

SERVICE QUALITY AMONG THE RETAIL STORES AT SHOPPING MALLS IN COIMBATORE CITY

Dr. ELIZABETH RENJU KOSHY, Assistant Professor,
Department of Professional Studies,
Christ University, Bangalore.

Abstract

Indian retail industry is the fifth largest industry in the world. India is 12th largest consumer market in the world. According to a McKinsey report, "The rise of Indian Consumer Market", Indian consumer market is estimated to grow four times by 2025. The Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. It is evident that assurance and empathy primarily drive customer satisfaction and that retail stores employees (especially contact personnel) have a fatal impact on the most appealing service attribute when targeting customers. Service quality can be seen as a competitive advantage, because in contrast to service range that can easily be replicated, the service quality dimensions are more difficult to imitate and may represent a sustainable advantage. Improving service quality is no doubt a difficult task for managers to take on; it is well worth the trouble, since it can bring great benefits to the retail stores in the long run.

Keywords: Service Quality and Retail Stores

1.1 Introduction

"The secret of successful retailing is to give your customers what they want. And really, if you think about it from your point of view as a customer, you want everything: a wide assortment of good quality merchandise; the lowest possible prices; guaranteed satisfaction with what you buy; friendly knowledgeable service; convenient hours; free parking; a pleasant shopping experience".

- Sam Walton (1918 – 1992)

1.2 Indian Retail Sector

Indian retail industry is the fifth largest industry in the world. India is 12th largest consumer market in the world. According to a McKinsey report, "The rise of Indian Consumer Market", Indian consumer market is estimated to grow four times by 2025. The Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. It accounts for around 8 per

cent of the employment and over 10 per cent of the country's Gross Domestic Product (GDP). India is the world's fifth largest global destination in the retail space.

India's retail market is expected to nearly double to US\$ 1 trillion by 2020 from US \$ 600billion in 2015, driven by income growth, urbanization and attitudinal shifts. While the overall Indian retail market is expected to grow at 12 percent per annum, modern trade would increase twice as fast as 20 per cent per annum and traditional trade at 10 percent per annum.

India's Business to Business (B2B) e-commerce market is expected to touch US\$ 700 billion by 2020. Online retail is estimated to be at par with the physical stores in the next five years. India is estimated to become the world's fastest growing e-commerce market, driven by vigorous investment in the sector and swift growth in the number of internet users. Various agencies have high hopes about development of Indian e-commerce markets. Further, India's e-commerce market is estimated to reach US\$ 220 billion in terms of gross merchandise value (GMV) and 530 million shoppers by 2025, led by faster speeds on reliable telecom networks, faster acceptance of online services and better variety as well as accessibility. India's direct selling industry is estimated to reach a size of Rs. 23654 crore (US\$ 3.54 billion) by FY2019-20, as per a joint report by India Direct Selling Association (IDSA) and Progress Harmony Development chamber of commerce and industry (PHD).

1.3 Service Quality

Service quality is the assessment of how well a delivered service conforms to the customers' expectations. It is very important to assess the service quality provided to the customers in order to identify the gaps and improve the level of service to achieve the customer satisfaction.

$$\text{Service Quality} = \text{Service} + \text{Quality}$$

Service is a transaction in which no physical goods are transferred from the seller to the buyer. Service is not a physical entity rather it is behavioral. Services are intangible in nature. It's quite difficult for the service provider to distinguish their services from their competitors and to adopt a lucrative marketing strategy to attract

the customers. For the customers also, it is very difficult to assess the service quality before experiencing the service.

1.4 Retail Service Quality

Retail stores provide the mix of product, service and experience. There is no doubt that the product quality has an influence on the perception of the customer about the retail outlet. In retail outlets customers are involved in the activities like finding the merchandise, interacting with the staff, billing, exchanging, and returning the unsatisfactory merchandise. All such activities have an influence on the customers' perception about service quality of retail outlets. To maintain the service quality is very important for the retail outlets.

While evaluating the service quality of retail outlets customers compare their perception of service quality with their expectations. So, it is very important for the retailers to understand the expectations of the customers. Customers feel satisfied when service quality of retail outlet meets or exceeds the expectations and feel dissatisfied when the service quality is below expectations. Maintaining the retail service quality within the store is not an easy task, it requires continual monitoring of the service quality and keeping the track of ever changing customers' requirements. Retail outlets can differentiate themselves from the other retail outlets by providing the better services to the customers. It is a very important marketing tool used by the retailers to attract the customers and attain customer loyalty.

