

An Analysis on Customer Perception towards Service Quality Variables in Organized Retail Outlets

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ABSTRACT

The present study on customer perception on Retailer Service Quality variables aims to identify the dimensions that organized retailers offers the customers. Analyze the various retail service quality variables were done to understand the relationship between them. The study also tries exploring the factor that attracts the customers towards the organized retail sector in Kanyakumari District of Tamil Nadu. Organized retailers are offering similar products in the outlets; improving service quality is seen as critical to capture the customers. With the introduction of FDI in multi brand retailing, lot of international players are expected to enter the Indian market this will bring more competition in this retail sector. For benchmarking themselves with global standards the Indian retailers will have to improve their service quality. This study tries to find interrelationship between various Retail Service Quality dimensions, which will help the retailers to identify the steps needed to improve the overall service quality.

Keywords: Retail Service Quality, Service Quality Dimension, Organized Retail.

INTRODUCTION

Retail industry the largest sectors in India and second largest employment provider after agriculture; it plays a significant role in increasing the productivity across a wide range of goods and services. In India both organized and unorganized retail sector exists, majority of the share being under unorganized. Organized retailing has finally emerged from the shadows of unorganized retailing and is contributing significantly to the growth of Indian retail sector.

Retail service quality is defined as the “customer’s overall impression and satisfaction of the relative inferiority or superiority of the organization of its services and which is more important to retail outlets”.

The retail service quality scale of measurement were able the identify the dimensions were the control of service quality in retail services provided by them to the customers and also creates the pathway to identify the customers where and what they perceive through the services provided by the retail outlets on various dimensions.

The following are the Retail Service Quality Scale (RSQS) to measure the service quality of retail:

- ✓ Physical aspects
- ✓ Reliability
- ✓ Personal Interactions
- ✓ Problem Solving
- ✓ Policy

Physical aspect dimension included the appearance of the physical facilities as well as the convenience of the stores layout.

Reliability dimension is concerned with the stores ability to keep promises and do things right

Personal Interaction dimension is concerned with whether or not the store has courteous and helpful employees who inspire confidence and trust.

Problem solving dimension includes assessing the store’s performance on the basis of its ability to handle potential problems.

So the retailers can use this instrument as a diagnostic tool to determine service areas that are weak and need to develop.

LITERATURE REVIEW

R. Ravikumar (2007) in his Study "A study on retail service quality dimensions in select organised retail of Chennai city", This research which suitably modified the 'SERQUAL' scale to suit the requirements of the retail stores by retaining the dimensions such as triangles (4 attributes), reliability (7 attributes), responsiveness (5 attributes), assurance (5 attributes) and empathy (9 attributes) with a total attributes of thirty in number.

Dr.M.N.Malliswari (2007) in her study "Emerging trends & strategies in Indian retailing", she found that the customers are influenced by the west due to their exposure to media. The social networking sites and internet as a whole has changed the shopping pattern and behaviour of the customers.

Ashokan and Hariharan (2008) in their study conducted in different retail outlets in Palakkad district found out that the customer were satisfied with the merchandise they have bought and expect the stores to improve the customer service and also to design the plan gram in such a way that the products could be located easily.

Prof Sudhansu sekhar & Dr.sarat kumar sahu (2009) in the study "Organized retailing in India: issues & challenges" identified mainly the challenging factors like technology, supply chain, human resources, store positioning.

Leen and Ramayah (2011) in their study on 'Validation of the RSQS in Apparel Specialty Stores' found that all the five dimensions: physical aspects, reliability, personal interaction, problem solving, and policy, are highly suited for measuring retail service quality in clothing stores. Retail service quality is furthermore associated with future consumption behavior in terms of the customers' intention to visit, purchase and recommend the stores to others.

OBJECTIVES OF THE STUDY

The following are the important objectives of the study:

- ✓ To study the factors influencing the shoppers buying at the organized retailers.
- ✓ To analyze the customer perceptions on organized retailers.
- ✓ To examine the promotional activities taken by the organized retailers.

