

A STUDY ON RETAIL SERVICE QUALITY & ITS IMPACT ON CUSTOMER LOYALTY IN APPAREL

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ABSTRACT

The retail industry has contributed to the economic growth of many countries and is undoubtedly one of the fastest changing and dynamic industries in the world. This is slowly giving way to international formats of retailing. Service quality is a measure of how an organization delivers its services compared to the expectations of its customers. Customers purchase services as a response to specific needs. A company with high service quality offers services that match or exceed its customers' expectations. Service quality has been identified as a tool to improve retailers performance in the market through increasing value for the consumer and as a means to ensure consumer satisfaction, retention, and patronage. The five dimensions are Physical Aspect, Reliability, Personal Interaction, Problem Solving and Policy, found satisfied customers of retail sector have high extent of usage and intentions to repurchase in future. The objective of this study is to identify the factors influence while selecting the retail outlet and to analyse RSQS dimension of the retail outlet. The data was collected from 153 respondents through a well-structured questionnaire. The data collected from the customers are analysed using the statistical tools like percentage analysis, Correlation.

INTRODUCTION

Service quality is a measure of how an organization delivers its services compared to the expectations of its customers. Service quality is considered very important because it leads to higher customer satisfaction, profitability, reduced cost, customer loyalty and retention. Retail Service Quality Scale (RSQS) with five dimensions: Physical Aspect, Reliability, Personal Interaction, Problem Solving and Policy developed by Dabholkar. In the prevailing globalized economic scenario the consumers have ample opportunities to select any shop for buying good quality products. In an acutely competitive atmosphere it is important and challenging for the retailers to attract the customers to sustain and to promote their business. The five dimensions are Physical Aspect, Reliability, Personal Interaction, Problem Solving and Policy, found satisfied customers of retail sector have high extent of usage and intentions to repurchase in future. Those firms expecting to create and sustain advantages over competitors in this market should be seeking to deliver a superior and service quality.

REVIEW OF LITERATURE

Oyeni and Abiodun (2018) studied on Nigerian departmental stores and highlighted that RSQS dimensions had significant relationship with store's customer satisfaction. There are limited studies available regarding the measurement of service quality and its relation with customer satisfaction of multi-brand retail in Indian context. That is why; the present study was conducted to measure retail service quality in terms of customer perception of multi-brand retail stores.

Jasmine Nimako (2012) validated service quality dimensions that are applicable to the mobile telephony industry (MTI) in Ghana. Confirmatory Factor Analysis (CFA) is used to identify the core latent dimensions that significantly identify service quality. The data were collected from 1000 customers from four mobile telecom operators using a self-administered structured questionnaire. The result shows that four emerged dimensions that are relevant to Ghana's MTI service quality were categorized as Tangibles, Customer relations, Image and Real network quality. Cronbach alpha reliability for all items under the dimensions indicated a high value of 0.918. The study suggests that all other service providers in Ghana Mobile Telephony industry could appropriately use the derived instrument items for measuring service quality. It accomplishes that apart from the popular SERVQUAL, alternative service quality model could be useful in determining service quality

relevant to MTI.

Bhat & Singh (2015) gave an overview regarding the service quality and also validated and re-examined the retail service quality scale (RSQS) given in the context of the Indian grocery retail stores. The data were collected from 100 respondents of two national retail grocery stores in Jalandhar district of Punjab using purposive sampling technique. The Indian rural consumer was not able to differentiate between service dimensions that are associated with reliability and store policy. An assessment showed that the items in both dimensions have a common characteristic. The RSQS was validated using reliability test, confirmatory factor analysis and structural equation modelling in the Rural Indian Context.

Chan & Tan (2018) developed a model for testing customer experience by linking service quality dimensions and store attributes. The data were collected from 194 community pharmacies customers in Peninsular Malaysia. The sample were selected using stratified random sampling technique. The result showed that security, reliability and store attributes (store convenience and store atmosphere) have direct impact on the dimensions of service quality across different service-based providers. The result showed that reliability and store attributes of the pharmacies are the key significant predictor of customer emotional experience among customers.

