



# **ANALYSIS OF FACTORS AFFECTING SATISFACTION TO CONTRACTORS' PERFORMANCE IN RETAIL BUILDING CONSTRUCTION WORK**

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## **ABSTRACT**

The retail building construction industry has unique characteristics including tight time constraints, specific functional standards, and direct impact on business performance. This study aims to analyze factors influencing satisfaction with contractor performance in retail building construction projects, specifically focusing on Indomaret store development projects in East Java Regional I. The research employs a descriptive quantitative approach using purposive sampling of 30 respondents from five new Indomaret store construction projects. The research instrument uses the SERVQUAL model adapted for construction context with five dimensions: reliability, responsiveness, assurance, empathy, and tangibles. Results indicate very high satisfaction levels with contractor performance, with an overall average score of 4.17 or 83.4% (categorized as "Very Good"). The tangibles factor has the highest value (4.34), followed by responsiveness (4.27), reliability (4.01), empathy (3.89), and assurance (3.89). The research model successfully identified six critical aspects for contractor performance control that can be implemented as a practical evaluation framework for project owners and contractors to improve retail building construction performance.

**Key words:** contractor satisfaction, contractor performance, retail buildings, SERVQUAL, construction management

## **1. INTRODUCTION**

The construction industry plays a strategic role in Indonesia's national economic development. The construction sector contributes approximately 10.5% of Indonesia's total GDP with a value reaching Rp 1.720 trillion in 2023 [1]. In East Java, there are 22,418 qualified construction companies with small-scale companies dominating 85.6%, indicating very intense competition in this industry (BPS, 2023).

The modern retail sector has experienced significant growth with Indonesia's retail economic growth rate jumping 5.52% in 2024, surpassing the national economic growth of only 5.03% (BPS, 2024). This growth drives retail store construction, especially minimarkets like Indomaret which opens 700-800 new stores annually with investments of Rp 800 million - 1.2 billion per store.

In retail construction context, project completion timeliness directly impacts revenue. Every one-month delay in new retail store opening causes revenue losses of Rp 300-500 million (Indonesian Retail Consultant, 2023). Data shows 62% of retail store construction projects in Indonesia experience delays averaging 1.5 months from planned schedules, making contractor performance a crucial factor for retail business success.

Retail buildings have unique characteristics that differentiate them from other building types. Retail buildings are facilities specifically designed for selling goods and services directly to consumers with lighting standards of 300-500 Lux, circulation value of 20%, and area per person of 4.8 m<sup>2</sup>/person according to SNI 6390:2020 (Gilbert, 2013; BSN, 2020). These characteristics create special challenges for contractors in project implementation.

Several previous studies have examined factors affecting contractor performance. Kurniawan (2023) analyzed user satisfaction with contractor performance in office building maintenance using Customer Satisfaction Index (CSI), resulting in a value of 73.10% (good category). Gunther et al. (2023) identified project completion timeliness, schedule control, and service speed as main determinants of project owner satisfaction in Ambon City. Deep et al. (2018) identified consultants, contractor problems, design changes, and project complexity as elements affecting contractor efficiency in India.

Despite various studies conducted, there exists a research gap in the specific context of retail building construction in Indonesia. Retail building projects have tighter time pressures, specific functional standards, and direct impact on business performance requiring different evaluation approaches. This study aims to analyze factors affecting satisfaction with contractor performance in retail building work using the SERVQUAL model adapted for construction context.

### **1.1. SERVQUAL Model in Construction Context**

The SERVQUAL model was developed by Parasuraman, Zeithaml, and Berry (1988) as a framework for measuring service quality based on gaps between customer expectations and perceptions. This model identifies five dimensions: reliability, responsiveness, assurance, empathy, and tangibles. Ling and Chong (2005) applied the SERVQUAL model in Singapore's construction industry and confirmed the relevance of all five dimensions in evaluating contractor service quality.

## **2. RESEARCH METHOD**

The research uses a descriptive quantitative approach with purposive sampling method. Research locations are five new Indomaret store construction projects in East Java Regional I: Jl. Kesamben Wetan Gresik (area 374 m<sup>2</sup>, budget Rp 1.11 billion), Jl. Bangkingan Surabaya (area 390 m<sup>2</sup>, budget Rp 1.20 billion), Jl. Cempaka Rubaru Pamekasan (area 376 m<sup>2</sup>, budget Rp 1.07 billion), Jl. Raya Ambunten Sumenep (area 368 m<sup>2</sup>, budget Rp 1.05 billion), and Jl. Raya Nyalaran Pamekasan (area 383 m<sup>2</sup>, budget Rp 1.29 billion).

The research sample consists of 30 purposively selected respondents, comprising: Owner/Project Owner (2 respondents, 7%), Supervision Consultants (16 respondents, 53%), and Non-Construction Staff (12 respondents, 40%). Respondent criteria include direct project involvement and adequate knowledge to assess contractor performance.

The research instrument uses a questionnaire based on the SERVQUAL model adapted for construction context with 34 question items covering five dimensions:

- Reliability (9 items): time accuracy, contract compliance, cost accuracy, quality consistency
- Responsiveness (4 items): response speed, flexibility, effective communication

- Assurance (5 items): technical competence, professionalism, risk management
- Empathy (5 items): needs understanding, individual attention
- Tangibles (9 items): personnel quality, equipment, documentation, project organization

Measurement uses a 5-point Likert scale (1=Strongly Disagree to 5=Strongly Agree). Validity testing uses product moment method with  $r$  table = 0.361 ( $n=30$ ,  $\alpha=5\%$ ). All questionnaire items are valid with  $r$  count > 0.361. Reliability testing using Cronbach's Alpha produces a value of 0.94 (very high reliability).

