

# Impact of RSERVQUAL on Customer Satisfaction: A Comparative Analysis between Traditional and Multi-Channel Retailing

M. SivaKoti Reddy

**Abstract---** Retail service quality aspect is highly essential in the retail sector. The current research paper is intended to test the impact of retail service quality in both the traditional and multi-channel retailing. The service quality in the retail sectors may provide the customer satisfaction to the customers. The more satisfaction among the customers may leads to retain them for longer period and then develops the customer loyalty. The researcher adopted Dhabolkar's retail service quality dimensions to test it's impact over the customer satisfaction in the retailing sector. The researcher adopted the five dimensions such as physical aspects, reliability, personal interaction, problem solving and policy as the independent variables and the dependent variable of the study is customer satisfaction. The researcher conducted the analysis with the 560 collected samples.

**Index terms:** Retail Service Quality, Physical Aspects, Website Design, Reliability, Personal Interaction, Problem solving, Policy

## I. INTRODUCTION

It was expected that the emerging markets like India and China are going to play a prominent role as they together contribute for 40 percent in the world's growth (Fibre2fashion's report, 2012). In the last decade, Indian retailing industry become very dynamic and attracting the global retailer's attention to enter in to this market due to the economic liberalisation and demographic profile set of its customers (KPMG Report, 2014). The landscape of the Indian retailing industry is quite interest as its lion share (92%) is falling under unorganised sector and existing in such a forms of traditional family run mom and pop stores and corner stores. In India it is estimated that approximately over 14 million outlets are family owned operated stores and out of them 4 percent only are larger than 500 sqft in size it resulted that 11 shop outlets for every one thousand people (Crisil Research estimates, 2014). Though the organised retailing sector's portion is only 8 percent but it has been performing well as it generated currently USD 41.4 billion revenue and is expected to be USD 94.8 billion by 2019 (Crisil research estimates, 2014).

The potential demographic factors of Indian market such as youth population, growing working inhabitants, extending rural consumer's market share, raising household income levels of the middle class and increasing number of millionaires are grabbing the attention of the international retail players attention and penetrated into the Indian market in addition to the existing players resulted in growing competition. This poses a big challenge to the modern retail formats to acquire and retain the existing customers (Sinha, P. K. and Banerjee, A., 2004). Hence the modern retailers are coming forward to provide the wide diversity of choice in retail formats, wide ranging products and various brands with utmost service quality (Ganesh et al, 2007; Carpenter et al, 2006; Fox et al, 2004 and Schoenbachler et al, 2002).

The potential youth population of the Indian market is also an added advantage for the expansion of e-retailing India. According to the census of 2011 about 500 million Indians are under the age of 25 years. These millennial customers have access to more money than before and have zeal of demand for variety of products. A phenomenal growth has been observed in E-commerce of retail channels (Crisil Research estimates, 2014). In order to survive in the prevailed extensive competition, the modern retailers don't want to confine themselves not only to over the counter (OTC) business but also transforming themselves into multi channel retailing with the best of their service quality. The depicted conditions created a big challenge to the retailers to survive and sustain even in the e-business also made them to give the equal priority for both traditional retailing and e-retailing.

## II. RESEARCH GAP AND RESEARCH PROBLEM:

The delivery of high service quality has been treated as basic retailing strategy (Berry, 1986) and service quality is considered as a tool for the retailers to enhance the value of the customer, so that to positioning themselves in a competitive environment (Mehta et al., 2000). The existing research revealed that, the service quality is useful to raise the satisfaction among the customers and further may lead to be loyalty to the retail organisations (Wong and Sohal, 2003; Sivadas and Baker-Prewitt, 2000). The properly maintained service quality in the retailing makes the customers to retain and to be loyalty to the retail service providers (Yavas, Bilgin and Shemwell, 1997).

**Revised Manuscript Received on 30 May 2019.**

\* Correspondence Author

**Dr.M. SivaKoti Reddy** \* Asst.Professor, Department of Management Studies, Vignan's Foundation for Science Technology and Research, Guntur, AP, India.

© The Authors. Published by Blue Eyes Intelligence Engineering and Sciences Publication (BEIESP). This is an [open access](https://creativecommons.org/licenses/by-nc-nd/4.0/) article under the CC-BY-NC-ND license <http://creativecommons.org/licenses/by-nc-nd/4.0/>

## Impact Of Rservqual On Customer Satisfaction: A Comparative Analysis Between Traditional And Multi-Channel Retailing

Research on service quality on the service quality perceptions is scant and ambiguous results (Jain and Gupta, 2004) more over the results were differed from country to country. The studies of Thorpe and Rentz (1996) stated highly encouraging results for the retail service quality and customer satisfaction in the context of department stores, speciality stores and hypermarkets of United States. Furthermore Lalwani and Han (2000) also found the positive results in examining the supermarket customers towards the retail service quality and customer satisfaction among the retail customers of Singapore. On contrary the studies of Angur, Natarajan and Jahera (2005) expressed that, significant association was not found between the retail service quality and the customer satisfaction.