Rajesh Babu (2013) examined the retail service quality in Kanyakumari District. The data was collected from 250 respondents of ten different retail shoppers. The instrument used to assess service quality dimension is the one developed by **Dalholkar et al. (1996)**. This paper examines five important retail service quality dimensions as 'Personal Interaction', 'Reliability', 'Policy', 'Physical Assets' and 'Problem Solving'. The results disclose that Nagercoil and Marthandam are better in providing retail service quality than the retail outlets located in Kanyakumari District. 79 The important demographic variables of retail service quality among the target customers was their age, education and occupation.

OBJECTIVES

- To identify the factors influence while selecting the retail outlet.
 - To analyse RSQS dimension of the retail outlet.
 - To examine the customer loyalty.

RESEARCH METHODOLOGY:

Methodology is defined as "a body of methods, rules and postulates employed by a discipline", "a particular procedure or set of procedures" or "the analysis of the principles or procedures of inquiry in a particular field". In this research, descriptive research design is used to analyze investor preference.

DATA COLLECTION METHOD:

The direct structured type of data collection method was used for data collection purpose.

Primary Data:

The primary data was collected through a questionnaire.

Secondary Data:

The secondary data was collected from the company journals, reports, magazines and materials obtained from the mutual fund product head in regional office.

RESEARCH DESIGN

The design followed in this study is descriptive research design. Descriptive type of research is basically used to determine the frequency with which something occur and categorize information.

SAMPLING DESIGN

The sampling unit selected for the survey was the investors. The technique used to collect the data is the simple random sampling technique.

SAMPLE SIZE

The data was collected from 153 respondents through a well-structured questionnaire.

STATISTICAL TOOLS USED:

In this article the researcher uses simple percentage method and chi-square test.

Table: 1
Respondent's preferred Store

Store	Frequency	Percent
Lifestyle	58	37
Trends	16	11
Pantaloons	43	28
Westside	24	16
Max	12	8

Interpretation:

From the above table, 37% of the respondents preferred Lifestyle and 28% of the respondents preferred Pantaloons.

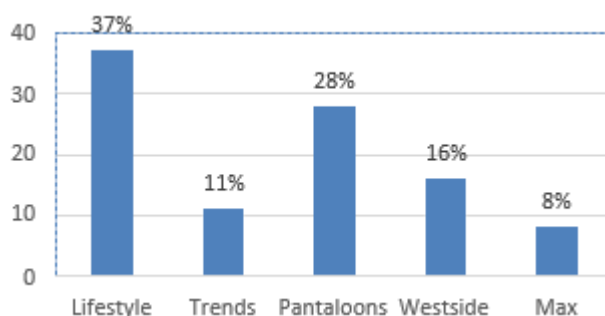


Table: 2 :Demographic Profile of the Respondents

Gender	Frequency	Percent
Male	75	49
Female	78	51
Total	153	100
Income per year	Frequency	Percent
Less than 4 lakhs	18	12
4-6 lakhs	36	23
6-8 lakhs	42	27
8-10 lakhs	34	22
Above 10 lakhs	23	15
Total	153	100
Age	Frequency	Percent
Less than 25 years	42	27
26-35 years	43	28
36-45 years	43	28
46 years and above	25	17
Total	153	100

Interpretation

From the above table it is interpreted that 51% of the respondents are female and 49% of the respondents are male.

respondents are male. 28% of respondents annual income is 6-8 lakhs and 23% of respondents annual income is 4-6 lakhs, 56% of respondents comes under the age group of 26-45 years.

