

Retail Service Quality and its Effect on Customer Perception: A Study of Select Supermarket in Mandya, Karnataka

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Abstract - The performance of the retailing sector from the past few has been outstanding. The paper focuses on retail service quality that contributes to customer perception. Retail service quality was measured by using five dimensions like reliability, personal interaction, physical aspects, problem solving and policy. The research used RSQS scale at More Supermarket in Mandya city. The data was collected from 200 respondents using likert scale and SPSS 19 versions was used to analyse the data. The result revealed that all the five dimensions were positively significant to customer perception. Positive Customer perception is very important to a business as it leads to loyalty and in return make repeat orders, the organisation also offers a wide range of services to its customer.

Keywords: Retail Service Quality, Customer Perception, More Supermarket, SPSS, Mandya City

I. INTRODUCTION

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 perception. Service quality and customer perception are thus the two core concepts of contemporary marketing theory and practice in retail industries. The link between service quality and customer perception is now firmly established, and it has been shown that this link subsequently produces higher revenues, increased cross-sell ratios, higher customer retention, repeat purchasing behavior ,and expanded market share.

II. REVIEW OF LITERATURE

Service quality in retail is different from other product or service organizations Service quality is considered as the most vital organization performance indicator both at the marketing literature usually and the service marketing literature particularly. A number of models of service quality have been developed. A review of service quality scales of retail by Wang (2003) indicates that the two most widely used scales are the SERVQUAL developed by

Parasuraman (1988) and RSQS developed by Dabholkar (1996). On the application of SERVQUAL within retail setting, Wang remarks that SERVQUAL fails to provide an precise and efficient measure of service quality in retail settings such as discount stores and apparel specialty stores that offer a goods and services. Wang found that there is a broad variety of experiential factor structures that can be obtained which vary in terms of interpretability thus conflicting from five factor structure Reliability, Assurance, Tangibility, Empathy, Responsiveness proposed by Parasuraman (1988). Studies using RSQS in Vietnam did not meet discriminant soundness on two factors, the personal interaction and problem solving.

Further the scale was sophisticated to four component build consisting of service personnel, physical aspects, policy and reliability. Nguyen (2007) concern the use of RSQS within the supermarkets and calls for its edition. Wang (2003) proposes the development of a new, more consistent, culturally bounded and precise measure of retail service quality which can be applied globally but also helpful to retail managers in more accurate assessment of service quality within retail stores.

In a competitive environment, service quality is critical for service firms to maintain a stranglehold position as it is an indicator of business performance. Based on superior service, smaller stores could compete with larger and more dominant stores as they could not compete on price factors. In addition, focusing on service quality is significant in markets where product offerings are similar, as typically found across grocery retail stores.

Improvement of the quality of services requires recognition of the service quality dimensions that are important to retail consumers. Although the research into the dimensions used by consumers to measure service quality in the service sector is extensive, there is lack of empirical studies on factors of quality improvement strategies, especially the service quality dimensions (Dabholkar et al., 1996) for the retail sector. SERVQUAL by Parasuraman *et al.*, the most famous and well discussed service quality model in the 1990s (Robinson, 1999) failed to be fully adopted and validated in a retail setting (Dabholkar *et al.*). Service quality measurement of the retail stores, unlike the pure service setups, should include the measure of service quality

and product quality as retail stores offer a mix of services and products. In service literature, service quality is usually defined based on consumers' judgments. Parasuraman defined service quality as "a measure of how well the service level delivered matches customer expectations; delivering quality service means confirming to customer expectations on a consistent basis". Parasuraman has also defined perceived service quality as "a global judgment, or attitude, relating to the superiority of the service".

Zeithaml defined service quality as "the consumer's judgment about a product's overall excellence or superiority". Through these definitions it is clear that defining service quality is one of the important steps toward the development of this study. Kotler and Armstrong (1996, p. G9) have defined service quality as "the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs". Barani G experiential study examines the dimensions and their levels of service quality that have significant effect on customer perception in organized retailing.

The results illustrated that the dimensions of service quality such as tangible, competence, credibility, accessibility, reliability, responsiveness, and customer knowledge were positively related to customer perception in organized retailing. However, by using Statistic software only four factors, namely, customer knowledge, credibility, reliability, and tangible have significant effect on customer perception that indicated to improve customer perception.

Johan Anselmsson suggested that Service has conventionally been a powerful competitive tool in grocery retailing. Lately discount stores have proven to be a charming concept within North European grocery retailing and this has evoked a renewed interest in service quality and grocery retailing.. The result shows that the traditional grocery store performs better on all service attributes, particularly on assortment issues.

Also, the result call for more research on how to measure service quality in north European grocery retailing. Customer perception is a well known and established concept in several areas like marketing, consumer research, economic psychology, welfare-economics, and economics.