This milieu made the researchers to think of the influencing role of service quality on customer satisfaction. More over all the existing research was confined to test either the service quality applicability or the impact of service quality on customer satisfaction only in the modern retailing/over the counter business. No much studies were found to assess the impact of retailing service quality over

customer satisfaction which may further provoke retention, repatronage and loyalty feelings among the retailing customers. Hence this study considered this as a research gap and to test the impact of retailing service quality on customer satisfaction in the context of multi channel retailing by using five dimensional model proposed by Dabholkar, Thorpe and Rentz (1996).

### III. OBJECTIVES OF THE STUDY:

The present research attempts to answer these questions.

1. To examine the impact of retail service quality on customer satisfaction in modern retailing (Over the counter Business).
2. To examine the impact of retail service quality on customer satisfaction in online retailing.

To address said questions, we constructed hypothesised conceptual model (shown in Fig.1) based on extant literature on retailing service quality and customer satisfaction in multi channel retailing.

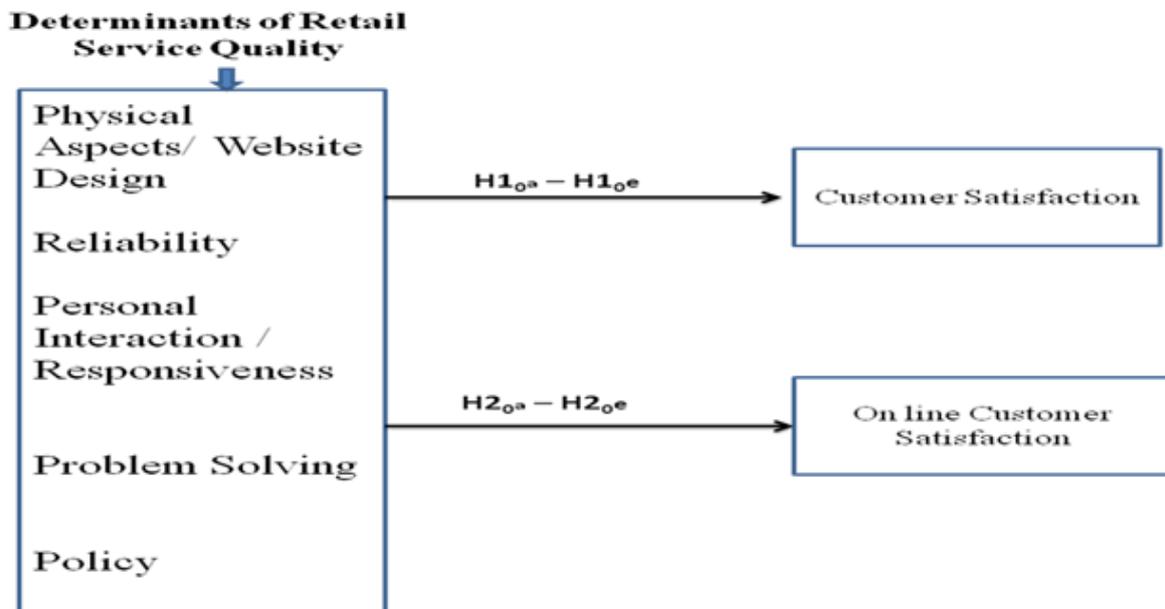


Fig.1 Hypothesized conceptual model

### IV. RESEARCH METHODOLOGY:

The primary data was collected by using the shopper intercept survey technique (Srinivasan and Ratchford, 1991) from 560 adult food and grocery shoppers. Research team approached supermarkets (n=30) and hypermarkets (n=10) in Guntur and Vijayawada cities of Andhra Pradesh. Researchers approached the food and grocery shoppers with a structured and self administered questionnaire and requested to fill the questionnaire. The data collection was done during all times of the day while the customers before leaving the retail outlet. Requested every third customer to participate in the survey to maintain the randomness in the data. To measure the retail service quality we adopted Dabholkar's scale (Dabholkar, Thorpe and Rentz (1996)) consist of 28 items was used to measure the retail service quality of the modern retailing. Enough precautions were

taken to measure the service quality of the online retail service quality we considered the physical aspects variable as website design and personal interaction variable as responsiveness, rest of the variables were taken without any modifications. Measures related to customer satisfaction were developed based on the scales that are used in the previous studies Oliver and Swan (1989); Dowling and Uncles (1997). The items of retail service quality and customer satisfaction were measured on a 5-point Likert scale.

