



STRATEGIES FOR IMPROVING QUALITY CONTROL AND SERVICE QUALITY AT BLIMBING SARI CREATIVE SMALL AND MEDIUM ENTERPRISES CRAFT BANYUWANGI

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ABSTRACT

Small and medium enterprises (MSMEs) play an important role in the economy especially during times of crisis. This research focuses on CV. Blimbingsari Creative Craft, an MSME in Banyuwangi that focuses problems on Quality Control (QC) and service quality, which have an impact on customer satisfaction. The purpose of this research is to out the strategy to improve Quality Control and Service Quality at UMKM accessories Blimbingsari Creative Craft Banyuwangi. The type of research used in this study is descriptive qualitative method used to collect data through interviews, observation and documentation. The results showed that the lack of the effective Quality Control caused customers to receive defective products, while unresponsive service left customers confused. So, to increasae customer satisfaction and maintain MSMEs, improvements in Quality Control and service quality are essential.

Keywords: SMEs, Quality Control, Service Quality, Customer Satisfaction

1. Introduction

Small and medium enterprises (SMEs) are highly productive and independent businesses that are run by individuals or sole proprietors. SMEs are one of the businesses that have become the lifeline of economic recovery because they are able to survive and make significat cntribution even amid the economic crises that has hit GDP and employment since 1997. Since then, the role of SMEs in supporting the ntional and regional economies has continued increasees. (Anggraeni, 2012 Iin Husaeni & Dewi, 2019).

According to Fauziyyah, et al (2014), Quality Control is monitoring inspeciton, and evaluation carried out by leaders in a company to achieve goals in a maximum, effective,, and efficient manner. Quality Control is a technique and operational acitivity carried out to meet company quality standards. Meanwhile, according to Rakhmadani, et al (2021), Quality Control is a techniqne and operational activity to meet quality standards. According to Ishikawah in Hethariah (2019), Quality Control is an activity of researching, developing, and planning to meet customer satisfaction, which involves everyone from top leaders to implementing employees. One of the tools used in quality control is statistical quality control, which is a problem solving technique used to minimize, control, manage, and improve products and processes.

According to Lewis and Booms in Riyanto (2018), service quality is a measure of how well the level of service provided meets customer expectations. According to Tjiptono in Atmaja (2018), quality is dynamic condition that can influence products, services, people, processes, and the enviroment in order to meet customer expectations. Meanwhile, service is an action taken by someone to provide satisfaction to customers. According to Tjiptono et al. (2019). Service quality and effort to meet customer needs and desire and accuracy of delivery to balance customer expecatations. Thus, it can be concluded that service quality is the level of service provided by the seller to the customer in order to meet customer needs and achieve customer satisfaction.

CV. Blimbingsari Creative Craft is an SME that was established in 2003 in the city of Banyuwangi

specifically on Jalan Pantai Blimbingsari, Dusun Krajan, Desa Blimbingsari, Blimbingsari Subdistrict, Banyuwangi Regency operates in the field of high-value accessories with its main material being monte, making it highly sought after by tourists (Masrohatin et al, 2023). However, despite this potential, the industry still faces challenges in terms of quality.

Control and service quality that impact customer satisfaction, in this case, customer satisfaction is very important because it concerns a person's feelings of pleasure or disappointment that arise from comparing the perceived performance of a product (result) with their expectations. If the product meets expectations, the customer will be satisfied, conversely, if it does not meet expectations, the customer will not be satisfied (Kotler, Philip & Keller, 2009 in Suryono et al, 2020).

According to Dwiputra & Setiawan (2021), one of the factors that of customer satisfaction is Quality Control. The central role of quality control is how companies are able to implement high quality standards in every stage of production to ensure customer satisfaction. Quality Control encourages companies to continue creating high-quality products and ensure that every customer experiences consistent satisfaction every time they enjoy the product. The purpose of quality control is to ensure that the production process produces quality products, avoid production.

Finally, according to Tiijang (2020), the factor that can influence customer satisfaction is service quality. Service quality and customer satisfaction are now very important for companies because customers are always looking for the highest perceived value among the various products and services available. The quality of service provided by a company determines customer satisfaction, which is lifeblood of a company. Customer are satisfied when their expectation align with the performance of the product's service. However, if customer expectation exceed the product's performance, they will feel dissatisfied. Service quality means providing services that meet customers' need and desires and fulfill their expectations. Good customers have a positive impact on a company's image. However, if a company fail to meet expectations, it will create problems for the company. Service quality can be measured using five dimensions according to their relative order or importance, which include Reliability, Assurance, Tangibles, Emphathy, and Responsiveness. Quality service plays an important role in shaping customer satisfaction, and is alsoe closely related to creating profits for the company.