The most common interpretations obtained from various authors reflect the notion that perception 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).

III. OBJECTIVES OF THE STUDY

1. To study the impact of service quality on Retail Customer Perception

IV. RESEARCH METHODOLOGY

The relevant data for the study has been collected from both primary and secondary sources. Primary data was collected through field survey with structured questionnaires and personal interviews by taking random sampling. Use of secondary data has been made wherever it was available and necessary. SPSS software is used. A structured questionnaire, modified Retail Service Quality Scale (RSQS), (Dabholkar, Thorpe and Rentz 1996) was used to collect the primary data from 200 respondents after their purchase at super markets in Mandya.

V. HYPOTHESES

H_0 : There is no significant influence of reliable retail service on customer perception at supermarket in Mandya.

H_a : There is a significant influence of reliable retail service on customer perception at supermarket in Mandya.

H_0 : There are no significant effects of supermarket service policy on customer perception at supermarket in Mandya.

H_a : There are significant effects of supermarket service policy on customer perception at supermarket in Mandya.

H_0 : There is no significant influence of personal interaction on customer perception at supermarket in Mandya.

H_a : There is a significant influence of personal interaction on customer perception at supermarket in Mandya.

H_0 : There is no significant influence of physical aspect on customer perception at supermarket in Mandya.

H_a : There is a significant influence of physical aspect on customer perception at supermarket in Mandya.

H_0 : There are no significant effects of problem solving on customer perception at supermarket in Mandya.

H_a : There are significant effects of problem solving on customer perception at supermarket in Mandya.

VI. LIMITATION AND SCOPE FOR FURTHER STUDY

The area of study is limited to Mandya. In this study, only one selected supermarket is included. The study can be extended for consumers across greater geographical area and selecting more supermarkets.

VII. DATA ANALYSIS AND INTEPRETATION

Analysis of demographic information revealed that more than 34 percent (68)of the supermarket visiting customers were young and aged between 19 years to 25 years and 55 percent(110) of the respondents were males. Around 29 percent (58) of the sample respondents had graduation and 54 percent (108) were employed; out of the total sample 22 percent(44) of the respondent's annual income was in between 200000 to 250000.

TABLE I DEMOGRAPHIC VARIABLES

| S. No. | Demographic Factors | Mandya Statistics |
|--------|----------------------------------|-------------------|
| 1 | Gender | |
| | Male | 110(55%) |
| | Female | 90(45%) |
| 3 | Age | |
| | Below 19 years | 26(13%) |
| | 19 to 25 years | 68(34%) |
| | 26 to 35 years | 32(16%) |
| | 36 to 45 years | 45(22.5%) |
| | Above 45 years | 29(14.5%) |
| 4 | Education | |
| | Illiterate | 16(8%) |
| | Up to X class | 28(14%) |
| | Up to XII class | 34(17%) |
| | Up to Graduation | 58(29%) |
| | Up to Post Graduation | 30(15%) |
| | Professional | 34(17%) |
| 5 | Occupation | |
| | Agriculture | 24(12%) |
| | Employed(Government and Private) | 108(54%) |
| | Home maker | 44(22%) |
| | Student | 20(10%) |
| | Others | 4(2%) |
| 6 | Family monthly Income (Rupees) | |
| | Below 10000 | 28(14%) |
| | 10000 to 15000 | 24(12%) |
| | 15000 to 20000 | 38(19%) |
| | 20000 to 25000 | 44(22%) |
| | 25000 to 45000 | 35(17.5%) |
| | Above 45000 | 31(15.5%) |

VIII. TESTING OF HYPOTHESIS

To test the hypothesis to analyze, if there are any statistically significant influences of select factors on customer perception at supermarket in Mandya, using “One-

sample t-test” at confidence level of 0.05 or 95% (df =199, t_{tab} value = 1.96) and also descriptive statistics study has been performed to ascertain the mean and standard deviation values of RSQS. The results are shown in the following tables related to the sample data.

