, (2018) further elaborates by stating that service quality involves meeting consumer needs and desires while ensuring delivery aligns with their expectations. According to the KBBI, (2024), actions or activities serve a useful and valuable purpose for individuals, organizations, or nations. In conclusion, services can be defined as intangible economic actions or activities performed between parties without altering ownership.

However, while these definitions shed light on service quality, they also reveal significant research gaps. For instance, while the literature emphasizes the intangibility and heterogeneity of services, there is a lack of empirical studies exploring how these characteristics specifically affect consumer satisfaction across different service sectors. Additionally, while the synthesis of these perspectives conveys that service quality is perceived and experienced, the mechanisms by which consumers evaluate these experiences remain underexplored.

The unique characteristics of services present challenges in quality control, as highlighted by Apriasty & E. Simbolon (2022), Fitzsimmons & Fitzsimmons (2011). Key features such as customer

participation, simultaneity of production and consumption, perishability, and variability in service experiences are critical to understanding service delivery and quality perception.

However, existing studies often focus on a singular aspect without considering the interrelation of these features in shaping customer experiences and quality assessments. There is an evident need for integrated models that account for these complexities.

Cooperative Savings and Loan

According to Indonesian law number 25 of (Undang-Undang, 1992) regarding cooperatives, a cooperative is "a business entity whose members are individuals or cooperative legal entities that base their activities on cooperative principles, functioning as a people's economic movement founded on familial principles". Savings and loan cooperatives (SLCs), as described in the regulation of the Minister of Cooperatives and SMEs No. 8 of (Kemen-KUKM, 2023), serve a specific role in providing financial services, emphasizing prudence in operations and addressing the financial needs of members outside traditional banking systems.

Despite the clear framework that governs SLCs, there's a noticeable gap in understanding the service quality perceptions of members in these cooperatives. While existing literature highlights the operational structures of SLCs and their principles, there is insufficient research examining how service quality affects member satisfaction and retention specifically within the context of cooperatives in Indonesia. Understanding service quality in SLCs is crucial, as these institutions are critical in fostering community development and economic empowerment.

Service Quality Method

The service quality method, commonly known as SERVQUAL, is a rigorous framework developed by Parasuraman et al. (1985), designed for organizations to assess the quality of their services systematically. This method quantitatively analyses the gap between customer expectations and perceived service experiences, effectively identifying distinctive scenarios from this evaluation (Gavahi et al., 2023; Hadining, 2020; Ramanathan et al., 2018). The method categorizes outcomes into scenarios, including positive discrepancy and equilibrium. The positive discrepancy occurs when customers' expectations fall below their perceived service quality, leading to unexpectedly favorable outcomes. Conversely, equilibrium represents a state where customer expectations align precisely with perceived service quality, indicating a satisfactory service experience. The negative discrepancy arises when customer expectations surpass their perceived service delivery, highlighting a potential shortfall in service quality.

Central to the SERVQUAL model are five critical gaps that elucidate the factors influencing service quality. Gap 1 reveals the disconnect between customer expectations and management's understanding of those expectations. Gap 2 identifies the disparity between management perceptions and the actual specifications of service quality. Gap 3 addresses the inconsistency between established service quality standards and the actual delivery of services. Gap 4 highlights the incongruence between service delivery and external communications, which may set customer expectations. Finally, gap 5 represents the divergence between what customers expect and what they perceive, encapsulating the overall perception of service quality. Furthermore, SERVQUAL identifies five key dimensions of service quality that serve as benchmarks for organizational performance (Fitzsimmons & Fitzsimmons, 2011; Sari & Lumbardo, 2015). The first dimension, reliability, emphasizes the consistency and dependability of service performance, reflecting an organization's ability to deliver promised services accurately and punctually. Responsiveness, the second dimension, pertains to the timeliness and effectiveness of the organization in addressing customer needs and requests. The third dimension, assurance, encompasses the competence, courtesy, and trustworthiness exhibited by employees in establishing customer confidence. Empathy, as the fourth dimension, captures the level of care and personalized attention extending to customers, demonstrating an organization's sensitivity to individual needs. Lastly, tangibles refer to the physical aspects of the service environment, including the appearance of facilities and equipment, which significantly contribute to the overall customer experience. Together, these dimensions provide a comprehensive framework for evaluating and enhancing service quality within various organizational

contexts. However, the application of the SERVQUAL model within the context of cooperative savings and loans has been limited.