1.5 Aim of the Study

The aim of the study is to know the retail service quality of retail markets and its association with future consumption behaviour. It will help the retailers to find out the key areas for the improvement which will help in increasing the profits and developing the reputation of the company. It also adds to the knowledge of researchers and academicians, in regard to the key factors influencing the retail service quality and helpful in identifying the future course of action to increase the profitability. Thus this study will help the retailer to formulate their strategies which will fit for all the customers of different socio-economic profile characteristics to the improvement of services quality in retail stores. This study helps the retailer to

identify the impact of Tangibles, Reliability, Responsiveness, Assurance, Empathy, Access and Price & Product Variety on the Expected and Perceived Service Quality.

1.6 Statement of the Problem

The retail service environment is becoming increasingly competitive and is characterized by the presence of domestic as well as foreign players, frequent mergers and acquisitions, and sophisticated and demanding customers who have higher levels of expectations from service providers. Therefore, service providers need to differentiate their service offerings by meeting the needs of their customers better, improving customer satisfaction and by delivering service quality that is higher than the one that is provided by the competition. Despite a significant interest in service quality and its dimensions (e.g. reliability, responsiveness), very little research has investigated the effects of specific dimensions of service quality on satisfaction.

Webster (1989), on exploring the SERVQUAL scale on non-professional service, indicates the need to examine demographic characteristics when evaluating service quality in non-professional service settings such as retailing. Therefore, the objective of this research is to investigate the socio-economic level of the customer; expected vs. perceived retail service quality of retail stores.

1.7 Objective of the Study

1. To analyse the socio-economic profile of the respondents visiting the retail stores.
2. To identify the opinion of the respondents visiting the retail stores towards the Expected and Perceived Service Quality (Tangibles, Reliability, Responsiveness, Assurance, Empathy, Access and Price & Product Variety).

1.8 Review of literature

Saif (2018) to find out perceived service quality using SERVQUAL and then the role of perceived value as a mediating variable in the service sector of Pakistan. Both descriptive and inferential statistical techniques are used to analyze the effects of independent variables (i.e. perceived service quality) on customer satisfaction (dependent variable) and the role of mediating variable (i.e. perceived value). The data will be from four main service industries viz banking, transport, courier, and

telecommunication. From each industry we took one company which is providing services to many customers or has a large customer base. 400 questionnaires were distributed using convenience sampling technique out of which 78 questionnaires from transport, 77 from banking, 81 from courier and 79 from telecom sectors were collected and finally after rejecting some incomplete questionnaires that were received. Stepwise regression analysis is used to examine the effect of the mediating variable (i.e. perceived value) on customer satisfaction. Perceived value was found strongly correlated with satisfaction. Results suggested that perceived value is an important factor in customers' evaluation of satisfaction. Unlike other studies, the researcher has used an aggregate score for perceived service quality instead of service quality characteristics.

1.9 Research Methodology

The current research study is both exploratory and descriptive research in nature. The sample design is the most appropriate technique for analytical research when the population is large. A pretested questionnaire was administered to collect the opinion of the respondents. The population of the study is customers visiting shopping malls at Coimbatore. The shopping malls like Brooke Fields, Fun Republic and Prozone Malls are located at Coimbatore. Since the population is infinite, the number of respondent from the study is 1536, with a confidence level of 95 per cent and a margin of errors of 2.5 per cent. The researcher has considered the De Morgan's sample formula and table to find out the desired sample for the study. The researcher has distributed around 1600 questionnaires to the respondents and arrived at a sample size of 1562 for the study and the rest of the questionnaires, about 38 numbers were biased. Thus, the data which is composed is fed into SPSS-Statistical Package for Social Sciences-Version 20 and AMOS-Analyzing Momentum of Structures-Version 18, both being the renowned Statistical Software used in Social Research Analysis. The Analysis was done using the Statistical Tools like Frequency Distribution and Measure of Centre (Mean) and Measure of Spread (Standard Deviation).

1.10 Analysis and Interpretation

The analysis part consists of two parts; Part I – Frequency Distribution (percentage analysis) and Part II – Measures of Central Tendency (Mean) and Measures of Dispersion (Standard Deviation). The analysis is as follows;

Table. 1.1. Gender Wise Classification of the Respondents

Measuring Labels	Frequency	Percent
Male	981	62.8
Female	581	37.2
Total	1562	100.0

The table above clearly shows that the majority of the respondents are males with 62.8 per cent and 37.2 per cent of the respondents are females.

Table. 1.2. Age Wise Classification of the Respondents

Measuring Labels	Frequency	Percent
Below 20 Years	250	16.0
20 Years – 30 Years	346	22.2
30 Years – 40 Years	216	13.8
50 Years – 60 Years	405	25.9
Above 60 Years	345	22.1
Total	1562	100.0

The table above clearly shows that the majority of the respondents belong to the age group of 50 years – 60 years with 25.9 per cent, then followed by 22.2 per cent of the respondents belong to the age group of 20 years – 30 years, then followed by 22.1 per cent of the respondents belong to the age group above 60 years, then followed by 16.0 per cent of the respondents belong to the age group below 20 years and finally followed by 13.8 per cent of the respondents belong to the age group of 30 years – 40 years.

