

Abstract

MSME (Micro, Small, and Medium Enterprises) has an important role in promoting equitable welfare and improving the quality of human resources. PD Berkah is one such MSME operating in the retail and textile sectors, which is currently facing declining income due to continuously decreasing sales. The decline in sales at PD Berkah Cigondewah highlights the need for service quality improvement to enhance customer satisfaction. This final project aims to design customer need attributes that should be prioritized for improvement, known as True Customer Needs. The method used involves integrating the Service Quality Model and the Kano Model to identify service attributes based on the dimensions of Tangible, Empathy, Reliability, Responsiveness, and Assurance. Data collection was carried out through the distribution of questionnaires to customers who had visited and made transactions at the store. The analysis stages began with identifying customer need attributes through Voice of Customer and literature studies, normality testing, construct validation, reliability testing, and processing of Service Quality data to determine weak and strong attributes, followed by attribute classification using the Kano Model. Subsequently, these attributes were integrated to produce True Customer Needs (TCN) as the basis for improvement recommendations. The results of this final project show that there are nine attributes classified as weak and eight as strong. Improvement recommendations are focused on weak attributes in the Must-be, One-dimensional, and Attractive categories, as well as strong attributes in the Attractive category. It is hoped that this final project can serve as a reference in improving service quality and contribute to the development of service quality at the PD Berkah fabric store, one of the MSMEs.

Keywords: *MSME, Retail, Fabric Store, Service Quality, Kano Model, True Customer Needs.*