**V. DATA ANALYSIS AND RESULTS:**

*Respondent's Socio-economic, Demographic and Geographic characteristics*

The primary data depicted that, there are 330 males (58.93 percent) and 230 female (41.07 percent) respondents. There are 62 (11.07 percent) respondents in the age of 20-30 years of range, 335 (59.82 percent) members in the range of 30 – 40 years of age range, 113 (20.18 percent) of members in the range of 40-50 years and 50 (8.93 percent) had more than 50 years of age. Among the total respondents, 523 (93.39 percent) are married and merely 37 (6.61 percent) respondents are un married. It is also observed that, 67 (11.96 percent) of the respondents had SSC as their qualification, 348 (24.89 percent) had post-graduation as their qualification.

The major chunk of the respondents i.e 335 (59.82 percent) has Rs 30,000 to 40,000 of monthly income, 62 (11.07 percent) has Rs 20,000 to 30,000 of monthly income,

113 (20.18 percent) members had Rs 40,000 to 50,000 of monthly income and 50 (8.93 percent) had more than Rs 50,000 of monthly income. There are 17 (3.04 percent) of the respondents who had 1-2 members in their family, 73(13.04 percent) of the respondents had 2-3 members in their family, 304 (54.29 percent) had 3-4 members in their family, 128 (22.86 percent) had 4-5 members in their family and 38 (6.79 percent) respondents had more than five members in their family.

The results revealed that, the data has been collected from 221 (39.46 percent) strategical level employees, 142 (24.36 percent) respondents are from tactical level and 197 (34.18 percent) of the respondents are from operational level. Majority of the respondents 371 (66.25 percent) has 0 to 2 years of experience, 75 (13.39 percent) had 2 to 5 years of experience. 85 (14.18 percent) had 5 to 10 years of experience and 29 (4.18 percent) of the employees had more than 10 years of experience. The demographic details are summarized in Table 4.1

**Table 4.1 Respondent's Demographic Profiles**

Demographic Description		Frequency	Percentage
Gender	Male	330	58.93
	Female	230	41.07
Age	20 - 30 Yrs	62	11.07
	30 - 40 Yrs	335	59.82
	40 - 50 Yrs	113	20.18
	above 50 yrs	50	8.93
Marital Status	Married	523	93.39
	Unmarried	37	6.61
Cadre of Job	Strategic Level	221	39.46
	Tactical Level	142	24.36
	Operational Level	197	34.18
Qualification	SSC	67	11.96
	Degree	348	62.14
	Post-graduation	145	24.89
Monthly Salary	Rs 20000 - 30000	62	11.07
	Rs 30000 - 40000	335	59.82
	Rs 40000 - 50000	113	20.18
	above Rs 50000	50	8.93

Source: Primary data

*Customer satisfaction through RSQl in the Traditional Marketing:*

The RSQl impact over customer satisfaction in the deemed universities is analysed and the results are tabulated. The mean score of the RSQl are regressed upon the customer satisfaction. Enter method in the multiple linear regression analysis is adopted to analyze the traditional customers. The following model summary table no 5.1 and table no 5.2 explained that the correlation coefficient i.e 0.858 and the standard error is 0.37019. The RSQl are considered to be significant as it's p value is found to 0.000 and the F value is 19.655.

**Table: 5.1: Model summary of the analysis**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.926 <sup>a</sup>	0.858	0.814	0.37019

1	0.926 <sup>a</sup>	0.858	0.814	0.37019
a. Predictors: (Constant), Physical Aspects, Reliability, Personal Interaction, Problem Solving, Policy				

**Table: 5.2: ANOVA Analysis of the model**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.774	4	2.694	19.655	0.000 <sup>b</sup>
	Residual	1.782	13	0.137		
	Total	12.556	17			
a. Dependent Variable: Customer satisfaction						



# Impact Of Rservqal On Customer Satisfaction: A Comparative Analysis Between Traditional And Multi-Channel Retailing

b. Predictors: (Constant), **Physical Aspects, Reliability, Personal Interaction, Problem Solving, Policy**

The unstandardized Beta coefficients are found to be 1.535, -0.510, 0.022 and 0.127 respectively for physical aspects, reliability, personal interaction and problem solving. The concerned t-values to the RSQL are found to be 5.347, -2.881, 0.093 and 1.034 respectively in the afore said sequence. It is also observed that the physical aspects are significant with p-value 0.000 and reliability is also found to be significant with 0.013 p-value. The personal interaction and problem solving are found to be insignificant in the deemed universities.

