Retail Service Quality: A Customer Perception Study

By S. P. Thenmozhi Raja, Dr. D. Dhanapal & Dr. P. Sathyapriya

Abstract

Customer orientation is the mantra for success driving marketers to understand consumers better. Understanding consumers and the reasons that drive them to a retail store and factors influencing perception or retail service quality will help marketers understand expectations of the consumers and be customer-centric. This study on retail service quality is performed with consumers shopping in organised retail outlets. The study explores factors that drive customers' perception of retail service quality across different cities, in specific, Bangalore and Salem in South India with a sample of 100 respondents each.

Keywords

Retail service quality, perception, RSQ scale, organised retail.

S. P. Thenmozhi Raja, Professor in Marketing, Sona School of Management, Sona College of Technology, Salem 636005, Tamil Nadu; Mob: +91 9245713847; Email: thenmozhiraja123@yahoo.co.in

Dr. D. Dhanapal, Director KPR School of Business, Coimbatore - 641407, Tamil Nadu. Email: ddhanapal@yahoo.com

Dr. P. Sathyapriya, Associate Professor, Alliance Business School, Chikkahagade Cross, Chandapur-Anekal Main Road, Bengaluru 562106; Mob: +91 9243407378; Email: sathyapriyap2020@gmail.com/sathyapriya.p@alliancebschool.ac.in

Introduction

Retail industry plays a significant role in increasing productivity across a wide range of consumer goods and services. The impact can be best seen in countries like USA, UK, Mexico, Thailand, India and China. With the onset of economic recession, the global retail sector is headed for a slowdown in many economies of the world. Further, the markets have matured and consumers are aging in many countries, which force the retailers to make a strategic rethink. At the same time, emerging economies like China and India have started to rebalance the global economy, which will in turn, have a huge impact on the global retail market.

In India, retail is accounted for over 10 per cent of GDP and 8 per cent of employment (Kearney report). Indian retail market is the fifth largest retail destination globally. At Kearney, the renowned consulting company, ranked India as the most attractive and emerging market for investment in retail sector, in the Global Retail Development Index (GRDI). Retail is the fastest growing sector in Indian economy with a compounded annual growth rate of 46.4 per cent for the past three years (Farhat, 2009). Traditional retail outlets are paving way to newer formats like supermarkets, specialty stores and hypermarkets. With the mushrooming western style malls found in metros and second rung cities, the Indian consumer is introduced to an unparalleled shopping experience in organised retail outlets.

Growth of organised retail is expected to the extent of \$427 billion in 2010 and 637 billion in 2015[i]. According to the Associated Chambers of Commerce and Industry of India, the size of organised retail in India will exceed US \$22 billion in 2010 with a space requirement of 220 million square feet[ii]. According to the study by Indian Council for Research on International Economic Relations (ICRIER), retail sector is expected to contribute 22 per cent of India's GDP by 2010[iii]. The study also explains that the maximum number of large format malls and branded retail stores are in South India followed by North, West and East. So, the researcher decided to concentrate the study on organised retail outlets in South India.

Organised retail initially concentrated in metropolitan cities like Bangalore, Mumbai, Delhi, Kolkata and Chennai. With thrive for expansion, they entered small towns to curb the rural population. As the expansion of organised retail outlets was happening in smaller cities and towns, it became imperative to understand the perception of consumers about retail service quality in such smaller towns in comparison with metros where organised retail outlets have established as a culture. The purpose of the study was to understand retail service quality in organised retail outlets across the cities and towns with different levels of evolution of organised retail outlets. For this purpose, objectives are identified specifically and listed.

Organised Retailing in India

Organised retailing refers to trading activities undertaken by licensed retailers - those who are registered for sales tax, income tax, etc. It includes the retail chains, corporate-backed hypermarkets and privately owned large retail businesses. Organised retailing comprises the shopping malls, multi-storey malls and huge complexes that offer a large variety of products in terms of quality and value for money, and provide a shopping experience. Occupying 7-8 per cent of the total retail sector in India, the emergence of organised retailing is a recent phenomenon and is concentrated in the top 20 urban towns and cities (Joseph et al, 2008).

The reasons being multifold, the emergence of organised retailing is mainly attributed to the demographic and psychographic changes taking place in the lives of urban consumers. Changing lifestyles and values, growing number of nuclear families, working women, greater work pressure, increased commuting time, influence of western way of life, etc. have shifted the needs and wants of consumers from just being cost and relationship-driven to, being brand and experience-driven. But still, the element of value for money dominates in the Indian mindset in making buying decisions.

