

CUSTOMER PROFITABILITY ANALYSIS TO MEASURE THE STEVEDORING COMPANY PERFORMANCE SUSTAINABILITY

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Abstract: The aim of this research is to assess the influence of customer profitability analysis on the sustainable performance of loading and unloading companies in western Indonesia. This type of research is included in quantitative descriptive research. The research results show quite good performance with a number of records. There are 2 factors that have not achieved optimal performance. Both the service coverage factor (38.4%) and the customer growth factor (4.8%). Strategic steps are needed as feedback in planning for the future period. Increase the rate of revenue growth by increasing the number of active customers and new services. Innovate and improve service quality. This effort is important to achieve competitive and sustainable stevedoring company performance and encourage economic growth and support export-import activities.

INTRODUCTION

Performance is one of the elements that cannot be separated in an organization. Performance shows the actions or activities of an organization that are projected as a basis for efficiency, accountability or management accountability (Feng, et.al, : 2020). Performance measurement assists organizations or companies in improving performance by focusing on work unit program goals and objectives so as to increase the efficiency and effectiveness of the company in providing services. The performance challenge comes from the organization itself. An organization is a collection of people who have different competencies, are interdependent on one another, to realize common interests (Abushika, 2018).

The success of an organization can be assessed from the performance of financial and non-financial aspects include capability to sustain. Based on monitoring from time to time, a management performance appraisal system based on financial benchmarks alone will cause problems in the long run because executives are more focused on realizing short-term performance and managing tangible assets owned by the company (Kaplan and Norton; 2000). The sustainability of the company's life and business in the long term is strongly influenced by factors other than tangible assets. These factors are:

1. Harmonious and lasting relationship with customers.
2. Innovative and competitive products/services.
3. Sophisticated information and communication technology.
4. Employee skills and motivation.

By designing services according to consumer needs and marketing these products/services effectively to consumers, companies will be able to produce satisfied consumers. Satisfied consumers will generate an inflow of income into the company so that the company is able to generate adequate financial returns. To be able to carry out activities cost effectively, companies need productive and committed employees. Productive and committed employees will be able to consume resources only for value added activities for customers, so that product and service production activities can be carried out cost effectively. Cost effectiveness is also able to contribute to companies to generate adequate financial returns.

It can be concluded that the success of a company is not only measured using tangible asset benchmarks, but a non-financial perspective in order to achieve the company's long-term goals. Therefore, a method is needed in preparing and building a strategy and management performance appraisal method that includes an assessment of intangible assets, in addition to tangible assets. Therefore it is important for companies to apply consumer profitability analysis to achieve good performance.

Performance is one of the elements that cannot be separated in an organization. Performance shows the actions or activities of an organization that are projected as a basis for efficiency, accountability or management accountability (Mulyadi and Johny, 2001). Meanwhile, performance measurement is defined as measurement actions taken on various activities in the value chain that exist in the company. The measurement results are used as feedback which will provide information about the achievement of implementing a plan and the point at which the company requires adjustments to planning and control activities.

Company performance can be focused on reducing activities that do not add value to the company (Abushaikha, 2018). Performance also means broader value creation which is more likely to generate sustainable competitive advantage (Tantalo; 2014). In this study, company performance is defined as the result of management's work in managing company resources that have a relationship with the organization's strategic

goals, market expansion, company growth, and providing added value to the company.

The management decision-making process needs to be supported by an integrative performance benchmark system, which is internally consistent with the company's vision, mission and strategy with the ability to provide feedback that is increasingly rapid, simultaneous and simultaneous (Barney; 1991). Consumer Profitability Analysis articulates a strategy that is oriented to customers and market segments that will provide greater financial benefits in the future (Aquilera. et al.; 2013).

Customers as an external part of the company are an important part of the company's progress (Ryzhkova, 2015; Chen et al., 2016). Management cannot rule out external influences (consumers and competitors) in formulating strategy. This market aspect is one of the factors that can influence business decisions (market based view theory). Involving customers to increase competitive advantage has changed the company's strategy in achieving targets (Auh et al., 2007; Payne et al, 2009; Yi et al., 2011). The external environment has a positive effect on the company's business processes and influences the management of internal factors owned by the company (Kafetzopoulos, 2019; Hongyun, 2019; Hoi, 2018).

The market has influenced the company in two ways, namely strategic and institutional (Suchman, 1995). MBV Theory focuses on the obligation of companies to ensure that they operate and operate in a dynamic market situation. This theory is needed because of the important role of the market in influencing company behavior and its impact on company performance (Jane; 2022). Companies are increasingly realizing that the company's survival also depends on the external environment (Deegan, 2019). The market point of view is also an important point for the company because it relates to consumers or potential customers and competitors in the market.

