

Assessing the Service Quality of Organized Retail Format using SERVQUAL Model

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Abstract- Service quality in organized retail format plays an important role in satisfying customer. This research paper uses SERVQUAL model to analysis the service quality towards customer satisfaction. The study has considered all the five dimensions of SERVQUAL model for the analysis with 22 items spread with all the five dimension of service quality. The purpose of the study is to know the customer responses towards service quality. The research was carried with the help of SERVQUAL model of questionnaire was randomly distributed to 215 respondents out of which 180 were considered for the study. The analysis of the study reveals the information about the SERVQUAL dimensions, among the five dimensions Responsiveness and Empathy are performing low where as the other three are performing high towards service quality. Hence in organized retail format it is important to meet the customer requirements by providing better service quality.

Keywords: SERVQUAL, Service quality, Organized Retail format.

I. INTRODUCTION

The organized retail industry in India is growing rapidly. Customers visit the shopping centers to have overall shopping experience. Major corporate houses have their presence in this sector and the competition is intense. In the world of fierce competition, service quality has a competitive advantage. Retail business is all about the study of the relationships of customer satisfaction, customer loyalty, and profitability. In today's context retail business means is right from banks to a shop at the door step, no matter how big or small the business is, it all runs on the basic principles of customer satisfaction, customer loyalty, and profitability. AT Kearney, the well-known international management consultancy identified India as the 'second most attractive retail destination' globally from among thirty emergent markets. The retail industry is definitely one of the pillars of the Indian economy.

Shopping in India has witnessed a revolution with the change in the consumer buying behaviour and the whole format of shopping also altering. India retail industry is expanding itself most aggressively; as a result a great demand for real estate is being created. Among all retail industry service quality has a competitive advantage. It is imperative to understand customer expectations as the quality of service depends upon how efficiently the firm is able to satisfy its customers. A satisfied customer has an effect on the profitability of every business.

Service quality, emphasizing consumer satisfaction, is a newly-emerging field of concern in order to attract customer's serves their needs and retain them. Service quality has gained much research prominence in the recent years (Schneider and White, 2004). Existing research indicates that consumers satisfied with service quality are most likely to remain loyal (Wong and Sohal, 2003). Service providers and researchers are actively involved in understanding consumers' expectations of service quality (Pariseau & McDaniel, 1997). Various measures have been proposed to measure the service quality and find the service quality gap. SERVQUAL scale is highly valid and reliable and most used service quality measurement tool, which is developed by Parasuraman (1988) of the Marketing Science Institute. This tool is very popular and being used across the different service sectors in the multiple industries to measure the perceived service gap from consumer perspective.

In the present study, the analysis is based on the service quality (SERVQUAL) model, which is considered five dimensions to measure the service quality. Five dimensions of SERVQUAL model are:

1. Tangibles: Appearance of physical facilities, equipment, personnel, and communication materials
2. Reliability: Ability to perform the promised service dependably and accurately.
3. Responsiveness: Willingness to help customers and provide prompt service.
4. Assurance: Knowledge and courtesy of employees and their ability to convey trust and confidence.
5. Empathy: Caring, individualized attention the firm provides its customers

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The growth of retail sector and rapid changes in customer taste and liking has become a challenging for the organized retail outlets to provide quality service which leads to the customer satisfaction. Against this back drop, the present study attempts to understand the retail service quality dimension impact on customer satisfaction.

II. METHODOLOGY

In the present study, SERVQUAL dimensions, proposed by Parasuraman & Zeithaml (1988) have been used to measure the service quality. A structured questionnaire with 22 items spread among five dimensions which included Reliability, Assurance, Responsiveness, Empathy and Tangible are used to collect the data from the samples using five-point Likert scale ranging from 1 (strongly agree) to 5 (Strongly disagree). The secondary data is collected from the journals and books. The study is confirmed to the organized retail stores of Dharwad city. The samples for the study are selected based on random sampling. The questionnaire was administered to 215 respondents out of which 180 respondent's data was considered for the analysis with the age group from 21 to 55 years. The collected data is analyzed with help of percentage and mean score for each dimension and each item in each dimension.

Objectives of the study

- To assess the contribution of service quality dimensions towards customer satisfaction.
- To assess measure the customer responses towards Service quality dimension
- To find the service quality dimensions that are dominant in influencing customer satisfaction
- To suggest the strategies to develop the service quality of organized retail outlets.

Data Analysis

The data in the below table reveals the information about the profile of respondents considered for the study. Among 180 respondent 43.3% of them are male and 56.7% are female. The respondents consider for the study are from age group of 21 to 55 years. Among them 56% of them are with the age group of 21 to 30 years, followed by 28.9% from the age group of 31 to 40 years, 12.2% from the age group of 41-50 and 3.3% of respondents of age group of 51-55 years.

Table 1 Demographic Profile of respondents

Age Group	Male	Female	Total	Percentage
	No of Respondents			
21-30	40	60	100	55.6
31-40	20	32	52	28.9
41-50	16	6	22	12.2
51- 55	2	4	6	3.3
Total	78	102	180	100.0
Percentage	43.3	56.7	100.0	

The table 2 reveals the information about the statements of tangibles dimensions of service quality. Among all the statements consider "Location of the store" has a higher impact on the service quality with mean score of 1.9 (from the range 1 (strongly agree) and 5 (Strongly disagree) followed by store visually appealing, modern looking, equipment and decoration. The average mean score of Tangible dimension is 2.05; this indicates that the customers are happy with the variables of tangible dimension towards providing good service quality.