After the liberalisation of Indian economy in the early 1990s, the lifestyle and purchasing power of the so-called "middle class consumers" has ignited the growth of organised retailing in India. Nowadays, people look for better quality products at cheaper rates, better service, better ambience for shopping and better shopping experience; organised

retail promises to give all these. So, there arises a need for understanding the service quality in organised retail outlets in India to meet the expectations of Indian consumers and ensure better performance.

Retail Service Quality Scale (RSQS)

In a retail survey, executives ranked the improvement of service and product quality as the most critical challenge facing the US business. Service quality is defined as the customers' overall impression of the relative inferiority or superiority of the organisation or its services (Zeithaml, Berry and Parasuraman, 1990), which is more important for retail outlets.

On studying the characteristics of store retailing Finn and Lamb (1991), Gagliano and Hathcote (1994) found that parameters that define service quality in retail setting, differ from other pure services. Thus, the measures that were developed for measuring service quality in pure service set-ups may not be suitable to the retail store context.

Realising the need for developing a scale to measure retail service quality, Dabholkar et.al (1996) made extensive research to develop the Retail Service Quality Scale. In the process, they were able to identify five dimensions that were central to service quality in retail settings viz., physical aspects, reliability, personal interaction, problem solving and policy. Though these five dimensions were distinct, they were highly correlated. Physical aspect dimensions included the appearance of the physical facilities as well as the convenience of store layout and public areas. Reliability dimension is concerned with the store's ability to keep promises and do things right. The 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. Policy dimension included aspects like high-quality merchandise, convenient parking, convenient store hours, acceptance of major credit cards and availability of a store credit card.

The RSQ (Retail Service Quality) scale proposed by Dabholkar et.al included 28 items, 17 of which came from the SERVQUAL scale developed by Parasuraman, Zeithmal and Berry (1998) and the remaining 11 items from the researchers' review of literature and qualitative research. After testing the RSQ scale with the customers of a US departmental store, the authors found that the scale was suitable for studying retail businesses that offered a mix of services and goods. Retailers can use this instrument as a diagnostic tool to determine service areas that are weak and need attention. The authors suggested that replicating studies can be conducted for other retailers offering a mix of services and goods as an extension of their research.

Literature Review

Boshoff and Terblanche (1997) tried to test the reliability and validity of RSQS in the South African retail setting comprising departmental stores, specialty stores and hypermarkets. The findings of the study revealed that the instrument was a valid and reliable one with Cronbach alpha values ranging from 0.68 to 0.90.

Mehta, Lalwani and Han (2000) on testing the reliability of the scale in retail environments in Singapore found the scale reliable with Cronbach alpha values ranging from 0.52 to

0.92 for the five dimensions of RSQS. They found that a strong inter-correlation existed between the various dimensions of the RSQS for both supermarkets and electronic goods retailers.

Sin and Cheung (2001) tested the applicability of RSQS in a departmental store chain in Hong Kong. The factor analysis failed to identify the five dimensions viz., physical aspects, reliability, personal interaction, problem solving and policy. The reliability dimension did not factor out, instead new dimensions like Promises and Convenience emerged. Thus it was concluded that RSQS can be applied with some modifications for studying the retail stores in Hong Kong.

Kim and Jin (2001) tested the validity of RSQS in discount stores for the US and Korean customers. They found the dimension policy to be unreliable in both countries. It was also found that the customers did not make any distinction between personal interaction and problem solving, and thus these two were combined as a single construct named Personal Attention.

Sin and Chow (2003), by using the adapted version of Sin and Cheung (2001), examined the service quality of a Japanese supermarket in Hong Kong. The original dimension of problem solving areas integrated with personal interaction and a new factor emerged in the study, which was named as trustworthiness.

Since only a limited number of studies have been attempted to measure service quality in retail settings, there is a significant gap in the literature in their area of research. The present study addresses the gap by studying the applicability of RSQS in Tamil Nadu and Bangalore among the MBA students who shop in organised retail outlets. The study also tests the relationship between the demographic profile of the customers and their perceptions on retail service quality.

Objectives of the Study

The objectives of the study are:

1. To understand the crucial variables that drive consumers towards a retail store.

2. To explore the factors those determine consumers' perception towards retail service quality, across consumers of different tiers of cities.

3. To study the association of demographic variables on consumers' perception towards retail service quality.

    From the literature studied and the objectives formulated, the following hypotheses are derived.

Hypotheses

The hypotheses formulated are:

1. There is a difference in perception of retail service quality across different tiers of cities.

2. There is significant association of demographic variables on consumers' perception towards retail service quality.

In order to validate the hypotheses stated, quantitative approach of research was conducted. The method involved in performing the research is explained further.

