



A STUDY ON RETAIL SERVICE QUALITY IN ORGANISED RETAILING

Dr. RAJESH C. JAMPALA

Professor & Head, Department of Commerce and Business Administration, P.B. Siddhartha College of Arts & Science, Vijayawada, Andhra Pradesh,

Mr. M.DHADURYANAIAK

Research Scholar, Department of Commerce and Business Administration, P.B. Siddhartha College of Arts & Science, Vijayawada, Andhra Pradesh,

ABSTRACT

The paper focuses on retail service quality that contributes to customer satisfaction. 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 Vijayawada, Andhra Pradesh. 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.

Introduction:

The retail can be described as the act of selling of goods and merchandise from a fixed location. In other words retailing is a distribution channel function where the retailing organization will buy get products from certain manufacturers or wholesaler and then sell it directly to consumers. A retailer is a reseller from which a consumer purchases products. The origin of the word retail is considered to be from the French word retailer which means to "cutting of clip and divide" in terms of tailoring. Likewise, retailing involves breaking larger consignments of products into smaller packages for general consumption. The concept of retail exists from the time currencies came into being, if not from the days of barter system, C. Thirumal Azhagan and Dr. P. S. Nagarajan (2011). Retailing means „Re-tailing“ to the customers so that they come back towards them. Retailing consists of all activities involved in selling goods and services to consumers for their personal, family, or household use. Ms. Monika Talreja & Dr. Dhiraj Jain (2013).

According to, **Aluregowda (2013)** Retailing services has become very much important in the competitive environment. Service quality has been widely



used by the retailers as one of the important strategy. Retailing is the second largest employment provider after agriculture. The sector is witnessing a radical change as traditional retail markets are replacing with new formats such as discounts stores, departmental stores, hypermarkets, supermarkets etc. In this competitive environment the retailers are more forced to concentrate towards customer satisfaction. Service quality and customer perception are thus the two core concepts of contemporary marketing theory and practice in retail industries.

Today, Retail 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 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.

Review of Literature:

For the purpose of the study, several articles and websites were reviewed. As the study is about Retail Service Quality, it was very important to read various articles about customer satisfaction, retail service quality, customer buying behavior etc. With the help of the literature reviewed, the study became simpler and clearer. In this chapter, Most of the literature read in various research papers has been briefly explained below:

M.Ramakrishnan and Dr. Sudharani Ravindran (2012) the RSQ helps the retailers to direct most needed areas within the store and focus its resources on improving the service quality. Retailers applying multi-dimensional service quality scale developed and used internationally to South India retail setting need to understand the model factor structure and scale adaptation. Since the organized retail stores are growing in Indian, the focus should also on finding the customer preferences towards store, products, employee involvement, stores perceived image in the minds of customer.

According to, Ali Ihtiyar, Fauziah Sh. Ahmad and Mohd Hassan Mohd Osman (2012) Service quality is a considerable and the simplest marketing instrument for retail service providers to create ambitious benefits and to improve the (dis) satisfaction level of customers. In sum, retailers in Turkey should responsive to the consumer's needs and demands when implicate the service strategies in food retail industry. Hence, effective and competitive strategies in service quality will enhance the customer satisfaction and profitability of retail service providers.



Bitner and Glemmler (2009) argue that perceptions of service quality are the results of consumer's comparisons of expected service with perceived service. They contend that the gaps between expected and actual/delivered service creates dissatisfaction. Thus, the retailers challenge is to minimize the gaps between expected and actual by first understanding customers' expectation and then delivering those expectations.

Manoj Kumar Sharma and Megha Devgan (2013) the RSQS main and sub dimensions do not get clubbed as factors after factor analysis (Kaul 2005, Parikh 2006 and Kaul 2007). Here, the five main dimensions and six sub-dimensions are clubbed into four factors. The only factor, which shows some variances with selection of a store outlet, is factor one personal interaction and hygiene.

According to, Amresh Kumar and Pallab Sikdar (2014) Establishment of valid and reliable RSQS will serve as a strategic tool for retailers operating across diverse formats. They also observed that the present research establishes the reliability and validity of modified four construct RSQS model comprising of 'Reliability', 'Physical Aspects', 'Problem Solving' and 'Personal Interaction'. The validity of 'Policy' dimension forming the part of original RSQS model couldn't be established within the Indian apparel retail sector.

