



## A STUDY OF RETAIL SERVICE QUALITY IN ORGNISED RETAILING

**Arun Kumar G., Manjunath S. J. & Naveen Kumar H.**

B.N.Bahadur Institute of Management Sciences, University of Mysore, Mysore-570006

### ABSTRACT

Service quality has drawn attention of researcher in recent years. Service quality within the organized retailing is pivotal for satisfying customers. By satisfying customers with quality service, business firms are expanding their market shares. The objective of the study is to analyze the service quality of the organized retail store that contributes to the customer satisfaction in Hassan city, Karnataka. This research uses five dimensions such as physical aspects, problem solving, personal interaction, reliability and policy. The data was collected on these dimensions by using five point likert scales from 150 respondents on the basis of random sampling and analyzed by using SPSS software. The results showed that physical aspect, personal interaction and problem solving were positively related to overall customer satisfaction at retail stores

**KEYWORDS:** Retail service quality, customer satisfaction, organized retailing, Hassan city.

### INTRODUCTION

Service quality is an important approach to manage business in order to ensure full satisfaction of the customers which will help to increase competitiveness and effectiveness of the sector. Customer service is a key factor in retailing success. In today's competitive environment, organizations must earn the customer's trust by consistently meeting or exceeding expectations. The disparity between expectation and perception is the major determining factor in a customer's assessment of quality of service. Service quality and customer service is very important. Indian retailing industry has seen phenomenal growth in the last five years. Organized retailing has finally emerged from the shadows of unorganized retailing and is contributing significantly to the growth of Indian retail sector.

### LITERATURE REVIEW

There are a number of different "definitions" as to what is meant by service quality. One that is commonly used defines service quality as the extent to which a service meets customers' needs or expectations. Service quality can thus be defined as the difference between customer expectations of service and perceived service. If expectations are greater than performance, then perceived quality is less than satisfactory and hence customer dissatisfaction occurs. Service quality is the global judgment related to overall superiority of the services. Service quality in retailing is different from any other product/service environment. The RSQS has a five dimensional structure of which three dimensions comprise of two sub dimensions each. Studies assessing the applicability of the RSQS have reported encouraging results. Dabholkar, Thorpe and Rentz (1996) replicated their own study and found all the RSQS dimensions and sub-dimensions to be valid in the U.S. Mehta, Lalwani and Han (2000) found the RSQS five

dimensional structure appropriate for measuring the service quality perceptions of supermarket consumers in Singapore. According to Dabholkar et al. (1996), retail service quality had a hierarchical factor structure which comprised of five basic dimensions. Service quality in retailing is different from other service environments. Since the retail service is unique in nature, measuring retail service quality will have to be different from the conventional service quality measurement. To overcome the above mentioned constraint in service quality model, Dabholkar, Thorpe and Rentz (1996) developed the retail service quality scale (RSQS) for measuring service quality in the retail setup. The RSQS has a five dimensional structure of which three dimensions comprise of two sub-dimensions each. Dabholkar, Thorpe and Rentz (1996) replicated their own study and found all the RSQS dimensions and sub-dimensions to be valid in the USA. The five dimensions proposed were: Physical aspects, Reliability, Personal interaction, Problem-solving, Policy.

Customer satisfaction is a well known and established concept in several areas like marketing, consumer research, retailing etc. The most common interpretations obtained from various authors reflect the notion that satisfaction is a feeling which results from a process of evaluating what has been received against what was expected, including the purchase decision itself and the needs and wants associated with the purchase (Armstrong & Kotler, 1996). Bitner & Zeithaml (2003) stated that satisfaction is the customers' evaluation of a product or service in terms of whether that product or service has met their needs and expectations. According to Boselie, Hesselink, and Wiele (2002) satisfaction is a positive, affective state resulting from the appraisal of all aspects of a party's working relationship with another. The definition provided by Boselie et al. (2002) has been used for this study.

### OBJECTIVE OF THE STUDY

To examine the extent to which the retail service quality factors influence the customer satisfaction in organized retailing.

### HYPOTHESIS

- 1) **H<sub>0</sub>** –There is no significance difference between physical aspect and overall customer satisfaction.  
**H<sub>1</sub>** - There is significance difference between physical aspect and overall customer satisfaction.
- 2) **H<sub>0</sub>**- There is no significance difference between physical interaction and overall customer satisfaction  
**H<sub>1</sub>**- There is no significance difference between physical interaction and overall customer satisfaction
- 3) **H<sub>0</sub>** - There is no significance difference between policy and overall customer satisfaction.  
**H<sub>1</sub>**- There is significance difference between policy and overall customer satisfaction.
- 4) **H<sub>0</sub>**- There is no significance difference between problem solving and overall customer satisfaction.  
**H<sub>1</sub>**- There is significance difference between problem solving and overall customer satisfaction.
- 5) **H<sub>0</sub>**- There is no significance difference between reliability and customer satisfaction.  
**H<sub>1</sub>**- There is significance difference between reliability and overall customer satisfaction.