The external environment makes the company dependent on consumer subjectivity and competitor performance on company activities. So companies must pay attention to subjective factors from consumers in carrying out business processes to determine the capacity and position of the company in the market. The policies adopted and the forms of activities carried out must be in accordance with the acceptance of consumers and the position of competitors. It is important for companies to prepare themselves for potential changes that occur in the market.

Analysis of consumer profitability includes service coverage, customer growth,

revenue growth per consumer and customer satisfaction. Consumer profitability analysis not only provides long-term performance appraisal results, but also offers a systematic and comprehensive roadmap for organizations to translate vision and mission statements into a set of interrelated performance measures. These measures are used not only to control behavior but to articulate organizational strategy, communicate organizational strategy, and help adapt individual initiatives to achieve the company's common goals.

RESEARCH METHODS

This type of research is descriptive quantitative which emphasizes data presentation, analyzing, and interpreting data (Sugiono; 2011). This study uses loading and unloading companies in the western region of Indonesia as research objects on the grounds that the loading and unloading sector affects logistics costs in a country. The type of data used in this study includes quantitative data. The data collection method in this study is a field study. Data collection techniques used by observation, interviews, and documentation. The method used to analyze the data in this study is quantitative analysis. Analysis is used to explain events and phenomena implied in data obtained from literature and field research such as customer satisfaction and claim handling.

The indicators contained in this study are:

- **Service Coverage**

Service Coverage is the level of population that can be served by the company from consumers in an operational area.

$$= \frac{\text{Number of Customers Served}}{\text{Number of Customers}} \times 100\%$$

- **Customer Growth**

Customer Growth is a performance measure to find out how much the company's ability to get new customers.

$$= \frac{\text{Number of Customers}}{\text{Number of Customers Last Year}} \times 100\%$$

- **Complaint Handling Capability**

Complaint Handling Capability is used to determine the activity level of company management in resolving service and other complaints originating from customers and/or non-customers.

$$= \frac{\text{Number of Solved complaints}}{\text{Number of Complaints}} \times 100\%$$

- **Customer Satisfaction**

Customer Satisfaction assesses the level of satisfaction with certain performance criteria in the value proposition. This indicator is based on interviews with customers regarding administrative service aspects, service aspects, and post-service aspects.

RESULTS AND DISCUSSION

The following are the results of research on the effect of Consumer Profitability Analysis on Company performance. Based on the measurement results, it shows that the low value of the service coverage level is 38.4% at the end of the observation period due to various obstacles, namely the impact of the COVID-19 outbreak. The low value of 4.8% on the customer growth rate shows that the economy and the flow of goods are still not normal due to COVID-19. The company's ability to handle complaints has increased. In 2022 the ability to handle complaints will reach 93.6%, which means that the loading and unloading company's performance is very good.

Table 1 :Recapitulation of Measurement ResultsBased on Customer Perspective

Factor	Year				
	2018	2019	2020	2021	2022
Service Coverage	42.3%	38.6%	38.2%	37,5%	38.4%
Customer Growth	3.4%	3.8%	3.4%	4.3%	4.8%
Complaint Handling	75.3%	82.2%	86.8%	92.5%	93.6%
Customer satisfaction	64.5%	71.5%	73.8%	89.7%	90.6%

Source: Data processed, 2023

Based on the indicators of customer satisfaction, it can be seen that the average of the three aspects, both in terms of administrative services, distribution services, or aspects of claim services, is 93,6% of respondents who are satisfied. While the rest expressed dissatisfaction. Customer dissatisfaction with great service compared to the other two aspects. Dissatisfaction resulted from long waiting times at the port. Dissatisfaction in administrative services is caused by the length of the bureaucratic system for delivering goods.

CONCLUSION

Based on the assessment that has been carried out, it shows that there are two factors that have not achieved optimal performance sustainability, including the service coverage factor of 38.4% and the customer growth factor whose performance achievement is only 4.8%. While the service growth factor and complaint service factor have a good score which shows good company performance in this field. Service coverage and customer growth must be points of improvement that need to be considered by management to support the achievement of better company performance.

Performance measurement with attention to aspects of consumer profitability analysis will help companies to maintain service quality and maintain customer satisfaction. This is important because consumers are a factor that influences company income. Management must have concern about it to make sure sustainability company performance.

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