Research in this area often focuses on established industries and sectors, which raises the question of its applicability and effectiveness in the cooperative sector, particularly in developing economies like Indonesia. A gap exists in adapting the SERVQUAL framework to adequately reflect the unique characteristics of services delivered by cooperatives, such as the importance of relationships, trust, and communal values. Additionally, the dimensions of service quality within this framework may need to be refined to reflect the specific service attributes relevant to cooperatives. Consequently, there is a pressing need for studies that specifically address these gaps to enhance our understanding of service quality in cooperative frameworks and improve overall service delivery.

It is evident that while the existing literature on service quality provides foundational theories and frameworks, there is a significant need for future research to address the unique challenges and characteristics of services in various contexts, particularly in the cooperative landscape. Exploring these aspects can contribute to more nuanced understandings of service quality and consumer satisfaction, ultimately enhancing the operational effectiveness of cooperative savings and loan organizations.

Importance-Performance Analysis (IPA)

Introduced by Martilla & James (1977), the importance-performance analysis (IPA) framework assesses the significance and efficacy of service attributes from a customer perspective. The fundamental premise of IPA is to evaluate customer perceptions regarding the importance of service attributes in conjunction with their satisfaction levels (Bekar et al., 2024; Ho et al., 2016). The importance-performance analysis (IPA) model is a strategic tool that encompasses two key dimensions, importance and performance, typically assessed through an IPA questionnaire where respondents evaluate the significance of various quality attributes concerning organizational performance (Ho et al., 2016). This framework categorizes service quality attributes into a four-quadrant matrix for effective prioritization. Quadrant 1, labelled "concentrate here", includes attributes that are highly important yet demonstrate low performance, indicating a need for improvement to enhance service quality and customer satisfaction. In quadrant 2, "keep up the good work", attributes exhibit high importance and performance, suggesting that these areas should be maintained to sustain competitive advantage. Quadrant 3, known as "low priority", includes attributes with low levels of importance and performance, allowing organizations to deprioritize these elements with minimal risk to customer satisfaction. Lastly, quadrant 4, or "possible overkill", consists of attributes that show low importance but high performance, pointing to an opportunity for the organization to reallocate resources towards more critical areas, thereby optimizing resource utilization (Chen, 2018; Ebrahimi et al., 2024).

By systematically applying these frameworks, organizations can derive actionable insights into service quality, enhancing customer satisfaction and fostering competitive advantage.

RESEARCH METHOD

This study employs a qualitative research methodology, which focuses on data represented in verbal or narrative form (Bougie & Sekaran, 2016). Qualitative data was collected through various methods, including interviews, field surveys, and questionnaires. The selected research context for this study is the main branch office of the Sangosay Bajawa Credit Cooperative.

The researcher conducted semi-structured interviews with three key informants to gather in-depth insights. The first informant, the general manager of the cooperative, provided strategic insights into the operations and management practices of the organization. The second informant, the assistant general manager II, who oversees research and development, risk management, information technology, and the finance and reporting division, contributed critical information regarding operational challenges and opportunities. The third informant, an active member of the Sangosay Bajawa Credit Cooperative, offered a perspective on member experiences and service satisfaction.

In addition to interviews, observational techniques were employed to assess the service delivery processes at the main branch office. This approach allowed for a comprehensive understanding of the

day-to-day operations and customer interactions within the cooperative. Furthermore, a documentation review was undertaken to collect a range of documents related to the cooperative's business processes, with proper consent from the management. This documentation was instrumental in evaluating the perceived levels of service experienced by members and their expectations regarding service quality.

An online questionnaire was distributed using Google Forms from May 29, 2024, to June 2024, targeting 100 informants to complement qualitative data. The questionnaire was designed to quantify member perceptions of service through a structured format, utilizing a Likert scale for weighting responses. This mixed-methods approach enriches the study by triangulating qualitative insights with quantitative data, thus providing a robust understanding of member satisfaction and expectations within the cooperative.

The operational description of variables outlines the constraints and explanations for the variables used in the study. Within the financial sector, the SERVQUAL model incorporates five dimensions consistent with those found in other sectors. According to Kumar et al. (2018) investigation into banking practices in the UAE, these five core dimensions were identified, along with an additional dimension, convenience, that was excluded in the cooperative study due to contextual differences. Specifically, banks in the UAE are frequently situated at a considerable distance from residential areas, whereas this research centers on a primary office located in proximity to residential neighborhoods. Another significant study cited is the 2019 examination by Bank Mandiri (Ginting, 2022), which similarly articulated the five dimensions: reliability (RB), responsiveness (RV), assurance (AR), empathy (ET), and tangibles (TG).