### METHODOLOGY

The relevant data for the study has been collected from both primary and secondary sources. Research methodologies used in the study are descriptive methods. Simple random sampling used to collect the information regression analysis was used in this research. Questionnaire is on Darshan Parikth ‘measuring retail service quality- an empirical assessment of the instrument’. A sample of 150 respondents was selected for the study. Five RSQS factors were used in the questionnaire with five point likert scale.

### LIMITATION

The study is confined to Hassan city. The data was gathered through interview therefore it might contain respondent bias. The study can be extended for consumers across greater geographical area.

### RESULTS

#### 1. Demographic

Analysis of demographic information revealed that more than 30 percent customers were young and aged between 19 years to 25 years and 58 percent of the respondents were males. Around 32percent of the sample respondents had graduation and 52 percent were employed; out of the total sample 32 percent of the respondent’s annual income was in between 20000 to 25000;

#### 2. Regression analysis of dimensions

**Regression Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.704	.495	.477	.352

**Regression ANOVA table**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.491	5	3.498	28.223	.000
	Residual	17.849	144	.124		
	Total	35.340	149			

**Regression Coefficients table**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.058	.509		.113	.910
	PHYSICAL ASPECT	-.208	.060	-.214	-3.454	.001
	PERSONAL INTERACTION	.335	.068	.418	4.949	.000
	PROBLEM SOLVING	.456	.087	.455	5.271	.000
	POLICY	.191	.099	.238	1.930	.056
	RELIABILITY	.018	.049	.028	.365	.716

## FINDINGS

The above results indicate that p value is .000 hence the regression model was fit. The R square is .495 it implies that there is 49.5% variance by service quality factor on customer satisfaction. The adjusted R square shows the amount of variance explained by independent variable on dependent variable. From the coefficient table it was revealed that physical aspect of retail store ( $\beta$ -.214 and significance p-.001). Hence there is a significance difference between physical aspect and customer satisfaction. In terms of personal interaction the  $\beta$  value is .418 and the p value is .000 it shows that personal interaction also positively influence overall satisfaction of retail stores. The next dimension was problem solving the  $\beta$  value was .455 and the p value was .000 it shows that the problem solving aspect also have positive influence and overall satisfaction of retail stores. Physical aspects, personal interaction and problem solving have a significant impact on overall satisfaction of retail store therefore we reject null hypothesis of all the three dimensions. Policy and reliability does not have significant relationship with the overall satisfaction of retail store.

## CONCLUSION

The study was designed to know that the five dimensions of service quality have significant effect on customer satisfaction. The findings of the study showed that one three dimensions namely physical aspects, personal interaction and problem solving have significant effect on overall customer satisfaction. The study revealed that the management needs to improve service quality in areas of policy and reliability. Improvement in customer satisfaction would mean that it is gaining competitive advantage

## REFERENCES

- Anderson, E.W. and Sullivan, M.W. (1990), "Customer satisfaction and retention across firms", paper presented at the TIMS College of Marketing Special Interest Conference on Services Marketing, Nashville, TN, September
- Bebko, C.P. (2000), "Service intangibility and its impact on consumer expectations of service quality", *Journal of Services Marketing*, Vol. 14 No. 1, pp. 9-26.
- Brown, T.J., Churchill, G. And Peter, J. (1993), "Research note: improving the measurement of service quality", *Journal of Retailing*, Vol. 69 No. 1, pp. 127-39.
- Dabholkar, P.A., Shepherd, C.D. And Thorpe, D.I. (2000), "A conceptual framework for service quality: an investigation of critical conceptual and measurement issues through a longitudinal study", *Journal of Retailing*, Vol. 76 No. 2, pp. 139-73.
- Finn, David & Lamb, Charles, An Evaluation of the SERVQUAL Scales in a Retailing Setting, *Advances in Consumer Research*, 1991.
- Kellogg, D.L. And Chase, R.B. (1995), "Constructing an empirically derived measure for customer contact", *Management Science*, Vol. 41 No. 11, pp. 1734-49.
- Kim, S. and Jin, B. (2001) An evaluation of the retail service quality scale for U.S. and Korean customers of discount stores. *Advances of Consumer Research* 28 : 169 – 176 .
- Lehtinen, J. R. and Lehtinen, U. (1982) Service quality: A study of quality dimensions. Unpublished working paper, Service Management Institute, Helsinki .
- Macintosh, G. and Lockshin, L. S. (1997) Retail relationships and store loyalty: A multi level perspective. *International Journal of Research in Marketing* 14 : 487 – 497 .
- Malhotra, N. K. , Ulgado, F. M. , Agarwal, J. and Baalbaki, I. B. (1994) International services marketing: A comparative evaluation of the dimensions of service quality between developed and developing countries. *International Marketing Review* 11 (Summer) : 5 – 15 .
- Parasuraman, A. , Zeithaml, V. A. and Berry, L. L. (1988) SERVQUAL: A multiple item scale for measuring customer perceptions of service quality. *Journal of Retailing* 62 : 12 – 40 .
- Reichheld, F. F. (1994) Loyalty and the renaissance of marketing. *Marketing Management* 2 (4) : 10 – 21 .
- Rexha, N. , Kingshott, R. P. J. and Aw, A. S. S. (2003) The impact of the relational plan on the adoption of electronic banking. *Journal of Services Marketing* 17 (1) : 53 – 67 .