Methodology

The research was conducted in two different places in South India. It includes Salem in the state of Tamil Nadu and Bangalore in the state of Karnataka. These two places were selected to represent the evolution of organised retail outlets at different levels. An organised retail outlet in Salem is an emerging concept, while in Bangalore it is an established one. Caution was taken to avoid selecting places within the same state, as it may not provide the required difference in the population considered for the study. Samples of 100 respondents were selected from each place and the total samples for the study were 200.

RSQ in organised retail outlets was measured by modifying RSQ scale developed by Dhabolkar et.al (1996). The scale was previously tested at a larger extent by researchers and it was validated in countries like USA, Canada, Estonia, Hong Kong, Korea and Northern Cyprus. The researchers have modified the scale to Indian retail setting in order to understand the consumers' perception towards RSQ. The scale was developed by researchers to measure service quality in organised retail outlets and tested for its validity and reliability. The scale was initially developed with 25 statements and tested with 20 samples. It did not give provision for willingness and interest of employees in complaint handling, which was then added to the existing statements. The scale then developed had 30 statements measuring various attributes of service quality. The reliability of the scale was ensured with Croanbach's alpha coefficient. Closer the Croanbach alpha score to '1', better is the reliability of the scale. It ensures that the statements measure logically and sequentially the service quality as per the perception of the respondents. Reliability scores are given in Table 1.

Table 1
Reliability Statistics

Cronbach Alpha	No. of Items
0.818	30

Cronbach alpha score is 0.818 which is closer to '1'. Thus the statements measuring perception of RSQ are consistent and reliable to draw conclusion. Reasons for consumers to visit a retail outlet are understood initially. This is done with a weighted average ranking. Consumers have rated the reasons for visiting a retail store as Highly Important (HI), Important (I), Neutral (N), Unimportant (UI), and Highly Unimportant (HUI). This is done for the variables price, availability, proximity, variety offered, value-added services, personal interaction, promotional activities, reliability, ambience and physical appearance. Weights were assigned for these responses from 5 to 1. More weights were given for favourable responses and vice versa. The total score is calculated by summing up the number of responses in each category multiplied by the weights assigned. Total score divided by the total number of respondents (200) gives the weighted average score. Based on the weights for each variable, ranks are assigned. Higher the weights, lower is the rank and vice versa.

The RSQ scale formulated has 30 statements to understand consumers' perception towards service quality in organised retail outlets. These statements give the perception of retail service quality for the two cities studied, Salem and Bangalore. Independent T-test is performed for the perception of retail service quality among the two different

tiers of cities. The significance level of T value less than 0.05 reveals that at 95 percent confidence level, there is significant difference in the perception of retail service quality between the two different tiers of cities selected. If there exists a difference, then among the 30 statements that explain perception of retail service quality, the crucial statements are identified through factor analysis using SPSS 14.0 for the two cities individually. If there is no difference in the perception of retail service quality among the selected cities, factor analysis is performed collectively. The principal component method of factor analysis was executed with Varimax Rotation. Kaiser-Mayer-Oklin (KMO) test was performed to identify the sampling adequacy. The closer the value of KMO to '1', the better is the size of the sample for analysis. The factors were extracted based on Eigen values. Those motivators with Eigen values greater than '1' were considered as crucial. The motivators could be individually identified as being important or grouped with other motivators. This was identified with the help of rotated matrix. The rotated component matrix gave the factors, extracted and loadings of each variable towards the extracted factor. Variables that load 0.7 or more on a factor were then selected. These variables constituted the crucial motivators extracted with factor analysis.

In order to understand the association of demographic variables with consumers' perception towards retail service quality, Pearson correlation is executed using SPSS. Those variables that have significant association at 99 per cent confidence level and 95 per cent confidence level are marked with asterisks, '**' and '*', respectively.

Data Analysis and Findings

The variables that influence a consumer in choosing a store are listed and consumers are asked to give their importance and it is analyzed below.

Variables that lead consumers to visit a retail store

The data collected in measuring the importance for the variables is tabulated and weighted, and then the average score is calculated. Ranks are assigned on the basis of weighted average score computed and presented in Table 2.

Table 2

Variables Influencing the Visit of Consumers to a Retail Store

Variables/ Weights	HI (5)	I (4)	N (3)	UI (2)	HUI (1)	Total Score	Weighted Avg. Score	Rank
Price	118	71	6	3	2	900	4.5	1
Availability	79	86	22	12	1	830	4.15	3
Proximity	48	37	44	62	9	653	3.265	9
Variety	92	85	15	6	2	859	4.295	2
Value-added Services	63	65	48	18	6	761	3.805	8
Personal Interaction	32	24	51	37	56	539	2.695	10
Promotion	67	85	34	11	3	802	4.01	6
Reliability	85	82	29	3	1	847	4.235	3
Ambience	76	83	28	11	2	820	4.1	5
Physical Appearance	55	93	26	21	5	772	3.86	7

Weighted Average Score = $\sum$ (Weighted assigned * No. of Responses) / Total Respondents (200)

The weighted average score calculated reveals that price is the first important factor considered by consumers when visiting a retail store. The second important factor is variety and the third are availability and reliability. The other important factors are ambience, promotion, physical appearance and value-added services. Proximity to the store and personal interaction was not felt important by the sample respondents.