This study evaluates service quality gaps utilizing the Servqual approach, which contrasts customer perceptions with their service quality expectations. Service quality is determined by the perception score subtracted from the expectation score. A negative gap reflects dissatisfaction, a positive gap indicates satisfaction and a gap of zero (0) signifies that service quality aligns with expectations (Hadining, 2020; Santosa, 2017). Furthermore, the study employs Importance Performance Analysis (IPA) to evaluate the significance and performance of various attributes, thereby identifying key areas for enhancement in service quality.

FINDINGS AND DISCUSSION

In assessing the gap score within the SERVQUAL dimensions, researchers initiate the process by determining the average expectations and perceptions (realities) of each attribute. This is accomplished by summing the values of both expectations and perceptions and subsequently dividing this total by the number of respondents (100). A comprehensive overview of the SERVQUAL gap calculations is presented in table 1, which illustrates the satisfaction levels of members regarding the services offered by the cooperative. This table specifically identifies which service attributes require enhancement to boost member satisfaction.

The reliability dimension features key attributes that focus on the cooperative's service consistency and employee performance. For instance, the ease of financial transactions received a perception score of 4.21 against an expectation of 4.79, resulting in a gap of -0.58. Additionally, employee consistency, response responsibility, and service skills showed gaps ranging from 0.49 to -0.83. Overall, the average gap for the reliability dimension is -0.64, indicating considerable room for improvement.

The responsiveness dimension assesses the speed and creativity of employee service. With an average gap of -0.46, the attributes reflect a perceived service provision that, while generally positive, still falls short of member expectations. For instance, the accuracy in handling complaints and fulfilling requests garnered a perception score of 4.15, against an expectation of 4.62, leading to a gap of -0.47. In the assurance dimension, attributes such as security, cost fairness, and compliance with service standards have been evaluated. The average gap here is -0.24, depicting a relatively strong performance in meeting member expectations, although there still exists a slight discrepancy between the anticipated and received service levels.

Table 1. Gap Analysis of the Credit Cooperative service quality

Attributes	Mean of Expectation	Mean of Perception	Mean of Gap
Reliability (RB)	4.74	4.1	-0.64
Ease of financial transaction services provided by cooperatives to members.	4.79	4.21	-0.58
Employee consistency in providing services required by members according to provisions/rules.	4.69	3.97	-0.72
The responsibility of the cooperative employees in providing services to members.	4.77	4.18	-0.59
The ability and skills of cooperative employees in responding to/serving the needs of members.	4.67	4.18	-0.49
Punctuality in serving members.	4.7	3.87	-0.83
The communication skills of cooperative employees in explaining various things asked by members during the service provided.	4.79	4.17	-0.62
Responsiveness (RV)	4.69	4.23	-0.46
The speed of service provided by employees to members.	4.75	4.27	-0.48
Employee initiative and creativity in helping or serving members' needs.	4.69	4.27	-0.42
The accuracy and precision of employees in handling complaints and fulfilling member requests.	4.62	4.15	-0.47
Assurance (AR)	4.66	4.42	-0.24
Security and comfort of service in this cooperative.	4.8	4.7	-0.1
The reasonableness of the costs, including interest paid to obtain services from this cooperative.	4.6	4.26	-0.34
Compliance between service requirements and procedures with the reality of the services that members received.	4.58	4.31	-0.27
Empathy (ET)	4.76	4.4	-0.36
Friendliness, politeness, and sensitivity of cooperative employees in assisting/services to members.	4.75	4.38	-0.37
The attention and sincerity of employees in serving cooperative members.	4.74	4.42	-0.32
Employee service without distinguishing member background (non-discriminatory).	4.78	4.40	-0.36
Tangibles (TG)	4.74	4.53	-0.21
Clean, tidy, and comfortable service waiting room for members.	4.78	4.71	-0.07
Cleanliness and comfort of the toilets provided for members.	4.76	4.47	-0.29
Good, neat, professional employee appearance according to service standards.	4.73	4.37	-0.36
Availability of adequate parking space.	4.67	4.56	-0.11
SERVQUAL Gap Score			-0.38

Source: Data processed.