**Table: 5.3: Beta Coefficients of the Model**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-0.824	0.855	--	-0.964	0.353
	PhyAsp	1.535	0.287	1.149	5.347	0.000
	Reliability	-0.510	0.177	-0.456	-2.881	0.013
	PerInt	0.022	0.238	0.020	0.093	0.928
	ProbSolv	0.127	0.122	0.117	1.034	0.320

a. Dependent Variable: **Customer satisfaction**

*Customer satisfaction through RSQL in the Modern retailing:*

The RSQL impact over customer satisfaction in the modern retailing is analysed and the results are tabulated. The mean score of the RSQL are regressed upon the customer satisfaction. Enter method in the multiple linear regression analysis is adopted to analyze the business school employees. The following model summary table no 5.4 and table no 5.5 explained that the correlation coefficient i.e 0.891 and the standard error is 0.41915. The RSQL are considered to be significant as it's p value is found to 0.000 and the F value is 124.774.

**Table: 5.4: Model Summary of the Analysis**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.891 <sup>a</sup>	0.793	0.787	0.41915

a. Predictors: (Constant), **Website Design, Reliability, Responsiveness, Policy**

**Table: 5.5: ANOVA analysis of the model**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	87.683	4	21.921	124.774	0.000 <sup>b</sup>
	Residual	22.839	130	0.176		
	Total	110.522	134			

a. Dependent Variable: **Customer satisfaction**  
 b. Predictors: (Constant), **Website Design, Reliability, Responsiveness, Policy**

The unstandardized Beta coefficients are found to be 0.980, -0.047, 0.134 and 0.044 respectively for physical

aspects, reliability, personal interaction and problem solving. The concerned t-values to the RSQL are found to be 9.980, -2.081, 2.195 and 0.819 respectively in the afore said sequence. It is also observed that the physical aspects is significant with p-value 0.000 and personal interaction is also found to be significant with 0.030 p-value. The reliability and problem solving are found to be insignificant in the modern retailing.

**Table: 5.6: Beta Coefficients of the model**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-0.466	0.363	--	-1.282	0.202
	WebDesign	0.980	0.098	0.802	9.980	0.000
	Reliability	-0.047	0.058	-0.045	-0.801	0.425
	Responsive	0.134	0.061	0.146	2.195	0.030
	Policy	0.044	0.054	0.033	0.819	0.414

a. Dependent Variable: **Customer satisfaction**

## VI. IMPLICATIONS OF THE STUDY:

The findings provide valuable insights to food and grocery retailers for reinforcing their retailing service quality more effective, particularly in balancing their over the counter business and online business. Findings related to consumers' perceptions of customer satisfaction underline the level of consumers' attitudes and knowledge about retail service quality. Knowledge obtained from customer satisfaction both offline and online customer satisfaction enables retailers better understand what factors are more vital in evoking the satisfaction among the food and grocery shoppers. So that the retail operators will be able to take the appropriate measures to sustain the good service quality to give the satisfactory experience to their customers. Further it is helpful to retain the existing customers and to make them loyal for the retail stores by providing the superior feeling of customer satisfaction. Undoubtedly the current research adds knowledge to our understanding of customers attitude towards retail service quality and customer satisfaction by providing empirical insights.

## REFERENCES:

- Berry (1986). Retail Businesses are service Businesses". Journal of Retailing. Vol.62(1). Spring, 3-6.
- Carpenter, J., & Moore, M. (2006). Consumer demographics, store attributes, and retail format choice in the US grocery market. International Journal of Retail and Distribution Management, 34(6), 434-452.
- Crisil Research estimates – 2014
- Fibre2fashion website, <http://www.fibre2fashion.com/softttx2012/exhibitors/wirpro/downloads/casestudy.pdf>.
- Fox, E., Montgomery, A., & Lodish. L. (2004). Consumer shopping and spending across retail formats. The Journal of Business, 77(2), S25-S60.
- Ganesh, Jaishankar., Kristy E. Reynolds and Michael E. Lockett., (2007). Retail patronage behavior and shopper typologies: a replication and extension using multi-format, multi method approach, *Journal of the Academy of Marketing Science*, vol. 35, 369 – 381.