Perception of RSQ Among Two Different Tiers of Cities

In order to understand the perception of consumers in Salem and Bangalore with respect to retail service quality, independent sample T-test was performed and presented in Table 3.

Table 3

Independent Sample Tests

Quality Perception	t	df	Sig. (2-tailed)
Equal variances assumed	-3.479	198	0.001
Equal variances not assumed	-3.479	183.321	0.001

The value of T-test is -3.479 with a significance level of 0.001. The significance level is less than 0.05 explaining at 95 per cent confidence level. Thus, there is a difference in the perception of retail service quality among the consumers in Salem and Bangalore representing two different tiers of cities. This proves the first hypothesis.

Factors that determine consumers' perception towards retail service quality

As there is a difference in the perception of RSQ among the two different cities selected (Salem and Bangalore), the crucial factors explaining RSQ are studied by factor analysis separately. Factors influencing the consumers' perception in Salem for RSQ are studied with factor analysis and presented in Tables 4 through 5. KMO measure of sampling adequacy is 0.677 which is above 0.5 and closer to '1', explaining the sample is adequate to derive conclusions from factor analysis. The total variance matrix presented in Table 4 gives the number of variables extracted with the Eigen values one and above.

Table 4

Total Variance Explained of Salem

Component	Initial Eigen Values			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.660	18.865	18.865	3.156	10.522	10.522
2	2.720	9.067	27.932	2.813	9.378	19.899
3	2.197	7.323	35.255	2.323	7.742	27.641
4	1.751	5.837	41.092	2.193	7.311	34.952
5	1.671	5.569	46.661	1.899	6.331	41.283
6	1.486	4.953	51.615	1.692	5.639	46.922
7	1.297	4.322	55.937	1.559	5.196	52.119
8	1.189	3.963	59.900	1.542	5.141	57.260
9	1.036	3.453	63.352	1.464	4.881	62.141
10	1.031	3.438	66.790	1.395	4.649	66.790

Extraction Method: Principal Component Analysis

The Table explains that 10 factors are extracted as important from the 30 listed ones and that the retail service quality of Salem to the extent of 66.79 per cent. The factors extracted by Varimax rotation are explained with the help of rotated component matrix presented in Table 5.