According to Dewi (2024), there is a problem at Blimbingsari Creative Craft Banyuwangi MSMEs, namely related to ineffective quality control because sometimes online customers receive defective products. Dewi (2024) also states that the company has a problem with the lack of a marketing strategy, which is the company's inability to market its products to the market. This can lead to customer disappointment or dissatisfaction, even though the goods or products can be returned, this is still considered ineffective because customers will have to wait longer to be able to use the product. Not only that, but from the company's perspective, it will also increase the cost of reproducing the product. Ineffective quality control will harm both parties, from the seller's perspective, it will increase costs, while from the buyer or customer's perspective, it will cause dissatisfaction.

According to Dewi (2024), there is a problem with service quality, namely the unclear layout or entrance signs that confuse customers. Customers expect good service, but the lack of structure in the place and service makes them disappointed. The entrance to Blimbingsari Creative Crafts Banyuwangi directly leads to the production area and a house fence that has no indication of an entrance or opening. However, there is another door that has an indication of being open, but in reality, it is not the main entrance. This naturally causes customers to feel confused, especially since there are no sales staff or cashiers present to provide proper service upon entry. Customers must press a bell to call a cashier or sales staff. This demonstrates that the service quality at the Blimbingsari Creative Craft SME in Banyuwangi requires improvement to avoid disappointing customers.

Based on the background issues above, the researchers was interested in conducting research entitled “The Role of Quality Control and Service Quality on Customer Satisfaction at Blimbingsari Creative Craft Banyuwangi,” which has the following objectives:

- a. To analyze strategies for improving Quality Control at Blimbingsari Creative Crafts SMEs in

Banyuwangi.

- b. To analyze strategies for improving Service Quality at Blimbingsari Creative Crafts SMEs in Banyuwangi.

2. Literature Review

2.1. Previous Research

Fauziyyah, et al (2024) with one of its objectives being Quality Control variables in maintaining quality for customer satisfaction at PT. Piranti Teknis Indonesia from an Islamic perspective. This study aims to determine the role of quality control as implemented by PT. Piranti Teknis Indonesia. The results of this study show that optimal quality control can prevent problems or minimize deviations and non conformities that directly affect product quality so that the products produced are able to meet customer needs and quality standards.

Dwiputra & Setiawan (2023) with one of its objectives being variable Quality Control on Customer Satisfaction at a Coffee Shop. This study aims to ensure Customer Satisfaction Through Quality Control at a coffee shop. The results of this study indicate that systematic and innovative quality control in coffee shops not only maintains product quality but also contributes significantly to customer satisfaction. The integration of quality control as part of daily operations has proven to be a key pillar in creating a positive customer experience and driving business success. The results of this study indicate that systematic and innovative quality control in coffee shops not only maintains product quality but also contributes significantly to customer satisfaction. The integration of quality control as part of daily operations has proven to be a key pillar in creating a positive customer experience and driving business success.

Putri (2024) with one of its objectives being the variable of Service Quality, on Customer Satisfaction at Indomaret Dadi Kusmayadi. This study aims to determine the role of service quality implemented by Indomaret Dadi Kusmayadi. The results of this study indicate that service quality towards customers at Indomaret needs to be further improved, and that there is a need for improvements to be made by Indomaret employees in terms of service quality. a) Improving the comfort of the premises in serving customers, b) Providing the best service to customers, c) Providing service accurately, carefully, and promptly, d) And being able to consistently provide good service in accordance with the Company's Standard Operating Procedures at Indomaret.

Suyono, et al. (2020) with one of the objectives being the variable of Service Quality on Customer Satisfaction at PT. Ray White Pekanbaru. This study aims to determine the role of service quality implemented by PT. Ray White Pekanbaru. The results of this study indicate that the variable of service quality has a positive and significant effect on customer satisfaction. as seen from consumers who are satisfied with the products they have purchased and used in accordance with their expectations.