Data analysis uses descriptive statistics with interpretation: Values 4.21-5.00 (Very Good), 3.41-4.20 (Good), 2.61-3.40 (Fair), 1.81-2.60 (Poor), 1.00-1.80 (Very Poor). Analysis was conducted using SPSS version 25

### 3. RESULTS AND DISCUSSION

#### 3.1. Respondent Characteristics

Respondents are predominantly male (24 people, 80%) with Diploma IV/Bachelor education (14 people, 47%) and Postgraduate (6 people, 20%). Experience distribution: less than 5 years (11 people, 37%), 5-10 years (11 people, 37%), and more than 10 years (8 people, 27%). Age distribution: under 30 years (14 people, 47%), 30-45 years (12 people, 40%), and over 45 years (4 people, 13%). These characteristics indicate respondents have adequate educational background and experience to assess contractor performance.

#### 3.2. Analysis of Contractor Performance Factors

Research results show very high satisfaction levels with contractor performance with an overall average value of 4.17 or 83.4% (categorized as "Very Good"). The distribution of values for each dimension is presented in Table 1.

**Table 1.** Analysis Results of Contractor Performance Factors

SERVQUAL Dimension	Mean Value	Standart Deviation	Percentage	Category
Tangibles	4,34	0,55	17,18%	Very Good
Responsiveness	4,27	0,69	16,89%	Very Good
Reliability	4,01	0,53	15,88%	Good
Empathy	3,89	0,44	15,39%	Good
Assurance	3,89	0,44	15,39%	Good
Total Satisfaction	4,17	0,56	83,4%	Very Good

Source: Analyzed research data

#### 3.3. Analysis of Highest Dimensions

##### 3.3.1. Tangibles as Primary Factor

The tangibles dimension obtained the highest value (4.34) with the best indicators being final project quality (4.40) and organized quality management system (4.40). This indicates contractors successfully delivered satisfying physical results according to project owner expectations. These findings are consistent with Soetanto and Proverbs' research (2004)

identifying product quality as the most influential factor on client satisfaction in commercial projects.

### **3.3.2. Responsiveness as Second Factor**

High responsiveness value (4.27) with best indicators being periodic project information delivery (4.33) and ability to adapt to changes (4.33). In retail project context with tight schedules, responsiveness becomes critical to prevent delays. This aligns with Lai and Lam's (2010) findings on the importance of timely completion in commercial projects.

### **3.4. Analysis of Lowest Dimensions**

Empathy and assurance dimensions obtained the same value (3.89) though still in "Good" category. Empathy shows improvement areas in understanding specific retail building needs (3.89) and providing constructive suggestions (3.89). Assurance requires enhancement in occupational safety and health management (3.89).

### **3.5. Contractor Performance Control**

Based on questionnaire analysis and in-depth interviews, six critical aspects for contractor performance control were identified:

1. Ensuring quality according to contract and standards: Implementation of strict quality control systems according to technical specifications and SNI 6390:2020 for retail buildings.
2. Time and cost management according to contract value: Regular monitoring using earned value management system to ensure projects complete on time and within budget.
3. Intensive communication through weekly evaluation meetings: Building effective communication systems between owner-supervision consultant-implementing contractor for early problem identification and resolution.
4. Method implementation according to contract standards: Ensuring all construction methods follow procedures in contracts and industry standards with black-and-white documentation for every change.
5. Material and equipment use according to technical specifications: Quality control of materials and equipment according to agreed Work Plan and Requirements (RKS).
6. Post-contract maintenance guarantee: Providing warranty and maintenance services after project completion according to contract provisions to ensure store operational continuity.

### **3.6. Validation of Research Finding to the Previous Research**

Research findings are consistent with several previous studies. The satisfaction value of 83.4% is higher than Kurniawan's (2023) research (73.10%) on office building maintenance, indicating special characteristics of retail projects that enable higher satisfaction achievement. Priority on tangibles and responsiveness aligns with Masrom et al.'s (2014) research identifying product quality and service as the most significant factors.

Romi Sani et al.'s (2023) research confirms that good quality service produces high satisfaction levels, consistent with this study's findings. Shiddiq and Preadinata (2024)

emphasize the importance of critical factor priorities for performance improvement, supporting the identification of six critical aspects in this research.

#### **4. CONCLUSIONS**

The research successfully identified factors affecting satisfaction with contractor performance in retail building work with overall very good satisfaction level (83.4%). The tangibles dimension is the most influential factor (4.34), followed by responsiveness (4.27), reliability (4.01), empathy (3.89), and assurance (3.89).

Six critical aspects of contractor performance control identified provide a practical framework for retail construction project management: (1) ensuring quality according to contract, (2) time and cost management, (3) intensive communication, (4) standard method implementation, (5) material use according to specifications, and (6) post-contract maintenance guarantee.

These findings provide theoretical contribution in expanding understanding of contractor satisfaction factors for retail building context and provide practical evaluation framework for project owners and contractors. The SERVQUAL model proves effective in retail building construction context with very high reliability ( $\alpha = 0.94$ ).

The research recommends: (1) increased focus on tangibles and responsiveness aspects, (2) implementation of effective communication systems through weekly evaluation meetings, (3) application of regular evaluation using SERVQUAL framework, and (4) development of special standards for retail building projects. Future research can expand study locations and increase respondent numbers for broader generalization.

**Acknowledgments:** The authors express gratitude to PT Indomarco Prismatama Tbk. Regional I East Java for permission and support in conducting this research, and to all respondents who participated in completing the questionnaires.

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