Table 5

Rotated Component Matrix (a) of Salem

Variables	Component									
	1	2	3	4	5	6	7	8	9	10
Model Outlook in Store	0.05	**0.72**	0.27	0.26	0.00	0.00	0.06	-0.14	-0.02	0.13
Ease to Reach	0.17	0.05	0.09	-0.01	-0.13	0.09	0.09	0.00	-0.16	**0.79**
Convenient Working Hours	-0.15	0.53	-0.07	0.22	-0.16	0.06	0.42	0.12	0.10	0.28
Attractive Arrangement	0.08	**0.78**	0.03	-0.01	0.13	-0.06	-0.13	-0.03	-0.18	0.04
Neat Uniform Staff	0.26	0.61	-0.01	0.04	0.05	-0.07	0.09	0.26	0.12	-0.20
Clean Trolley & Basket	0.08	0.32	0.36	0.05	0.03	-0.59	0.00	0.12	0.15	-0.30
Spacious Store Layout	0.33	0.37	0.33	0.34	-0.20	0.15	-0.17	-0.02	0.12	-0.03
Variety Product Sold	0.18	0.37	0.27	0.64	-0.04	-0.09	-0.07	-0.05	0.05	0.00
Needed Product Sold	0.04	0.21	0.09	0.36	0.29	-0.44	0.20	-0.18	0.00	0.33
Sufficient Stock	-0.09	0.05	-0.11	**0.79**	-0.01	0.02	0.07	-0.13	-0.03	-0.04
Quality in Products Sold	0.05	0.09	-0.17	0.50	0.42	-0.06	-0.18	0.25	0.10	0.11
Billing System	0.23	0.27	0.55	0.06	0.33	0.09	0.11	-0.16	-0.22	-0.20
Quicker Checkouts	0.08	0.03	**0.85**	-0.02	0.05	0.09	0.12	0.07	0.09	0.08
Safer Transactions	0.11	0.16	0.56	-0.01	0.20	-0.04	-0.16	-0.10	0.31	0.37
Acceptance of Debit/Credit Card	0.14	0.44	0.10	0.24	0.12	0.08	-0.29	0.54	0.11	0.11
Clear Bill Information	0.11	0.11	0.25	0.32	0.47	0.18	-0.07	0.38	-0.19	-0.07
Courteous & Friendly Employees	0.59	0.30	0.11	0.02	0.30	0.17	0.13	0.04	0.01	-0.24
Adequate Parking Facilities	0.16	0.16	0.22	-0.04	0.09	**0.77**	0.09	0.10	0.13	0.03
Door Delivery	-0.12	-0.04	0.13	-0.02	-0.03	0.07	0.18	-0.07	**0.81**	-0.11
Firm's Loyalty Card	0.05	-0.02	0.07	-0.03	0.02	0.09	**0.82**	-0.15	0.18	0.03
Price Range	0.02	0.05	0.06	0.21	0.05	-0.03	0.04	**-0.81**	0.09	0.05
Convenient Pack Sizes	0.27	-0.17	0.35	0.40	-0.29	-0.31	0.36	-0.11	-0.17	0.03
Interest to Solve Customer Problems	0.67	0.02	0.12	-0.07	-0.09	0.10	-0.06	-0.04	0.06	0.24
Authority to Handle Complaints	**0.75**	0.03	0.06	-0.07	0.10	-0.11	0.04	0.14	-0.04	0.07
Speed in Handling Complaints	0.62	0.04	0.26	0.26	0.11	0.20	0.27	0.08	0.07	0.18
Prompt in Services	0.65	0.17	-0.07	0.20	0.15	0.09	-0.18	-0.19	-0.17	-0.10
Individual Attention to Customers	0.42	0.08	0.34	-0.14	0.26	-0.11	0.33	0.23	0.18	0.19
No Hidden Costs	0.44	-0.04	-0.02	0.13	0.37	-0.09	0.05	0.01	0.56	-0.08
Willingness to Handle Returns & Exchanges	0.25	-0.33	0.19	0.17	0.33	0.47	0.18	-0.03	-0.10	0.00
Keeping up Store Promises	0.17	0.01	0.16	-0.10	**0.77**	0.06	0.01	-0.07	0.11	-0.11
Extraction Method: Principal Component Analysis										
Rotation Method: Varimax with Kaiser Normalization										
A Rotation converged in 12 iterations										

The factors extracted are identified with the loadings (above 0.7) and are listed below:

Factor 1: Authority to handle complaint

Factor 2: Store Presentation (Including variables: Model outlook in store, Attractive arrangement)

Factor 3: Quicker checkouts

Factor 4: Sufficient stock

Factor 5: Keeping up store promises

Factor 6: Adequate parking facilities

Factor 7: Firms loyalty cards

Factor 8: Price range

Factor 9: Door delivery

Factor 10: Easy to reach

The consumers in Salem perceived these factors as crucial in determining retail service quality. The perception of consumers in Bangalore for RSQ is studied with factor analysis and presented in Tables 6 through 7. KMO measure of sampling adequacy for the perception about RSQ in Bangalore is 0.615, which is above 0.5 and closer to '1'. Thus, the sample is adequate to draw conclusions. The factors with Eigen values greater than '1' is extracted and presented in Table 6.

Table 6

Total Variance Explained of Bangalore

Component	Initial Eigen values			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.527	18.425	18.425	2.800	9.333	9.333
2	3.106	10.355	28.779	2.602	8.673	18.006
3	2.328	7.761	36.540	2.499	8.329	26.334
4	2.218	7.395	43.935	2.287	7.625	33.959
5	1.836	6.120	50.056	2.218	7.395	41.354
6	1.641	5.469	55.525	1.915	6.382	47.737
7	1.412	4.707	60.232	1.875	6.249	53.986
8	1.279	4.262	64.495	1.862	6.206	60.192
9	1.156	3.854	68.349	1.850	6.166	66.358
10	1.041	3.471	71.820	1.638	5.462	71.820
Extraction Method: Principal Component Analysis						

Table explains that 10 factors are extracted as important from the 30 listed and it explains the retail service quality of Bangalore to the extent of 71.82 per cent. The factors extracted by Varimax rotation are explained with the help of rotated component matrix presented in Table 7.