The empathy dimension measures the interpersonal aspects of service through attributes like employee friendliness and sincerity. The average gap of -0.36 indicates that while members generally

feel positively about the employees' demeanor, there are still areas for potential enhancement in service delivery. Lastly, the tangibles dimension, which assesses the physical aspects of service, resulted in a smaller average gap of -0.21. Attributes in this category, such as the cleanliness of waiting areas and employee appearance, received positive perceptions but also demonstrated minor deficiencies compared to member expectations. Overall, the cumulative SERVQUAL Gap Score stands at -0.38, reflecting the need for improvements across various dimensions to enhance member satisfaction.

The SERVQUAL model provides a critical framework for assessing service quality by examining the disparities between customer expectations and actual service performance. In the context of Sangosay Credit Cooperative, the calculated gap value of -0.38 signifies a general dissatisfaction with service quality. This finding is corroborated by interview results, where members articulated their frustrations regarding unmet service expectations. For instance, informants highlighted issues related to the fulfilment of loan applications, especially for those members with outstanding defaults. One respondent lamented, "There are also complaints from members, especially from members whose wishes are not fulfilled by the cooperative", signalling a disconnect between member expectations and actual service delivery. Another informant noted that delays in the loan disbursement process often exacerbate complaints, particularly among members facing challenges with loan instalments. These insights suggest that while the cooperative adheres to established service standards, it must address the growing demand from members for expedited service.

The dimension of reliability refers to the cooperative's ability to deliver services as promised and to meet member expectations consistently. Interviews with informants reveal a prevailing sentiment of high reliability concerning service efficacy. Informant 1 stated, "The reliability of a company such as a cooperative will have an impact on the level of trust of members and the community," emphasizing the importance of trustworthy services. This assertion is further supported by Informant 2, who rated the cooperative's reliability 90 out of 100. However, despite this perceived reliability, the SERVQUAL analysis indicates a negative gap value of -0.64, suggesting a disparity perception between cooperative management and its members. This discrepancy may stem from differing expectations influenced by prior experiences with other cooperatives or heightened personal demands. Furthermore, some members may face stricter loan eligibility criteria due to previous poor repayment records, which could contribute to their dissatisfaction. The responsiveness dimension focuses on the cooperative's ability to provide prompt and appropriate services that align with member needs. Member feedback indicates that the Sangosay credit cooperative is making strides in this area, with one informant stating that the cooperative is "the fastest" in disbursing loans once all requirements are met. Despite this positive feedback, there remains a call for improvement, particularly regarding specialized services, such as those for school children's savings. Informant 3 suggested, "the service should be improved, if possible, by taking the initiative specifically for school children's savings." The SERVQUAL analysis for this dimension reveals a negative gap value of -0.46, highlighting that while the cooperative is actively working to meet member needs, it must continue to enhance its service offerings to fulfil member expectations. Addressing the root causes of service delivery issues, especially those related to members with previous bad loans, will be essential for the cooperative to align its performance with member demands and foster greater satisfaction.

According to the responses from informants, emphasis on employee recruitment and training has been instrumental in ensuring staff possess the requisite knowledge and skills to deliver satisfactory service. Despite the cooperative efforts in cultivating a politeness-oriented service culture, as stipulated in management work rules, the analysis reveals a negative gap of -0.24 for the assurance dimension. It suggests that, although the foundation for quality service is present, gaps remain between member expectations and the actual experiences encountered, potentially stemming from inconsistencies between service procedures and realizations, as well as discrepancies in service costs that do not align with member expectations.

The empathy dimension reflects the cooperative commitment to enhancing member service experiences. Interview insights indicate efforts to improve accessibility through the establishment of strategically located service posts and ongoing capacity-building training for staff. While these

initiatives demonstrate an earnest effort to address member needs, they have yet to meet the expectations of cooperative members. Feedback from multiple informants suggests that, despite progress in employee knowledge and politeness, further enhancement in interactive engagement with members remains a crucial area of improvement.

In examining the tangibles dimension, Sangosay cooperative has made notable strides in creating a conducive service environment. The cooperative has invested in building appropriate facilities, including comfortable waiting areas and well-maintained restrooms, contributing to the overall member experience. This focus on tangibility results in the dimension exhibiting the smallest gap among the five, illustrating a comparatively higher level of member satisfaction. However, continuously reassessing and enhancing physical service attributes remains essential to maintain and improve service quality as member expectations evolve.

The importance performance analysis (IPA) method is a valuable tool for measuring the performance of cooperative services alongside their perceived importance. This analytical framework assists cooperatives in identifying and prioritizing service improvement areas. The IPA method employs a cartesian diagram, plotting the average performance against the average importance of various service attributes. Within this diagram, the X-axis represents performance levels, while the Y-axis indicates the importance levels. This dual-axis approach enables clear visualization of areas where service performance meets or falls short of member expectations.