Rohaeni, et al (2018) with one of the objectives being the variable of Service Quality on Customer Satisfaction at PT. Primajasa Perdana Raya Utama Bandung. This study aims to determine the role of service quality implemented by PT. Primajasa Perdana Raya Utama Bandung. The results of this study indicate that the service quality variable has a positive and significant effect on customer satisfaction.

Tijjang (2020) with one of its objectives being the variable of Service Quality on Customer Satisfaction at the Regional Water Company (PDAM) Tirta Dama Sidrap in South Sulawesi. This study aims to determine how the service quality implemented by PDAM Tirta Dama Sidrap plays a role. The results of this study show that service quality towards customers has a positive effect as seen from the services provided in accordance with the desires and expectations of customers.

2.2. Theoretical Basis

2.2.1. Quality Control

Definition of Quality Control. According to Fauziyyah, et al (2024), control is monitoring, inspection, and evaluation carried out by superiors or leaders in organizations and existing resources to achieve previously set goals continuously and sustainably so that everything can function optimally, effectively, and efficiently. Quality Control is the techniques and operational activities used to meet quality

requirements.

According to Juran's theory (1999) in Kholifah (2020), good quality control must ensure that every product produced complies with the specifications and standards that have been set. According to Fauziyyah, et al (2024), optimal Quality Control (QC) can prevent product deviations and non-conformities that have the potential to reduce quality and customer satisfaction.

According to Dwiputra & Setiawan (2021), another important thing that companies need to pay attention to is the quality control strategy, how companies are able to implement high quality standards in every stage of production to ensure customer satisfaction. According to Juran's theory (1999) in Kholifah (2020), good quality control must ensure that every product produced complies with the specifications and standards that have been applied. According to Nurkholid, et al (2019), quality control indicators include:

- a. Production process capability, where the production process must be able to produce products that comply with company operational standards.
- b. Product specifications, where the products obtained by consumers must comply with what is displayed.
- c. Level of inconsistency in the production process, which requires checking so that if there are any discrepancies, they can be corrected and minimize damage due to product inconsistencies received by customers.
- d. Quality costs are costs that are used as minimally as possible to produce quality products in accordance with standards.

2.2.2 Service Quality

Definition of Quality. Companies that continue to provide high-quality products and services are progressive companies. When selling products to customers, quality is a company's most important asset. This gives customers a good impression of quality and increases customer satisfaction. According to Tjiptono (Atmaja, 2018), "quality is a dynamic condition that affects products, services, people, processes, and the environment to meet or exceed expectations." Meanwhile, Riyanto (2018) states that "quality can be defined as a measure of how well the level of service provided is able to meet or exceed customer expectations".

Definition of Service Service is fulfilling the needs of others, such as when someone comes to buy something. According to Kasmir (Rahman, 2017), "Service is an action or deed of a person, organization or company to provide satisfaction to customers." Groonroos (Islami, 2018) defines service as something intangible (invisible) that occurs during interactions between customers and employees or something provided by service providers with the aim of resolving customer problems or needs. Riyanto (2018) states that "service is a type of action given to others with the aim of satisfying customers regarding the goods and services provided".

Definition of Service Quality. Lewis and Booms (Riyanto, 2018) state that "service quality is a measure of how well the level of service provided is able to meet customer expectations." Tjiptono (Karlina, Rosanto, & Saputra, 2019) state that "service quality focuses on efforts to meet customer needs and desires as well as the accuracy of delivery to match customer expectations." Thus, it can be concluded that service quality is the level of service provided by the seller to customers in an effort to meet customer needs and achieve customer satisfaction.

Service quality can be measured through five dimensions according to the SERVQUAL, theory proposed by Parasuraman, Zeithaml, and Berry (1988) in Sarjono and Natalia (2014), namely:

- a. Tangibility. The appearance or form of service, such as cleanliness, aesthetics, and the appearance of Personnel and equipment
- b. Realibility. Realibility or the ability to deliver the promised service accurately and adequately
- c. Responsiveness. Responsiveness or the abiltiy to respond to cusomers requests quickly and effectively
- d. Assurance. Assurance or the ability to give customers confidence about the quality of the promised

Service

- e. Empathy. Empathy or the ability to understand the needs, desire, and feelings of customers.

3. Research Method

This research was conducted at BCC (Blimbingsari Craft Creative) SME, located on Pantai Blimbingsari Street, Krajan Hamlet, Blimbingsari Village, Blimbingsari Subdistrict, Banyuwangi Regency. This research used qualitative methods and a descriptive approach. The sampling technique used purposive sampling. The data collection techniques in this study were observation, interviews, and documentation. This study provides an overview or explanation of the vulnerable aspects of the observed phenomenon and describes the current situation through the words, writings, and behaviors that the researcher has observed (Sugiyono, 2023).