SERVICE QUALITY DIMENSIONS OF THE STORE

Table: 3 Mean score for service quality dimensions of the store

	Store reliability	Discount & promotion	Problem solving	Personal interaction	Physical aspects
Stores	Mean	Mean	Mean	Mean	Mean
Lifestyle	4.0476	2.7684	4.4444	3.8070	4.5596
Trends	3.9196	4.6625	2.5833	2.7656	3.8125
Pantaloons	4.0233	4.7442	3.2481	4.6012	3.8605
Westside	4.0714	3.7750	3.0417	3.7604	4.3333
Max	4.0952	3.8333	2.1111	2.2292	4.0833

Interpretation:

The result indicates that Lifestyle offers good Store reliability (M=4.047), Problem solving (M=4.44), Personal interaction (M=3.8), Physical aspects (M=4.5) and low Discount & promotion (M=2.7). Pantaloons offers high Store reliability (M=4.02), Discount & promotion (M=4.74), Personal interaction (M=4.6). Further Problem solving (M=3.2) and Physical aspects (M=3.8). Westside offers high Store reliability (M=4.07) and Physical aspects (M=4.333). Further Discount & promotion (M=3.77), Personal interaction (M=3.76) and Problem solving (M=3.04). Trends offers high Discount & promotion (M=4.66) further Store reliability (M=3.9) Physical aspects (M=3.81) and low Personal interaction (M=2.76) and Problem solving (M=2.58). Max offers high Store reliability (M=4.09) and Physical aspects (M=4.08) further Discount & promotion (M=3.83) and low Problem solving (M=2.11) and personal interaction (M=2.21).

PERCEPTION ABOUT RETAIL SERVICE QUALITY

Table: 4 Perception about Satisfaction

Satisfaction	Mean
Price	3.97

Quality	4.09
Assortment of Product	3.94
Employee's overall service	4.03

Interpretation

The above table reveals that the highest meanscore is for quality of the apparel, which is consider to be one of the most important factor to satisfy the customers.

Table: 5 Perception about Store reliability

Store reliability	Mean
Quick repair/alteration work	3.80

Availability	4.13
Error free transaction	4.01
Quality of merchandise	4.10
Latest fashion/ trendy apparel	4.12

Interpretation

The above table reveals that the highest meanscore is for Availability of apparels (M=4.13), which indicates that keeping adequate amount of apparels makes the store more reliable.

Table: 6 Perception about Discount & Promotion

Discount & Promotion	Mean
Cash discount on bulk purchase	4.12
Regular discount	3.94
Many price points	3.65
Promotions (advertising/publicity)	3.60
Informs about new deals	4.01

Interpretation

The above table reveals that the highest meanscore is for cash discount on bulk purchase (M=4.12). So, giving discounts on bulk purchase motivates the customer to increase basket size.

Table: 7

Perception about Problem solving

Problem solving	Mean
Trained employees	3.23
Handling returns & exchange	3.94
Handling complaints immediately	3.35

Interpretation

The above table reveals that the highest meanscore is for handling returns and exchange (M=3.94) which indicates that proper handling of returns and exchange will attract customers.

Table: 8

Perception about Personal interaction

Personal interaction	Mean
Individual attention to customers	3.78
Answering customers questions	3.93
Employee willingness and enthusiastic to respond	3.76

Presentation of apparels	3.80
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Interpretation

The above table reveals that the highest meanscore is for employees knowledge to answer customers question while making purchase (M=3.93). So the store should train their employees in product knowledge for better handling of customer queries.

Table: 9 Perception about Physical aspects

Physical aspects	Mean
Modern equipment & fixtures	3.93
Physical facilities are visually appealing	3.85
Service material are visuallyappealing	3.76

Interpretation

The above table reveals that the highest mean score is for modern-looking equipment and fixtures(M=3.92). So the modern equipment & fixtures will attract customers to the store.

Association between service quality and customer satisfaction

Null hypothesis: There is no significant relationship between service quality and customer satisfaction.

Alternative hypothesis: There is a significant relationship between service quality and customer satisfaction.