The factors extracted are identified with the loadings (above 0.7) and are listed below:

Factor 1: Model outlook in store; attractive arrangement

Factor 2: Billing system; quicker checkouts

Factor 3: Courteous and friendly employees

Factor 4: Authority to handle complaint; speed in handling complaints

Factor 5: Firms' loyalty cards; price range

Factor 6: Willingness to handle returns and exchanges; keeping up store promises

Factor 7: Spacious store layout; product varieties sold

Factor 8: Door delivery

Factor 9: Prompt in service

Factor 10: Adequate parking facilities

The common factors in perception of RSQ among the respondents of Bangalore and Salem are: model outlook in store, attractive arrangement, keeping up store promises, quicker checkouts, adequate parking facilities, door delivery, firm's loyalty cards, price range, and authority to handle complaints. This can be named as store arrangement and customer service. Other than these common factors, consumers in Salem perceive 'easy to reach' and 'sufficient stock' as important factors, as the organised retail outlets are in the heart of the city and they make visits for such stores. But this problem does not exist in Bangalore as organised retail outlets are at the reach of the consumer. Consumers in Bangalore perceive 'neat uniform', 'spacious store outlet', 'product variety', 'billing system', 'courteous and friendly employees', 'speed in handling complaints', 'promptness in service' and 'willingness to handle returns and exchanges', as crucial in determining retail service quality that are different from consumers in Salem. Thus, based on the evolution of organised retail service in a city, the perception of the factors that determine retail service quality varies.

Table 7

Rotated Component Matrix (a) of Bangalore

Variables	Component									
	1	2	3	4	5	6	7	8	9	10
Model Outlook in Store	**0.72**	0.05	0.41	0.11	0.02	-0.19	0.08	0.16	0.06	-0.11
Ease to Reach	0.46	-0.08	0.53	0.23	0.09	0.02	-0.17	-0.28	0.03	0.18
Convenient Working Hours	0.42	-0.20	0.23	0.09	0.32	-0.03	-0.19	-0.31	0.20	0.46
Attractive Arrangement	**0.84**	0.00	0.00	0.07	0.00	0.02	0.18	0.18	-0.05	-0.04
Neat Uniform Staff	**0.71**	0.20	0.08	0.00	-0.15	0.07	0.04	0.16	0.21	0.37
Clean Trolley and Basket	0.48	0.14	0.29	-0.08	-0.27	0.35	0.23	-0.02	0.04	0.07
Spacious Store Layout	0.40	0.07	0.06	0.26	-0.04	-0.06	**0.70**	-0.03	0.01	-0.22
Variety of Products Sold	0.06	-0.04	0.17	-0.09	0.15	-0.08	**0.80**	0.13	0.09	0.20
Needed Products Sold	0.16	0.23	-0.03	0.14	0.55	-0.17	0.22	0.19	0.10	0.22
Sufficient Stock	0.02	0.49	0.01	-0.21	0.14	0.13	0.59	-0.09	-0.15	0.12
Quality in Products Sold	0.10	0.59	-0.01	0.12	0.03	-0.18	0.07	0.46	0.12	0.05
Billing System	0.03	**0.82**	0.12	0.14	-0.03	0.09	0.15	-0.09	0.22	0.04
Quicker Checkouts	0.08	**0.75**	0.16	0.14	-0.07	0.11	-0.12	0.10	0.02	-0.16
Safer Transactions	-0.05	0.58	0.54	0.10	0.15	-0.15	0.11	-0.02	-0.04	0.22
Acceptance of Debit/Credit Card	0.24	0.28	0.62	-0.07	0.04	0.08	0.11	0.01	0.21	-0.07
Clear Bill Information	-0.01	-0.04	0.63	0.19	-0.25	0.01	0.10	0.42	0.26	-0.07
Courteous & Friendly Employees	0.19	0.21	**0.76**	0.01	-0.04	0.01	0.12	0.01	-0.18	0.29
Adequate Parking Facilities	0.04	0.01	0.12	0.17	0.02	-0.04	0.11	0.06	0.02	**0.85**
Door Delivery	-0.26	-0.04	-0.07	0.01	0.10	-0.02	0.01	**-0.76**	0.15	-0.11
Firm's Loyalty Card	-0.02	0.01	-0.03	0.14	**0.71**	0.11	0.09	-0.05	-0.11	-0.08
Price Range	-0.18	-0.11	-0.01	0.01	**0.81**	0.09	-0.04	-0.14	-0.04	0.10
Convenient Pack Sizes	0.08	0.05	0.04	0.09	0.53	0.11	0.07	0.55	0.29	-0.19
Interest to Solve Customer Problems	0.14	0.15	0.12	0.69	0.06	-0.13	0.01	0.14	0.06	0.06
Authority to Handle Complaints	-0.04	0.13	-0.09	**0.84**	0.06	0.30	-0.07	0.06	0.01	0.13
Speed in Handling Complaints	0.07	0.04	0.09	**0.76**	0.21	0.16	0.03	-0.16	0.29	0.04
Prompt in Service	0.08	0.09	0.17	0.08	0.00	0.04	-0.10	-0.09	**0.81**	-0.07
Individual Attention to Customers	0.07	0.18	-0.04	0.22	-0.19	0.18	0.14	0.27	0.61	0.23
No Hidden Costs	-0.03	0.07	-0.32	0.23	0.11	0.38	0.19	-0.16	0.50	0.18
Willingness to Handle Returns & Exchanges	-0.06	-0.10	0.04	0.04	0.10	**0.84**	0.01	0.21	0.13	0.03
Keeping up Store Promises	0.07	0.17	-0.02	0.19	0.07	**0.75**	-0.11	-0.19	0.07	-0.13

Extraction Method: Principal Component Analysis

Rotation Method: Varimax with Kaiser Normalization

Association of Demographic Variables on Consumers Perception of Retail Service Quality

In order to understand the association of demographic variables on consumers' perception towards retail service quality, Pearson correlation is performed with SPSS and the results are presented in Table 8.