4. Research Finding And Discussion

A company that continues to provide high quality products and services is a progressive company. When a company sells its products to customers, quality becomes a company's most important asset because it enhances customer impressions and satisfaction. According to Tjiptono (2019), service quality focuses on efforts to meet customer needs and desires and on delivering on time to meet customer expectations.

According to Dwiputra & Setiawan (2021), another important aspect that companies need to focus on is *quality control strategy*, namely how companies can implement high-quality standards at every stage of production to ensure customer satisfaction. Juran's theory (1999) as cited in Kholifah (2020) states that good *quality control* must ensure that every product produced meets established specifications and standards.

UMKM "Blimbingsari *Creative Craft*" or commonly called BCC is an SME that operates in the field of handicrafts (glass bead crafts such as: home decor, bags, wallets, necklaces, bracelets, belts and other accessories) and trade.

Souvenir (*Accessories Art Shop*) which was established in 2003 in the city of Banyuwangi. This MSME has more than 400 artisans spread across Banyuwangi, Jember, and Situbondo, coordinated by over 40 collectors. This MSME also helps provide employment for the unemployed, particularly housewives with no income.

According to the interview results from Ms Dewi, who is one of the employees (cashier) BCC Banyuwangi faces a problem: online customers often receive defective products, potentially leading to dissatisfaction. This is considered ineffective, as customers must wait for the return and replacement process, which takes longer. This phenomenon indicates that *quality control* for products shipped online remains ineffective.

According to Mrs. Nur, the owner of the Blimbingsari *Creative Crafts* Banyuwangi UMKM, "The most important main product specifications are that the product must be neat, free of defects, and match the *display* with what is shown in the product photo." However, in reality, it is still considered less than optimal in handling defective products because there are several online customers who complain on the Shopee e-commerce platform.

According to Dwiputra & Setiawan (2023), one of the objectives is to examine the quality control variable for customer satisfaction in a coffee shop. This research This study aims to ensure customer satisfaction through *quality control* in a coffee shop. The results of this study demonstrate that systematic and innovative *quality control* in coffee shops not only maintains product quality but also significantly contributes to customer satisfaction. Integrating *quality control* into daily operations has proven to be a key pillar in creating a positive customer experience and driving business success.

The strategies for improving *Quality Control* that can be carried out by the Blimbingsari *Creative Craft* Banyuwangi MSME include:

- a. Product specifications, where the product shown in the photo is in accordance with what the

customer received, however, it is necessary to improve the checking during delivery because there are complaints from online customers about defective products.

- b. The level of inequality in the production process, at UMKM Blimbingsari *Creative Crafts* Banyuwangi, this prioritizes checking the production process, especially custom products, to minimize product discrepancies. received by the customer. However, in reality, the product received does not meet the customer's expectations, resulting in disappointment, especially if the product was intended for a specific event.
- c. Quality Costs, the costs of defective products are fully borne by the company, which is why checking is necessary during the production process to minimize costs. Even though the return costs are fully covered by the company, this will still reduce customer loyalty due to the uncomfortable shopping experience, making customers reluctant to make repeat orders. To realize a business, the BCC UMKM is required to carry out activities, one of which is developing the business by carrying out regular *Quality Control* and the quality of its services to prioritize customer satisfaction.

5. Conclusion

The importance of Quality Control (QC) and service quality in improving customer satisfaction at the Blimbingsari Creative Craft Banyuwangi MSME. The results of the study indicate that ineffective implementation of Quality Control results in defective products reaching customers, which negatively impacts their satisfaction and loyalty. Therefore, improving the Quality Control system is crucial to ensure that the products received meet expectations. In addition, unresponsive and poorly structured service quality are also problems, leaving customers confused and dissatisfied. Clear instructions and adequate staff presence are necessary to create a better shopping experience. Overall, both poor Quality Control and poor service directly impact customer satisfaction.

Therefore, MSMEs need to implement improvement strategies in both of these areas to meet customer expectations. With these strategic improvement steps, it is hoped that Blimbingsari Creative Craft MSME can increase its competitiveness and business sustainability in an increasingly competitive market.

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