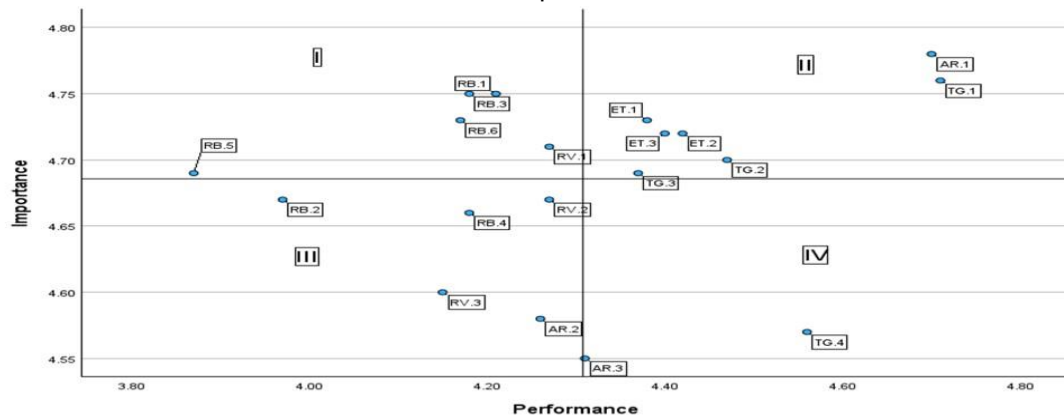


Figure 2. Cartesian diagram

Table 2. Performance and Importance Values

Dimensions		Performance	Importance
Reliability	RB.1	4.21	4.75
	RB.2	3.97	4.67
	RB.3	4.18	4.75
	RB.4	4.18	4.66
	RB.5	3.87	4.69
	RB.6	4.17	4.73
Responsiveness	RV.1	4.27	4.71
	RV.2	4.27	4.67
	RV.3	4.15	4.60
Assurance	AR.1	4.7	4.78
	AR.2	4.26	4.58
	AR.3	4.31	4.55
Empathy	ET.1	4.38	4.73
	ET.2	4.42	4.72
	ET.3	4.4	4.72
Tangibles	TG.1	4.71	4.76
	TG.2	4.47	4.70
	TG.3	4.37	4.69
	TG.4	4.56	4.57

As illustrated in table 2, the performance and importance values across different dimensions highlight key insights into the cooperative's service delivery. For instance, attributes related to reliability, such as RB.1 and RB.3, showcase relatively high-performance scores of 4.21 and 4.18, respectively, against importance scores of 4.75. This disparity between performance and importance suggests that while these dimensions are performing well, there remains significant room for enhancement to meet member expectations fully. Similarly, responsiveness attributes like RV.1 and RV.2 exhibit high-performance scores of 4.27, signalling a strong cooperative effort in this area.

The assurance dimension, particularly AR.1, demonstrates the highest performance score of 4.7, which aligns closely with its importance score of 4.78, indicating a well-balanced service area. Conversely, empathy and tangible attributes reveal noteworthy performance levels, with scores of 4.42 for ET.2 and 4.71 for TG.1, respectively. These values suggest that the cooperative is effectively addressing the needs and expectations of its members in these critical service areas. Overall, the calculated performance and importance averages derived from the IPA method provide a comprehensive foundation for the cooperatives' strategic decision-making regarding service enhancements and resource allocation. The subsequent cartesian diagram visualization will further elucidate these findings, facilitating an informed discussion on service improvement priorities.

A comprehensive assessment utilizing the importance performance analysis (IPA) methodology was performed to identify factors significantly influencing member satisfaction within the Sangosay credit cooperative. The findings reveal five critical attributes located in quadrant I of the cartesian framework, signifying their priority for enhancement. These attributes encompass RB.5 (timeliness in member servicing), RB.1 (simplicity of financial transaction processes), RB.3 (employee accountability), RB.6 (employee communication capabilities), and RV.1 (service speed). Each of these attributes exhibits a negative performance gap, indicating that member expectations are not being adequately fulfilled, thereby highlighting the need for targeted improvement strategies.