HYPOTHESIS OF THE STUDY

The following are the hypothesis of the study:

1. Ho: There is no relationship between Modern Looking Equipments and Fixtures and Visually Appealing.
2. Ho: There is no relationship between Easy Accessibility and Easy Internal Mobility.
3. Ho: There is no relationship between Error Free Billing and Reliability in using Credit Cards.
4. Ho: There is no relationship between Employee Knowledge and Employee Behaviors to Customers.
5. Ho: There is no relationship between Returns and exchanges and Sincerity in Problem solving.
6. Ho: There is no relationship between convenient store hours and Convenient Parking Facilities.

SCOPE OF THE STUDY

The study gives suggestions to the organized retailers about their service quality. It helps the researcher to know how the customer perception works on organized retailers. It provides suggestions on improving the standard and the quality of the organized retailers.

SOURCES OF DATA

The primary data were collected with the help of structured questionnaire and the consumer who visited the organized retail shop during the period o Jan-2019 to June 2019 was the population. The secondary date was collected from various sources like magazines, journals and web portals.

SAMPLE SELEC TION & RESEARCH DESIGN

A descriptive research design was adopted for the study. The data is obtained from the consumer survey .The survey is carried out in the organized retail outlets in Kanyakumari District of Tamil Nadu during the period o Jan-2019 to April 2019 and a sample of 30 each from five retail outlets and totally of 150 respondents from the population selected randomly.

Table-1: Samples of Selected Retail Outlets

Sl. No.	Name of the Store	Sample Size
1	Rajas Mall	30
2	Reliance Mart	30
3	Margin Free	30
4	Super Market	30
5	Linc Mart	30
Total		150

DATA ANALYSIS AND INTERPRETATION

1. Test the Respondent’s Opinion Regarding O rganized Retail Outlets:

Respondent’s opinion is playing very important role to analyze the customer perception towards service quality variables in organized retail outlets. The following table shows that the Respondent’s opinion regarding organized retail outlets.

Table-2: Respondent’s Opinion Regarding O rganized Retail Outlets

Test Statistics	Rajas Mall	Reliance Mart	Margin Free	Super Market	Linc Mart	Total
Usual Format	00	00	05	08	03	16
Convenience	16	18	06	05	10	55
Competitive Cost	05	03	12	14	05	39
Customer Service	09	09	07	03	12	40
Total	30	30	30	30	30	150

Source: Primary data

It is clear from Table 2 that, 55 respondents prefer organized retail outlet for convenience, 40 respondents prefer organized retail outlet for good customer service offered by organized retail outlet, and 39 prefer organized retail outlet for competitive cost.

2. Test the Shoppers Perception on Physical Aspects of O rganized Retail Outlets

Physical aspects are playing very important role to analyze the customer perception towards service quality variables in organized retail outlets. Researchers analyzed shopper’s perception on Physical aspects of organized retail outlets with the help of chi-square test. The following table shows that the Physical aspects of organized retail outlets.

Ho: There is no relationship between Modern Looking Equipments and Fixtures and Visually Appealing

H1: There is a relationship between Modern Looking Equipments and Fixtures and Visually Appealing

Table-3 Shoppers Perception on Physical Aspects of Organized Retail Outlets

Test Statistics	Rajas Mall	Reliance Mart	Margin Free	Super Market	Linc Mart	Total
Modern Looking Equipments and Fixtures	20	21	12	14	09	76
Visually Appealing	10	09	18	16	21	74

Total	30	30	30	30	30	150
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Source: Primary data& calculated data

Degrees of freedom = (Rows-1)(columns-1)=(2-1)(5-1)=1* 4 =4

Table value of Chi-square .05 level of significance with 4 degree of freedom=9.49

Calculated Chi-square Value is 17.54

Since the Calculated Chi-Square value is greater than the table value, null hypothesis is rejected. Hence there is significant relationship between Modern looking equipments and fixtures and Visually Appealing variables of Physical aspect dimension.