Dabholkar et al. (1996) developed a retail service quality model (RSQS) and identified five dimensions important in a retail set up. Aluregowda (2013) the five RSQS dimensions have the significance effect on the customer perception and the alternative hypothesis was not rejected.

Parikh (2005) found that the reliability dimension of RSQS is perceived to be most important dimension than the other dimensions of RSQS. Further he also stated that the highest perceived service gap lays in the policies of retail stores particularly the parking facilities provided by them. Oyenyi, O., and Abiodun, A.J. (2012) reveals that RSQS dimensions found significant relation with stores customers' satisfaction.

Darshan Parikh (2006) found that the gap model of service quality does not perform as well as the perceptions based performance measures of service quality in terms of its factor structure. Dr.P.C.S.Rajaram and Mr. V.P. Sriram (2014) found that RSQS is useful tool to measure the service quality of the retail stores. And also RSQS scales prove that service quality directly affects the customer satisfaction.

Andukuri Raj Shrvanthi and Ann Pauline.D (2013), RSQ scale is helpful in measuring the service quality aspects for an organized retail store and they also suggested appropriate measures to improve the RSQ.

Stated, Amresh Kumar and Pallab Sikdar (2014) may try to replicate similar validation framework towards establishing validity of original five factor RSQS



model incorporating the 'Policy' dimension, in the context of progressive Indian organized retail sector.

N. Udaya Bhaskar and B.Raja Shekhar (2011) revealed that service quality factors will significantly effects customer satisfaction. It was proved that except policy of the store, Personal interaction, Reliability, physical aspects and problem solving are significantly effecting customer satisfaction. They also found that the retailers to focus on critical areas of service where to improve, where to modify and where to cut down and enables them to take effective service strategies. They suggested that retail service quality can be extended to several retail segments and generic factors for Indian retail service quality can be discovered.

Norbert Wilson, Thomas Hall and Deacue Fields (2011) suggested to management of local farm supply cooperatives, which can assist them in meeting the service quality needs of their customer base. Further they stated that strong customer service and personal interactions is a key area to maintain.

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 the needs and wants associated with the purchase (Armstrong & Kotler, 1996).

Objective of the Study

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

Research 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. Primary data was collected through field survey with structured questionnaires and personal interviews by taking 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 after their purchase at organized retail in Vijayawada. Five RSQS factors were used in the questionnaire with five point likert scale. Use of secondary data has been made wherever it was available and necessary.



Hypothesis

Table – 1: Description of Hypothesis

Hypothesis	Description
H₀	There is no significance difference between physical aspect and overall customer satisfaction in organized retailing.
H₁	There is significance difference between physical aspect and overall customer satisfaction in organized retailing.
H₀	There is no significance difference between physical interaction and overall customer satisfaction in organized retailing.
H₁	There is no significance difference between physical interaction and overall customer satisfaction in organized retailing.
H₀	There is no significance difference between policy and overall customer satisfaction in organized retailing.
H₁	There is significance difference between policy and overall customer satisfaction in organized retailing.
H₀	There is no significance difference between problem solving and overall customer satisfaction in organized retailing.
H₁	There is significance difference between problem solving and overall customer satisfaction in organized retailing.
H₀	There is no significance difference between reliability and customer satisfaction in organized retailing.
H₁	There is significance difference between reliability and overall customer satisfaction in organized retailing.

Limitation of the Study:

1. The study is limited to Vijayawada, Andhra Pradesh. In this study data was gathered through interview therefore it might contain respondent bias.
2. The study can be extended for consumers across greater geographical area.

Results of the Study:

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 to25000.