Table 2 Service qualities mean score for Tangibles dimension

	Statement	Mean Score
1	The store has modern looking, equipment and decoration	2.1
2	The physical facilities at this store are visually appealing	2.0
3	Materials associated with this store's service (such as shopping bags, catalogues or statements) are visually appealing.	2.2
4	Location of the store is convenient.	1.9
	Average	2.05

The table 3 indicates the mean score of the statements of reliability dimensions of service quality. Among the statements "error free sales transaction and convenient store operating hours" are having good impact on service quality which leads to customer satisfaction with the mean score of 1.7 & 1.8 (from the range 1 (strongly agree) and 5 (Strongly disagree) and when it comes to the other variables i.e., Performing services at designated timing and Services are provided readily and promptly" the impact on service quality is average with the mean score of 2.7 and

2.2. This indicates that the reliability dimension of service quality is has an better than average impact on the customer satisfaction.

Table 3 Service qualities mean score for Reliability dimension

	Statement	Mean Score
1	Performing services at designated timing	2.7
2	Services are provided readily and promptly	2.2
3	This store insists on error-free sales transactions	1.7
4	The store operating hours is convenient for its entire customers.	1.8
	Average	2.1

The table 4 shows the mean score of variables related to responsive dimension of SERVQUAL model of service quality. The statements (variables) consider under responsive dimension are having an average mean score of 2.7 which is more towards strongly disagree (from the range 1 (strongly agree) and 5 (Strongly disagree). This indicates that the employee's concern towards customer is not up to the expectation which leads poor service quality.

Table 4 Service qualities mean score for Responsive dimension

	Statement	Mean Score
1	Showing concern when you have problems	2.6
2	Employees in this store are never too busy to respond to customer request.	2.7
3	Store has an efficient help line/customer service desk	2.9
4	The sales executive was very courteous	2.4
5	Services are provided promptly	2.8
	Average	2.7

Table 5 exhibit the information about the statements considers under Assurance dimension of service quality. The average mean score of assurance dimension is 2.2 which indicate employees are knowledgeable and their guidance towards customer requirements is good. This shows the concern towards customer is better as the score is near to the strongly agree in the scale (1 for strongly agree and 5 for strongly disagree). Hence this indicates that customer is satisfied with service quality.

Table 5 Service qualities mean score for Assurance dimension

	Statement	Mean Score
1	Instilling confidence in customer	2.6
2	The sales executives are knowledgeable	2.0
3	Sales Executives identify and guide the customers	2.3
4	Sales executives are polite and respectful	2.1
5	The staff makes the customer feel safe about their transactions.	2.0
	Average	2.2

The table 6 indicates the mean score of empathy dimension of service quality. The average mean score of empathy dimension is 2.9, this clearly indicates that employees (Executives) are not caring, not having professional attitude, respect and individual attention is not given to the customer. This shows the human touch towards customer is lacking which is a negative sign for the development of service quality and customer satisfaction.

Table 6 Service qualities mean score for Empathy dimension

	EMPATHY	Mean Score
1	Sales executives are neat, clean and carry professional attitude.	2.9
2	Availability of individual customer attention.	3.0
3	Caring for customer's specific needs.	2.8
4	Customer feels respect and honored	2.8
	Average	2.9

From the table 7 the average, customer's service quality scores are at 2.39 levels (from the range 1 (Strongly Agree) to 5 (Strongly disagree). This indicates that the overall service quality of organized retail outlet is Average. Among all

the dimensions Empathy and Responsive mean score is 2.9 and 2.7 which is towards strongly disagree (1 for strongly agree and 5 for strongly disagree) which leads to poor service quality.

Table 7 Customers Experienced Service Quality in the organized Retail outlet

Sl No.	Dimensions	Average Mean Score
1.	Tangibles	2.05
2.	Reliability	2.10
3.	Responsive	2.70
4.	Assurance	2.20
5.	Empathy	2.90
	Average	2.39

III. RECOMMENDATION AND CONCLUSION

Satisfying customer is the main objectives of every business because satisfying customer depends on service quality which leads to more profitability. The result obtained by the researcher concludes that; customers are satisfied with tangible, Reliability and Assurance dimensions of service quality and they also have less satisfaction towards responsive and empathy. To enhance the service quality and customer satisfaction management has to take some corrective measures on improving customer service desk, providing service promptly, respond to customer request, professional attitude of employees, individual customer attention, customer caring and respect.

The management has to design a training program for the frontline staff on professional attitude, communication skills, understanding the customer requirements, problem solving, guiding and helping customer concern has to be developed among the employees so that they can serve better and satisfy them. Management should also focus on customer service on with well trained employees to attain the quires of customer and provide convincing solutions and develop a system for providing promised service on time. The above discussed issues could be prioritized as the most important ones for offering and improving service quality and satisfying customer in organized retail outlets.

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