Table 8

Association of Demographic Variables on Perception of Retail Service Quality

Variables		Gender	Age	Education	Occupation	Marital Status	Family Size	Personal Income	Family Income	Exp Monthly	Perception Retail
Gender	Pearson Correlation	1	0.055	-0.088	0.201(**)	-0.028	0.066	-0.090	0.040	-0.147(*)	-0.016
	Sig. (2-tailed)		0.438	0.216	0.004	0.689	0.355	0.204	0.571	0.038	0.817
	N	200	200	200	200	200	200	200	200	200	200
Age	Pearson Correlation	0.055	1	0.060	0.157(*)	-0.064	0.099	0.068	-0.028	0.061	-0.057
	Sig. (2-tailed)	0.438		0.402	0.027	0.372	0.164	0.337	0.697	0.390	0.419
	N	200	200	200	200	200	200	200	200	200	200
Education	Pearson Correlation	-0.088	0.060	1	-0.264(**)	0.061	0.119	-0.022	0.360(**)	0.292(**)	0.060
	Sig. (2-tailed)	0.216	0.402		0.000	0.387	0.092	0.756	0.000	0.000	0.400
	N	200	200	200	200	200	200	200	200	200	200
Occupation	Pearson Correlation	0.201(**)	0.157(*)	-0.264(**)	1	-0.075	0.049	-0.049	-0.035	-0.028	0.041
	Sig. (2-tailed)	0.004	0.027	0.000		0.290	0.489	0.488	0.621	0.689	0.567
	N	200	200	200	200	200	200	200	200	200	200
Marital Status	Pearson Correlation	-0.028	-0.064	0.061	-0.075	1	0.125	-0.032	0.093	0.083	0.225(**)
	Sig. (2-tailed)	0.689	0.372	0.387	0.290		0.079	0.650	0.191	0.240	0.001
	N	200	200	200	200	200	200	200	200	200	200
Family Size	Pearson Correlation	0.066	0.099	0.119	0.049	0.125	1	0.072	0.157(*)	-0.104	0.027
	Sig. (2-tailed)	0.355	0.164	0.092	0.489	0.079		0.308	0.026	0.141	0.700
	N	200	200	200	200	200	200	200	200	200	200
Personal Income	Pearson Correlation	-0.090	0.068	-0.022	-0.049	-0.032	0.072	1	-0.058	0.112	-0.047
	Sig. (2-tailed)	0.204	0.337	0.756	0.488	0.650	0.308		0.416	0.114	0.508
	N	200	200	200	200	200	200	200	200	200	200
Family Income	Pearson Correlation	0.040	-0.028	0.360(**)	-0.035	0.093	0.157(*)	-0.058	1	0.418(**)	-0.023
	Sig. (2-tailed)	0.571	0.697	0.000	0.621	0.191	0.026	0.416		0.000	0.748
	N	200	200	200	200	200	200	200	200	200	200
Exp Monthly	Pearson Correlation	-0.147(*)	0.061	0.292(**)	-0.028	0.083	-0.104	0.112	0.418(**)	1	0.037
	Sig. (2-tailed)	0.038	0.390	0.000	0.689	0.240	0.141	0.114	0.000		0.607
	N	200	200	200	200	200	200	200	200	200	200
Perception Retail	Pearson Correlation	-0.016	-0.057	0.060	0.041	0.225(**)	0.027	-0.047	-0.023	0.037	1
	Sig. (2-tailed)	0.817	0.419	0.400	0.567	0.001	0.700	0.508	0.748	0.607	
	N	200	200	200	200	200	200	200	200	200	200

** Correlation is significant at the 0.01 level (2-tailed)

* Correlation is significant at the 0.05 level (2-tailed)

Consumers' perception towards retail service quality is significantly associated with their marital status. The sample involves student population from Bangalore and Salem. So the number of respondents married is 20 per cent since it involves students doing their post graduation with work experience. Perception of retail service quality is significantly associated with marital status at 99 per cent confidence level; however, the level of association is to the extent of 22 per cent. Other variables such as gender, age, education,

occupation, family size, income and expenses do not have significant association on consumers' perception towards retail service quality. This may be due to the limitation in population considered for study. Thus, second hypothesis is disproved and there is no significant association of demographic variables on perception of retail service quality among the respondents.