Table. 1.3. Type of Family Wise Classification of the Respondents

Measuring Labels	Frequency	Percent
Nuclear Family	999	64.0
Joint Family	563	36.0
Total	1562	100.0

The table above clearly shows that the majority of the respondents belong to nuclear family with 64.0 per cent and finally 36.0 per cent of the respondents belong to joint family.

Table. 1.4. Purchase Period Wise Classification of the Respondents

Measuring Labels	Frequency	Percent
Rarely	77	4.9
Everyday	504	32.3
Weekly	560	35.9
Fortnightly	159	10.2
Monthly	262	16.8
Total	1562	100.0

The table above clearly shows that the majority of the respondents purchase goods every weekly with 35.9 per cent, then followed by 32.3 per cent of the respondents purchase goods every day, then followed by 16.8 per cent of the respondents purchase goods every monthly, then followed by 10.2 per cent of the respondents purchase goods fortnightly and finally followed by 4.9 per cent of the respondents purchase goods rarely.

Table. 1.5. Sort of Goods and Items Purchased Wise Classification of the Respondents

Measuring Labels	Frequency	Percent
Grocery Items	63	4.0
Apparels	122	7.8
Crockery Items	151	9.7
Toys & Novelties	110	7.0
Furnishings Utensils & Furniture	112	7.2
Pharmaceuticals	96	6.1
FMCG (Food Items)	112	7.2
FMCG (Non – Food Items)	80	5.1
Stationery Items	126	8.1
Books, Music & Gifts	90	5.8
Fruits & Vegetables	189	12.1
Fish & Meat	93	6.0
Fresh foods & Chat Items	80	5.1
Footwear	78	5.0
Consumer Durables & Marbles	60	3.8
Total	1562	100.0

The table above clearly shows that the majority of the respondents purchase fruits & vegetables with 12.1 per cent, then followed by 9.7 per cent of the respondents purchase crockery items, then followed by 8.1 per cent of the respondents purchase stationery items, then followed by 7.8 per cent of the respondents purchase apparels, then followed by 7.2 per cent of the respondents purchase furnishings utensils & furniture, then followed by 7.2 per cent of the respondents purchase FMCG

(food items), then followed by 7.0 per cent of the respondents purchase toys & novelties, then followed by 6.1 per cent of the respondents purchase pharmaceuticals, then followed by 6.0 per cent of the respondents purchase fish & meat, then followed by 5.8 per cent of the respondents purchase books, music & gifts, then followed by 5.1 per cent of the respondents purchase FMCG (non – food items), then followed by 5.1 per cent of the respondents purchase fresh foods & chat items, then followed by 5.0 per cent of the respondents purchase footwear, then followed by 4.0 per cent of the respondents purchase grocery items and finally followed by 3.8 per cent of the respondents purchase consumer durables & marbles.

Table. 1.6. Mode of Payment Wise Classification of the Respondents

Measuring Labels	Frequency	Percent
Cash	45	2.9
Coupon	378	24.2
Card	388	24.8
All the above	751	48.1
Total	1562	100.0

The table above clearly shows that the majority of the respondents use all the mode of payment (cash, coupon and card) with 48.1 per cent, then followed by 24.8 per cent of the respondents use card as their mode of payment in the retail stores, then followed by 24.2 per cent of the respondents use coupon as their mode of payment in the retail stores and finally followed by 2.9 per cent of the respondents use cash as their mode of payment in the retail stores.

Table. 1.7. Factor Considered for Purchase in Retail Store Wise Classification of the Respondents

Measuring Labels	Frequency	Percent
Location	192	12.3
Employee Behaviour	160	10.2
Facilities & Amenities	224	14.3
Good Service	400	25.6
Convenient Business Hour	256	16.4
Advance Technology	330	21.1
Total	1562	100.0

The table above clearly shows that the majority of the respondents prefer good service as a factor of purchasing from retail stores with 25.6 per cent, then followed by 21.1 per cent of the respondents prefer advance technology as a factor of purchasing from retail stores, then followed by 16.4 per cent of the respondents prefer

convenient business hour as a factor of purchasing from retail stores, then followed by 14.3 per cent of the respondents prefer facilities & amenities as a factor of purchasing from retail stores, then followed by 10.2 per cent of the respondents prefer employee behaviour and finally followed by 12.3 per cent of the respondents prefer location as a factor of purchasing from retail stores.