TABLE II ONE-SAMPLE STATISTICS

| Policy Factors | N | Mean | Std. Deviation | Std. Error Mean |
|---|-----|--------|----------------|-----------------|
| This store offers a broad assortment of products and brands | 200 | 1.2650 | .44244 | .03129 |
| This store offers high-quality fresh products | 200 | 1.9700 | .60075 | .04248 |
| This store offers high-quality delicatessen products | 200 | 1.7300 | .63174 | .04467 |
| This store offers high-quality cheeses and sliced ham and salami food | 200 | 1.390 | .4890 | .0346 |

TABLE III ONE-SAMPLE TEST

| Policy Factors | Test Value = 3 | | | | | |
|---|----------------|-----|-------------------------|-----------------|---|---------|
| | t | Df | p-value Sig. (2-tailed) | Mean Difference | 95% Confidence Interval of the Difference | |
| | | | | | Lower | Upper |
| This store offers a broad assortment of products and brands | -55.457 | 199 | .000 | -1.73500 | -1.7967 | -1.6733 |
| This store offers high-quality fresh products | -24.247 | 199 | .000 | -1.03000 | -1.1138 | -.9462 |
| This store offers high-quality delicatessen products | -28.430 | 199 | .000 | -1.27000 | -1.3581 | -1.1819 |
| This store offers high-quality cheeses and sliced ham and salami food | -46.565 | 199 | .000 | -1.6100 | -1.678 | -1.542 |

Based on the outcome of the One sample t-test analysis at 95% confidence level, the Hypothesis H_0 . There are no significant effects of supermarket service policy on customer perception at supermarket in Mandya is rejected, and H_a . There are significant effects of supermarket service policy on customer perception at supermarket in Mandya is

not rejected since one sample t-test effectively revealed a statistically significant values for policy factors. Mean values fall in positive side of RSQS rating (less than 3), t_{cal} value $> t_{tab}$ value and p -value $< \alpha = 0.05$ for all the select policy factors under study.

TABLE IV ONE-SAMPLE STATISTICS

| Physical Aspects | N | Mean | Std. Deviation | Std. Error Mean |
|---|-----|--------|----------------|-----------------|
| The section layout enables customers to easily find the products they need. | 200 | 2.0350 | 1.18778 | .08399 |
| The supermarket design enables customers to move around with ease. | 200 | 1.9500 | .86675 | .06129 |
| This supermarket is characterized by its cleanliness and efficient running. | 200 | 2.2300 | .99096 | .07007 |
| This supermarket displays appropriately the products on the shelves | 200 | 1.9550 | .91496 | .06470 |

TABLE V ONE-SAMPLE TEST

| Physical Aspects | Test Value = 3 | | | | | |
|--|----------------|-----|-------------------------|-----------------|---|--------|
| | t | Df | p-value Sig. (2-tailed) | Mean Difference | 95% Confidence Interval of the Difference | |
| | | | | | Lower | Upper |
| The section layout enables customers to easily find the products they need | -11.490 | 199 | .000 | -.96500 | -1.1306 | -.7994 |
| The supermarket design enables customers to move around with ease | -17.132 | 199 | .000 | -1.05000 | -1.1709 | -.9291 |
| This supermarket is characterized by its cleanliness and efficient running | -10.989 | 199 | .000 | -.77000 | -.9082 | -.6318 |
| This supermarket displays appropriately the products on the shelves | -16.152 | 199 | .000 | -1.04500 | -1.1726 | -.9174 |

Based on the results of the One sample t-test analysis at 95% confidence level, the Hypothesis H_0 . There is no significant influence of physical aspect on customer perception at supermarket in Mandya is rejected, and H_a . There is a significant influence of physical aspect on customer perception at supermarket in Mandya is not

rejected since one sample t-test successfully revealed a statistically significant values for physical aspects. Mean values fall in positive side of RSQS rating (less than 3), t_{cal} value $> t_{tab}$ value and p -value $< \alpha = 0.05$ for all the select physical aspects under study.

TABLE VI ONE-SAMPLE STATISTICS

| Personal Interaction | N | Mean | Std. Deviation | Std. Error Mean |
|---|-----|--------|----------------|-----------------|
| The public-contact staff in this supermarket is always courteous/polite | 200 | 2.2900 | .93824 | .06634 |
| Employees in this supermarket instil confidence in customers | 200 | 2.6350 | .49294 | .03486 |
| Employees in this store are always willing to help customers | 200 | 2.2050 | .89834 | .06352 |

TABLE VII ONE-SAMPLE TEST

| Personal Interaction | Test Value = 3 | | | | | |
|---|----------------|-----|-------------------------|-----------------|---|--------|
| | t | Df | p-value Sig. (2-tailed) | Mean Difference | 95% Confidence Interval of the Difference | |
| | | | | | Lower | Upper |
| The public-contact staff in this supermarket is always courteous/polite | -10.702 | 199 | .000 | -.71000 | -.8408 | -.5792 |
| Employees in this supermarket instil confidence in customers | -10.472 | 199 | .000 | -.36500 | -.4337 | -.2963 |
| Employees in this store are always willing to help customers | -12.515 | 199 | .000 | -.79500 | -.9203 | -.6697 |

Based on the results of the One sample t-test analysis at 95% confidence level, the Hypothesis H_0 . There is no

significant influence of personal interaction on customer perception at supermarket in Mandya is rejected, and H_a .