Addressing the attribute "timeliness in serving members", several recommendations are proposed. Implementing regular work to monitor and conduct employee assessments can ensure accountability and identify areas requiring attention. Furthermore, training employees on using the cooperative software efficiently could streamline processes and enhance service speed. Additionally, maximizing customer service efforts and conducting periodic member surveys can provide critical feedback, fostering continuous improvement in service delivery.

The attribute concerning "ease of financial transaction services provided by the cooperative to members" is vital to enhance the performance of existing staff, including tellers. Outreach efforts aimed at educating members about the Sangosay application will also empower them to utilize available resources effectively. Moreover, leveraging social media platforms can promote services and facilitate member engagement, improving transaction ease.

The "responsibility of employees of this cooperative in providing services to members" can be improved through regular workshops and training sessions focused on cooperative values and service excellence. Conducting briefings aimed at reinforcing the importance of maximum service delivery will foster a culture of accountability and dedication among employees.

Addressing the attribute "communication skills of cooperative employees" requires investing in training programs centered on public speaking and effective communication. Regular performance evaluations will also help ensure that employees are proficient in conveying information clearly and effectively, thus enhancing the member experience during service provision.

Lastly, the attribute denoting the "speed of service provided by employees to members" warrants attention through optimizing the existing staff performance. Introducing innovative solutions such as "cash cars" can also expedite transactions, thus significantly reducing wait times and improving overall service efficiency.

In conclusion, the improvement proposals outlined above aim to enhance the specific attributes identified in quadrant I, addressing the concerns raised by cooperative members. By systematically implementing these strategies, the Sangosay credit cooperative can work towards exceeding member expectations and improving service quality.

CONCLUSION

The research findings indicate that the services offered by Sangosay credit cooperative do not fully align with the expectations of its members, as evidenced by the gaps observed in each dimension of the SERVQUAL model. The reliability dimension exhibited a gap score of -0.64, responsiveness showed a gap of -0.46, empathy showed a gap of -0.36, assurance displayed a gap of -0.24, and tangibles recorded a gap score of -0.21. Several factors contribute to these discrepancies, including members' prior experiences with similar cooperatives, individual expectations, and stricter loan requirements implemented to mitigate risks faced by the cooperative. Utilizing the importance-performance analysis (IPA) method, the research identified five critical attributes requiring improvement: RB5 "timeliness in serving members", RB1 "ease of financial transaction services provided to members", RB3 "responsibility of cooperative employees in delivering services", RB6 "communication skills of employees in addressing member inquiries during service", and RV1 "speed of service rendered by employees to members". The recommendations proposed by this study can aid the cooperative in enhancing its services. These include implementing regular monitoring and evaluations of employee performance, providing training for staff on cooperative software, improving customer service mechanisms, conducting periodic surveys of member satisfaction, offering briefings on optimal service delivery, enhancing the performance of current staff (such as tellers), educating members about the Sangosay pay application, leveraging existing social media platforms, organizing workshops or training in cooperatives and public speaking, and facilitating routine performance assessments along with mobile cash services. The research on Sangosay credit cooperative reveals several key implications for enhancing service quality. The identified negative gap values within various dimensions of the SERVQUAL model highlight important areas where improvement is necessary. Particularly concerning are the issues members face with loan applications and delays in disbursements, which need to be prioritized to increase overall member satisfaction. Furthermore, the discrepancies between members' expectations and the services provided indicate a pressing need for better communication. Regular surveys and feedback sessions could help the cooperative better understand member expectations and tailor its offerings accordingly. Additionally, while the cooperative has made strides in staff training, the findings suggest that further development is required, especially in customer engagement. Ongoing training focusing on interpersonal skills can help bridge gaps in empathy and assurance. The feedback also points to a demand for expanded services, such as specialized school savings accounts, which would address diverse member needs. Revisiting stricter loan eligibility criteria to ensure transparency and fairness is vital, alongside offering financial literacy programs to empower members. Investing in physical facilities is appreciated, but continuous assessment is necessary to maintain a comfortable environment. Lastly, establishing effective feedback mechanisms and integrating these insights into strategic planning will be crucial for enhancing member satisfaction and loyalty. The study may be limited by a relatively small sample size or an unrepresentative demographic of the cooperative's membership. This could affect the generalizability of the findings to the entire member population. The research may be constrained by the time period during which the data was collected. Changes in member needs or service conditions after the study could impact the relevance of the findings. The performance evaluation provides a snapshot in time, and does not account for ongoing changes or improvements in service delivery that may occur after the data was collected. Acknowledging these limitations is important for contextualizing the findings and setting realistic expectations for the implementation of improvements based on this research.

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