Conclusions

Perception of retail service quality is an important criterion for a marketer to understand and it is imperative to make it across different tiers of cities. As the study reveals that perception of retail service quality varies across different cities, the retailers can meet the customer expectations based on the factors that drive them. Thus, various factors influence the perception of retail service quality and it varies significantly according to the evolution of organised retail firms. Current research is conducted with students in two cities and this sample will have its own limitations with limited age group and profession. These limitations can be overcome by researchers in future by considering sample of various professions and varied age groups representing different tiers of cities.

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Annexure:
Questionnaire on Retail Service Quality in Organised Retail Outlets

Name of the retail outlet: ....

Rate the following statements on a five point rating scale.

5 - Strongly Agree; 4 – Agree; 3 - Neither Agree nor Disagree; 2 – Disagree; 1 - Strongly disagree

Sr. no.	Statement	Perception				
		5	4	3	2	1
1	The store has a modern outlook (lighting, A/C, computerized billing, attractive display)					
2	The store is easy to reach					
3	Working hours of the store are convenient (extended hours, early morning hours)					
4	Arrangements of goods is attractive in this store					
5	The staff are wearing neat and tidy uniform					
6	Clean trolleys and baskets are available in this store					
7	The store layout makes it easy to move around and find what I need					
8	The store offers a greater variety of products					
9	Products sold in this store are what I want					
10	There is sufficient stock available in this store					
11	Products sold in this store are of good quality (within validity period)					
12	The store has efficient billing system					
13	The store makes checkouts quicker					
14	Customers feel safe in their transactions with this store					
15	The store accepts major credit/debit cards					
16	The receipt contains clear and detailed information					
17	Employees of this store are courteous and helpful					
18	The store has adequate parking facilities					

19	The store provides door delivery					
20	The store offers its own credit card/loyalty card					
21	Products are available at all price range in this store					
22	Products are available in convenient pack sizes in this store					
23	When customers have a problem this store shows sincere interest in solving it					
24	Employees of this store are able to handle customer complaints directly					
25	Employees of this store are able to handle customer complaints immediately					
26	Employees in this store give prompt service to customers (locating goods, quicker service)					
27	This store gives individual attention to customers					
28	The store's offers and discounts do not have hidden costs					
29	This store willingly handles returns and exchanges (missing goods, damaged goods etc.)					
30	When this store promises to do something by a certain time, it will do so					

Kindly provide the following details:

1. Gender

Male ☐   Female ☐

2. Age

15-20 ☐   20-25 ☐   25-30 ☐   30-35 ☐   35-40 ☐   >40 years ☐

3. Level of Education

10th ☐   +2 ☐   Certificate course ☐   Diploma/UG ☐   PG ☐   Not educated ☐

4. Occupation

Student ☐   Employed in private company ☐   Employed in public sector ☐   Own business ☐   Others ☐

5. Marital status

Married ☐   Single ☐

6. Family Size

2 ☐   3 ☐   4 ☐   5 ☐

7. Personal Income per Month (in Rs.)

<5,000 ☐   5,000-10,000 ☐   10,000-15,000 ☐   15,000- 20,000 ☐   20,000-25,000 ☐   >25,000 ☐

8. Family Income per Month (in Rs.)

<5,000 ☐   5,000-10,000 ☐   10,000-15,000 ☐   15,000- 20,000 ☐   20,000-25,000 ☐   >25,000 ☐

9. Average Monthly Expenditure (in Rs.)

<1,000 ☐   1,000-5,000 ☐   5,000-10,000 ☐   10,000-20,000 ☐   >20,000 ☐

10. Average Monthly Expenditure at this Store (in Rs.)

<1,000 ☐   1,000-5,000 ☐   5,000-10,000 ☐   10,000-20,000 ☐   >20,000 ☐

11. Shopping Frequency

Daily ☐   Once in a week ☐   Once in a fortnight ☐   Once in a month ☐

Rate the following factors on a five point scale according to the level of importance you attach for choosing this store

5 - Highly Important; 4 – Important; 3 - Neither Important nor Unimportant; 2 – Unimportant; 1 - Highly Unimportant

Sr. No.	Factor	5	4	3	2	1
1	Price					
2	Availability of products					
3	Proximity (Nearness)					
4	Variety of products					
5.	Value-added services (Parking, Door delivery, etc.)					
6.	Personal interaction					
7.	Promotional activities (discounts, offers)					
8.	Reliability					
9.	Ambience (Atmosphere)					
10.	Physical appearance					