Table 10 Correlation for Service quality and customer satisfaction

Store reliability	erson correlationSig(2-tailed)	0.712** .000
Discount & promotion	erson correlationSig(2-tailed)	0.548** .000
Problem solving	erson correlationSig(2-tailed)	0.392** .000
Personal interaction	erson correlationSig(2-tailed)	0.490** .000
Physical aspects	erson correlationSig(2-tailed)	0.342** .000

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

Interpretation

The above correlation table shows the correlation between the dimensions of service quality and customer satisfaction. Comparatively high level positive correlation at 1% level of significance among the variable Store reliability with a Pearson value of 0.712, Further next high level positive correlation at 1% level of significance among the variable Discount and promotion with a Pearson value of 0.548, then Personal interaction with a Pearson value of 0.490, then Problem solving with a

Pearson value of 0.490, then Physical aspects with a Pearson value of 0.342. Since, significant value is <0.05 null hypothesis is rejected and accepting the alternative hypothesis. So, there is a significant relationship between service quality and customer satisfaction

Association between customer satisfaction and loyalty

Null hypothesis: Customer satisfaction does not influence loyalty.

Alternative hypothesis: Customer satisfaction influence loyalty.

Table 10 Correlation for Service quality and customer satisfaction

	Satisfaction	Loyalty
Satisfaction	1	
Loyalty	.314** .000	1

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

Interpretation

Since, significant value is <0.05 null hypothesis is rejected and accepting the alternative hypothesis. So, Satisfaction of customers influences loyalty.

FINDINGS

- Gender-wise classification that 49 per cent respondents are male and remaining 51 percent respondents are female.
- The highest percent of respondents preferred Lifestyle (37%) and Pantaloons(28%) further Westside (16%), Trends(11%) and Max (8%).reveals that Pantaloons is preferred moreby females (17%) than males (11%)
- Age wise classification of retail store reveals that Lifestyle and Pantaloons are preferred by all the age group people, Trends, westside and max are mostly preferred by less than 25 years and 26-35 years age group people.
- Lifestyle is mostly preferred by the people of income group 6-8 lakhs, 8-10 lakhs and above 10 lakhs, Trends andmax are mostly preferred by the people ofincome group less than 4 lakhs and 4-6 lakhs, Westside is mostly preferred by thepeople of income group less than 4 lakhs,4-6 lakh and 6-8 lakhs.
- Lifestyle offers good Store reliability, Problem solving, Personal interaction, Physical aspects and low Discount & promotion.
- Pantaloons offers high Store reliability Discount & promotion, Personal interaction. Further Problem solving and Physical aspects.
- Westside offers high Store reliabilityand Physical aspects. Further Discount & promotion, Personal interaction and Problem solving.
- Trends offers high Discount & promotion further Store reliability Physical aspects and low Personal interaction and Problem solving.
- Max offers high Store reliability and Physical aspects further Discount & promotion and low Problem solving and personal interaction.
- The Service quality dimension are highly correlated with customer satisfaction. So Service quality

SUGGESTION

1. This research says that Lifestyleoffers poor Discount & promotion. Soit is less attractive to the income group of less than 4 lakhs. Improving in this area will help the Lifestyle to attract all income group people.
2. Trends and Max provide poor personal interaction and problem solving, therefore focusing on this area will help Trends and Max attract people of all ages and financiallevels.
3. Store employees must recognize and reward high-value consumers since they add more value to retail stores in fewer visits. They may be able to identify high-value customers, as/well as their purchasing patterns and frequency of visits. Depending on the various styles of high-value clients, customized offers may be made available to them. This may prevent loyal and valuable customers

from 'switching' stores.

3. Another prevalent issue encountered by customers is the existing gap between the customer's genuine needs and the retail store's given solution. Because today's customers are willing to float their requirements and seek solutions from remote cities, it may be quite costly for retailers to halt this customer conduct. As a result, retail establishments must carefully study all age, income, and gender groups of shoppers in order to offer the specific demands and wants of the customers.

CONCLUSION

As service quality can be the foundation to all retail business success, retailers have to make frequent checking from time to time to observe and identify the areas of service quality factors that may be responsible for satisfying and retaining customer. Measuring service quality, providing quality services, and satisfying the customer in retail business is a massive task as they offer the combination of services and products. The study attempts to examine the retail service quality dimensions and its impact on customer loyalty in apparel retail stores.

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