3. Test the Shoppers Perception on Other Physical Aspects in Organized Retail Outlets:

Physical aspects are playing very important role to analyze the customer perception towards service quality variables in organized retail outlets. Researchers analyzed shopper’s perception on Physical aspects of organized retail outlets with the help of chi-square test. The following table shows that the Physical aspects of organized retail outlets.

Ho: There is no relationship between Easy Accessibility and Easy Internal Mobility.

H1: There is a relationship between Easy Accessibility and Easy Internal Mobility

Table-4: Shoppers Perception on Other Physical Aspects of Organized Retail Outlets

Test Statistics	Rajas Mall	Reliance Mart	Margin Free	Super Market	Linc Mart	Total
Easy Accessibility	22	19	12	09	11	73
Easy Internal Mobility	08	11	28	21	19	87
Total	30	30	30	30	30	150

Source: Primary data& calculated data

Degrees of freedom = (Rows-1)(columns-1)=(2-1)(5-1)=1* 4 =4

Table value of Chi-square .05 level of significance with 4 degree of freedom=9.49

Calculated Chi-square Value is 12.89

Since the Calculated Chi-Square value is greater than the table value, null hypothesis is rejected. Hence there is significant relationship between Easy Accessibility and Easy Internal Mobility of Physical aspect dimension.

4. Test the Shoppers Perception on Reliability of Organized Retail Outlets

Perception on reliability is playing very important role to analyze the customer perception towards service quality variables in organized retail outlets. Researchers analyzed shopper’s perception on reliability of organized retail outlets with the help of chi-square test. The following table shows that the shopper’s perception on reliability of organized retail outlets.

Ho: There is no relationship between Error Free Billing and Reliability in using Credit Cards.

H1: There is a relationship between Error Free Billing and Reliability in using Credit Cards.

Table-5 Shoppers Perception on Reliability of Organized Retail Outlets

Test Statistics	Rajas Mall	Reliance Mart	Margin Free	Super Market	Linc Mart	Total
Error Free Billing	18	19	07	05	11	60
Reliability in using Credit Cards	12	11	23	25	19	90
Total	30	30	30	30	30	150

Source: Primary data& calculated data

Degrees of freedom = (Rows-1)(columns-1)=(2-1)(5-1) =1* 4 =4

Table value of Chi-square .05 level of significance with 4 degree of freedom=9.49

Calculated Chi-square Value is 23.45

Since the Calculated Chi-Square value is greater than the table value, null hypothesis is rejected. Hence there is significant relationship between Error Free Billing and Reliability in using Credit Cards of Physical aspect dimension.

5. Test the Shoppers Perception on Personal Interaction of Organized Retail Outlets

Perception on Personal Interaction is playing very important role to analyze the customer perception towards service quality variables in organized retail outlets. Researchers analyzed shopper’s perception on Personal Interaction of organized retail outlets with the help of chi-square test. The following table shows that the shopper’s perception on Personal Interaction of organized retail outlets.

Ho: There is no relationship between Employee Knowledge and Employee Behaviors to Customers.

H1: There is a relationship between Employee Knowledge and Employee Behaviors to Customers.

Table-6: Shoppers Perception on Personal Interaction in Organized Retail Outlets

Test Statistics	Rajas Mall	Reliance Mart	Margin Free	Super Market	Linc Mart	Total
Employee Knowledge	15	16	10	12	09	62
Employee Behaviors to Customers	15	14	20	18	21	88
Total	30	30	30	30	30	150

Source: Primary data & calculated data

Degrees of freedom = (Rows-1)(columns-1)=(2-1)(5-1) =1* 4 =4

Table value of Chi-square .05 level of significance with 4 degree of freedom=9.49

Calculated Chi-square Value is 16.12

Since the Calculated Chi-Square value is greater than the table value, null hypothesis is rejected. Hence there is significant relationship between Employee Knowledge and Employee Behaviors to Customers of Physical aspect dimension.