Table. 1.8. Mean and Standard Deviation of Organisational Support

Measuring Variables	Expected Service Quality		Perceived Service Quality		Gap
	Mean	Sd	Mean	Sd	
Tangibles	3.67	.524	2.37	.760	1.30
Reliability	3.64	.571	2.10	.938	1.54
Access	3.57	.581	1.79	.713	1.78
Price & Product Variety	3.73	.463	1.88	.949	1.85
Mean Score	3.64	.497	1.92	.850	1.71

The respondents agree with the variable “expected - organisational support” with a mean value of 3.64, whereas the respondents disagree with the variable “perceived - organisational support” with a mean value of 1.92. The gap value for the variable is 1.71.

Table. 1.9. Mean and Standard Deviation of Employee Support

Measuring Variables	Expected Service Quality		Perceived Service Quality		Gap
	Mean	Sd	Mean	Sd	
Responsiveness	3.65	.494	1.95	.859	1.69
Assurance	3.57	.530	1.80	.792	1.77
Empathy	3.57	.548	1.98	.758	1.59
Mean Score	3.64	.689	1.98	.752	1.66

The respondents strongly agree with the variable “expected - employee support” with a mean value of 3.64, whereas the respondents are having a neutral feel with the variable “perceived - employee support” with a mean value of 1.98. The gap value for the variable is 1.66.

Table. 1.10. Mean and Standard Deviation of Service Quality

Measuring Variables	Expected Service Quality		Perceived Service Quality		Gap
	Mean	Sd	Mean	Sd	
Organisational Support	3.64	.497	1.92	.850	1.71
Employee Support	3.64	.689	1.98	.752	1.66
Mean Score	3.60	.696	1.88	.756	1.72

The respondents strongly agree with the variable “expected - service quality” with a mean value of 3.60, whereas the respondents are having a neutral feel with the variable “perceived - service quality” with a mean value of 1.88. The gap value for the variable is 1.72.

1.11 Conclusion

The study indicates that customers' perception vary according to the nature of service. Measuring customer satisfaction with surveys or focus groups gives direction to the retail stores for efforts and valuable inputs for improvement. The retail stores need to consider the weak areas in order to meet customer requirement. In the present competitive environment, the retail stores need to retain existing high-value customers to remain competitive. It is evident that assurance and empathy primarily drive customer satisfaction and that retail stores employees (especially contact personnel) have a fatal impact on the most appealing service attribute when targeting customers. Service quality can be seen as a competitive advantage, because in contrast to service range that can easily be replicated, the service quality dimensions are more difficult to imitate and may represent a sustainable advantage. Improving service quality is no doubt a difficult task for managers to take on; it is well worth the trouble, since it can bring great benefits to the retail stores in the long run.

References

- 1. A. Parasuraman, et al.,** “SERVQUAL: A Multiple item Scale for Measuring Customer Perceptions of Service Quality,” *Journal of Retailing*, 64 (1988): pp. 12-14.
- 2. A. Parasuraman, V.A. Zeithaml and L.L. Berry (1985),** “A Conceptual Model of service Quality and its Implications for Future Research,” *Journal of Marketing*, pp. 41-50.
- 3. Abhishek Kumar (2018),**” SERVICE QUALITY SCALES – A REVIEW”, *SERVICE QUALITY SCALES – A REVIEW* Volume 9, Issue 3,pp. 497–505.
- 4. D’silva, John (Chief Editor)** “Co-operative Banks Dairy 2000”, Mumbai, 23 Edition. p. 1
- 5. Dalholhar, P.A., Shepherd, D.C. and Thorpe, D.I.,** “A comprehensive framework for service quality: An Investigation of Critical, Conceptual and measurement issues through a longitudinal study”, *Journal of retailing*, 76(2), pp.139-173.

6. **Lovelock, C.H.**, “Services Marketing”, Prentice – Hall, Upper Saddle River, 1996, No.3., USA.
7. **Madad Ali, Fahad Asmi, Md.Mashiur Rahman, Naveed Malik, and Muhammad Salman Ahmad (2017)**,” Evaluation of E-Service Quality through Customer Satisfaction (a Case Study of FBR E-Taxation)”, Open Journal of Social Sciences, Volume no. 5,Page No: 175-195.
8. **Saif Ullah Malik (2018)**,” Customer Satisfaction, Perceived Service Quality and Mediating Role of Perceived Value, International Journal of Marketing Studies, Vol. 4, No. 1.
9. **Sandhu and Neetu Bala (2011)**,” Customers’ Perception towards Service Quality of Life Insurance Corporation of India: A Factor Analytic Approach”, International Journal of Business and Social Science Vol. 2 No. 18, Page: 219-231.