2. Regression analysis of dimensions

Table –2: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.604	.393	.366	.252

Table –3: Regression ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	16.481	5	3.479	27.213	.000
Residual	16.839	141	.121		
Total	33.350	145			

Table –4: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(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 of the Study:

- The above results indicate that p value is .000 hence the regression model was fit. The R square is .395 it implies that here is .39.4% variance by service quality factor on customer satisfaction.
- The adjusted R square shows the amount of variance explained by independent variable independent variable. From the coefficient table it was revealed that physical aspect of retail store (β -.212 and significance p-.001).Hence there is a significance difference between physical aspect and customer satisfaction. In terms of personal interaction the β value is .415 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 β value was .435 and the 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:

Based on findings from the research, it can be concluded that Organized Retail sector offers variety of services to the customers. 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:

- Ali Ihtiyar, Fauziah Sh. Ahmad and Mohd Hassan Mohd Osman (2012), "Determinant Factors of Perceived Service Quality in the Food Retail Industry of Turkey", International Conference on Economics, Business Innovation, 2012.
- Aluregowda (2013), "Retail Service Quality and its Effect on Customer Perception: A Study of Select Supermarket in Mangalore", VSRD International Journal of Business and Management Research, Vol. 3 No. 1 January 2013.
- Amresh Kumar and Pallab Sikdar (2014), "Retail Service Quality Assessment – A Scale Validation Study in Indian Perspective", AIMA Journal of Management & Research, February 2014, Volume 8 Issue 1/4, ISSN 0974 – 497.
- Andukuri Raj Shraavanthi and Ann Pauline.D (2013), "Analysis of Retail Service Quality at a hypermarket in Coimbatore", International Journal of Engineering, Business and Enterprise Applications", 6(1), September-November., 2013, pp. 25-29.
- Bitner, M. J., and Hubbert, A. R. (1994), "Encounter satisfaction versus overall satisfaction versus quality: the customer voice", In Rust, R. T. and Oliver, R. L. (Eds), Service Quality: New directions in theory and Practice, sage, Thousand Oaks, CA, pp 72-94.
- C. Thirumal Azhagan and Dr. P. S. Nagarajan (2011), "Analytical Study on Retail Service Quality of Organized Retail Sector in Trichy", AMET Journal of Management, July – Dec 2011.
- Dabholka, A. P., Thorpe, P. A., and Rentz, J. O. (1996), "A measure of service quality for retail stores: scale development and validation", Journal of the Academy of Marketing Science, Vol. 24 No.1 pp. 3-16.<http://dx.doi.org/10.1007/BF02893933>.
- Darshan Parikh (2006), "Measuring Retail Service Quality: An Empirical Assessment of the Instrument", VIKALPA, Vol. 31(2), April - June 2006.
- Dr.P.C.S.Rajaram and Mr.V.P. Sriram (2014), "Measuring Retail Service Quality: A Study on Indian Departmental Stores", International Journal of Business Management and Economic Research (IJBMER), Vol 5(1), 2014, 16-19.



-
- M.Ramakrishnan and Dr. Sudharani Ravindran (2012), “Customer Expectation of Retailer Service Quality –A Comparative study of Departmental Stores In Coimbatore”, International journal of Research in Finance & Marketing, Volume 2, Issue 7, July 2012.
- Manoj Kumar Sharma and Megha Devgan (2013), “Service Quality Perception of Customers Across Three Retail Formats”, International Journal of Retailing & Rural Business Perspectives © Pezzottaite Journals., Volume 2, Number 2, April-June’ 2013.
- Ms. Monika Talreja and Dr. Dhirajjain (2013), “Changing Consumer Perceptions Towards Organized Retailing From Unorganized Retailing – An Empirical Analysis”, International Journal of Marketing, Financial Services & Management Research, ISSN 2277- 3622 Vol.2, No. 6, June 2013.
- N. Udaya Bhaskar and B.Raja Shekhar (2011), “Impact of Service Quality on Apparel Retail Customer Satisfaction - A Study of Select Metropolitan City Hyderabad”, Journal of Management Research, ISSN 1941-899X, 2011, Vol. 3, No. 2: E13.
- Norbert Wilson, Thomas Hall and Deacue Fields (2011), “Measuring Retail Service Quality in Farm Supply Cooperatives”, International Food and Agribusiness Management Review, Volume 14, Issue 1, 2011.
- Oyeniya, O., &Abiodun, A. J. (2012), “Measuring Retail Service Quality in Nigerian Departmental Stores”, International Journal of Economic Behaviour, Vol.No.2, pp. 37–45.
- Parikh, Darshan. (2005), “Measuring Retail Service Quality: An Empirical Study in a Developing Country”, South Asian Journal of Management, 12(2):43-60.