There is a significant influence of personal interaction on customer perception at supermarket in Mandya is not rejected since one sample t-test successfully revealed a statistically significant values for personal interaction factor.

Mean values fall in positive side of RSQS rating (less than 3), t_{cal} value $>$ t_{tab} value and p -value $<$ $\alpha = 0.05$ for all the select personal interaction factor under study.

TABLE VIII ONE-SAMPLE STATISTICS

| Reliability | N | Mean | Std. Deviation | Std. Error Mean |
|--|-----|--------|----------------|-----------------|
| In this supermarket the waiting time spent at check-outs is short. | 200 | 1.9500 | .67063 | .04742 |
| This supermarket performs fast sales transactions . | 200 | 1.9750 | .48534 | .03432 |
| In this supermarket there are always stocks of products/brands desired by customers. | 200 | 2.0200 | .92405 | .06534 |
| In this supermarket product prices are clearly indicated. | 200 | 2.5000 | .87397 | .06180 |
| This supermarket gives appropriate and precise information on its sales promotions. | 200 | 2.4700 | .95586 | .06759 |

TABLE IX ONE-SAMPLE TEST

| Reliability | Test Value = 3 | | | | | |
|---|----------------|-----|-------------------------|-----------------|---|--------|
| | t | df | p-value Sig. (2-tailed) | Mean Difference | 95% Confidence Interval of the Difference | |
| | | | | | Lower | Upper |
| In this supermarket the waiting time spent at check-outs is short | -22.142 | 199 | .000 | -1.05000 | -1.1435 | -.9565 |
| This supermarket performs fast sales transactions | -29.867 | 199 | .000 | -1.02500 | -1.0927 | -.9573 |
| In this supermarket there are always stocks of products/brands desired by customers | -14.998 | 199 | .000 | -.98000 | -1.1088 | -.8512 |
| In this supermarket product prices are clearly indicated | -8.091 | 199 | .000 | -.50000 | -.6219 | -.3781 |
| This supermarket gives appropriate and precise information on its sales promotions | -7.841 | 199 | .000 | -.53000 | -.6633 | -.3967 |

Based on the results of the One sample t-test analysis at 95% confidence level, the Hypothesis H_0 . There is no significant influence of reliable retail service on customer perception at supermarket in Mandya is rejected, and H_a . There is a significant influence of reliable retail service on customer perception at supermarket in Mandya is not

rejected since one sample t-test successfully revealed a statistically significant values for reliable retail service factor. Mean values fall in positive side of RSQS rating (less than 3), t_{cal} value $>$ t_{tab} value and p -value $<$ $\alpha = 0.05$ for all the select reliable retail service factor under study.

TABLE X ONE-SAMPLE STATISTICS

| Problem Solving | N | Mean | Std. Deviation | Std. Error Mean |
|--|-----|--------|----------------|-----------------|
| When a customer has a problem,this supermarket shows a sincere interest in solving it. | 200 | 1.4050 | .49212 | .03480 |
| Employee of this supermarket are able to handle customer complaint directly and immediately. | 200 | 1.3450 | .47656 | .03370 |

TABLE XI ONE-SAMPLE TEST

| Problem Solving | Test Value = 3 | | | | | |
|--|----------------|-----|-------------------------|-----------------|---|---------|
| | T | Df | p-value Sig. (2-tailed) | Mean Difference | 95% Confidence Interval of the Difference | |
| | | | | | Lower | Upper |
| When a customer has a problem,this supermarket shows a sincere interest in solving it. | -45.835 | 199 | .000 | -1.59500 | -1.6636 | -1.5264 |
| Employee of this supermarket are able to handle customer complaint directly and immediately. | -49.113 | 199 | .000 | -1.65500 | -1.7215 | -1.5885 |

Based on the results of the One sample t-test analysis at 95% confidence level, the Hypothesis H_0 . There are no significant effects of problem solving on customer

perception at supermarket in Mandya is rejected, and H_a . There are a significant effects of problem solving on customer perception at supermarket in Mandya is not

rejected since one sample t-test successfully revealed a statistically significant values for problem solving factor. Mean values fall in positive side of RSQS rating (less than 3), t_{cal} value > t_{tab} value and p-value < $\alpha = 0.05$ for all the select problem solving factor under study.

IX. CONCLUSION

The measurement of service quality has become a significant marketing tool for retail stores that wish to develop a competitive advantage by learning about their customers' consumption experiences validating the implementation of the 'retail service quality scale' (RSQS); and by providing empirical evidence of how retail service quality dimensions leads to customer perception in this setting. The result showed that all the five RSQS dimensions have the significance effect on the customer perception and the alternative hypothesis was not rejected.

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