6. Test the Shoppers Perception on Problem Solving in Organized Retail Outlets

Perception on Problem Solving is playing very important role to analyze the customer perception towards service quality variables in organized retail outlets. Researchers analyzed shopper’s perception on Problem Solving in organized retail outlets with the help of chi-square test. The following table shows that the shopper’s perception on Problem Solving in organized retail outlets.

Ho: There is no relationship between Returns and exchanges and Sincerity in Problem solving.

H1: There is a relationship between Returns and exchanges and Sincerity in Problem solving.

Table-7 Shoppers Perception on Problem Solving in Organized Retail Outlets

Test Statistics	Rajas Mall	Reliance Mart	Margin Free	Super Market	Linc Mart	Total
Returns and exchanges	21	19	14	12	18	84
Sincerity in Problem solving	09	11	16	18	12	66
Total	30	30	30	30	30	150

Source: Primary data & calculated data

Degrees of freedom = (Rows-1)(columns-1)=(2-1)(5-1) =1* 4 =4

Table value of Chi-square .05 level of significance with 4 degree of freedom=9.49

Calculated Chi-square Value is 19.34

Since the Calculated Chi-Square value is greater than the table value, null hypothesis is rejected. Hence there is significant relationship between Returns and exchanges and Sincerity in Problem solving of Physical aspect dimension.

7. Test the Shoppers Perception on Policy in Organized Retail Outlets

Perception on policy is playing a very important role to analyze the customer perception towards service quality variables in organized retail outlets. Researchers analyzed shopper’s perception on policy in organized retail outlets with the help of chi-square test. The following table shows that the shopper’s perception on policy in organized retail outlets.

Ho: There is no relationship between convenient store hours and Convenient Parking Facilities.

H1: There is a relationship between convenient store hours and Convenient Parking Facilities

Table-8: Shoppers Perception on Policy in Organized Retail Outlets

Test Statistics	Rajas Mall	Reliance Mart	Margin Free	Super Market	Linc Mart	Total
Convenient store hours	15	17	19	20	14	85
Convenient Parking Facilities	15	13	11	10	16	65
Total	30	30	30	30	30	150

Source: Primary data & calculated data

Degrees of freedom = (Rows-1)(columns-1)=(2-1)(5-1)=1* 4 =4

Table value of Chi-square .05 level of significance with 4 degree of freedom=9.49

Calculated Chi-square Value is 19.28

Since the Calculated Chi-Square value is greater than the table value, null hypothesis is rejected. Hence there is significant relationship between convenient store hours and Convenient Parking Facilities of Physical aspect dimension.

FINDINGS OF THE STUDY

This study found that convenience and competitive price are the two factors which attract customers towards organized retail outlets.

From the chi square analysis of the different variables of the various dimensions of Retail Service Quality it was found that:

- ✓ There is significant relationship between Modern looking equipments and fixtures and Visually Appealing variables of Physical aspect dimension.
- ✓ There is significant relationship between easy accessibility and easy internal mobility variables of Physical aspect dimension.
- ✓ There is no significant relationship between Error free billing and Reliability in using credit card variables of Reliability aspect dimension.
- ✓ There is significant relationship between Employee Knowledge and Employee Behavior variables of Personal aspect dimension.
- ✓ There is significant relationship between Returns and exchanges and Sincerity in problem solving variables of Problem solving aspect dimension.
- ✓ There is significant relationship between convenient store hours and convenient parking facility variables of Physical aspect dimension.

SUGGESTIONS OF THE STUDY

The retailers can improve their Retail Service Quality by improving the variable that has significant impact on other service quality aspects. Organized retailers can improve the Behaviors to Customers. Margin Free market and Super market can improve the Reliability in using Credit Cards and Error Free Billing. Organized retailers must create the awareness about the organized retail outlets.

CONCLUSION

The customer perception of retail service quality is an important segment to the emerging and the existing retailers in the market. As the study reveals that perception of service quality is influenced by the various natures among various customers, even some of the general factors like Personal interaction, physical aspects are the dimensions on which customer perception remains constant and common to the entire customer on a majority basis. So the retail outlets have to frame their own strategies in order to attract the customers on a longer basis.

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