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INDEX

Research Paper   **Marketing**

Applicability of Retail Service Quality Scale (RSQS) in India

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ABSTRACT

The purpose of this study is to find out the applicability of Retail Service Quality scale (RSQS) in the departmental stores of TamilNadu.

In the study a sample of 250 shoppers from one established department store were surveyed to find out the applicability of Retail Service Quality. Exploratory Factor Analysis was used to explore the retail service quality factor structure. The data is analyses using SPSS 16.0 and the results were compared between two branches. The factor analysis reveals the determinants of service quality in the departmental store setup.

Keywords : Retail Service Quality, Exploratory Factor Analysis, Reliability

A satisfying exchange relationship between the consumer and the provider must, from the consumer perspective, provide customer satisfaction. Boulding, Kalra, Staelin and Zeithaml (1993), and Parasuraman, Zeithaml, and Berry (1985) described customer satisfaction as the difference between observed and expected quality. The difference is described as the "disconfirmation" or "quality gap." A positive gap suggests the product exceeds expectations while a negative gap suggests the product quality does not meet expectations.

Service quality increase customer retention and leads to repeat customer purchase behaviour (Cronin and Taylor, 1992) which ultimately increases the market share of the retailer. Research indicates that customers' satisfied with service quality are most likely to remain loyal (Wong and Sohal, 2003). Because of change in business environment, Indian customers are expecting more quality service (Angur, Nataraajan and jahera, 1999) and retailers can no longer afford to dissatisfy the customers in service issues (Firoz and Maghrabi, 1994). Service quality is considered as a tool to increase the brand image of the store and act as a positioning tool (Mehta, Lalwani and Han, 2000).

According to Gagliano and Hathcote (1994), retail services are classified into "Store Services", the extent to which variety, quality and dependability of service can be obtained, and "Sales Service", the extent to which prompt and individual service attention can be achieved. So it is imperative that retailers should concentrate on both store and sales service to get an overall service quality objective.

Service Quality Models
In the literature review of service quality the SERVQUAL model was mentioned as the fundamental method and instrument to measure service quality. The SERVQUAL model is used as a diagnostic tool for the measurement of customer service and identifies the customer satisfaction towards the service offers. Parasuraman et.al (1985) developed the conceptual framework for the SERVQUAL model and the model was refined in 1985, 1991, 1993 and 1994 (Parasuraman et.al., 1988, 1991, 1993, 1994).

SERVPERF Model
Cronin and Taylor (1992) developed a "performance-based" service quality measurement scale called SERVPERF. The major difference between SERVQUAL and SERVPERF is that SERVQUAL operationalizes service quality by comparing the perceptions of the service received with expectations, while SERVPERF maintains only the perceptions of service quality. The SERVPERF scale consists of 22 perception items excluding any consideration of expectations.

Retail Service Quality Model
Service quality in retailing is different from other service environments (Finn and Lamb, 1991; Gagliano and Hathcote, 1994). Since the retail service is unique in nature, measuring retail service quality will have to be different from the conventional service quality measurement. To overcome the above mentioned constraint in service quality model, Dabholkar, Thorpe and Rentz (1996) developed the retail service quality scale (RSQS) for measuring service quality in the retail setup (Table 1).

Table 1
Retail Service Quality Scale (RSQS)
"Table 1 about here"

S. No	Dimensions	Definitions
1	Physical aspects	Retail store appearance and store layout
2	Reliability	Retailers keep their promises and do the right things
3	Personal interaction	Retail store personnel are courteous, helpful, and inspire confidence in customers
4	Problem solving	Retail store personnel are capable to handle returns and exchanges, customers' problems and complaints
5	Policy	Retail store's policy on merchandise quality, parking, operation hours, and credit cards

Source: Dabholkar, Thorpe and Rentz. A Measure of Service Quality for Retail Stores: Scale Development and Validation, Journal of the Academy of Marketing Science, Winter 1996

Figure 1
"Figure 1 about here"

Research Objectives
The primary objective of this research paper is to find out the applicability of Retail Service Quality Scale (RSQS) developed by Dabholkar, et al. in the TamilNadu departmental store environment. In order to determine the factors an Explorative Factor Analysis was carried out along with validity analysis.

Sampling Method, procedure and sample size
The population was defined as in the similar studies – comprising retail shoppers (Dabholkar, Thrope and Rentz, 1996; Boshoff and Terblanche, 1997; Mehta et al, 2000; Kim and Jin, 2002). The sample was collected from a Well-known departmental store at Erode town of TamilNadu. Erode was selected because of the presence of organized retail stores and is considered as a right place for understanding the customers' opinion on Retail Service Quality.

A quota sampling procedure was used with a sample size of 250 respondents and the quota was fixed based on income, gender and age, since these demographic characteristics are known to impact the perceptions of service quality (Gagliano and Hathcote, 1994). The sample was divided equally among income, gender and age groups.

Reliability Analysis
Assessing the reliability and validity of scale is important for the analysis and without a reliable valid scale the analysis will lead to incorrect and misleading inferences. Reliability is concerned with the extent to which any measuring procedure yields the same results on repeated trials. Internal consistency method for reliability estimation was used. Cronbach alpha coefficient computes internal consistency reliability among a group of items combined to form a single scale. Nunnally (1978) suggested that constructs can be accepted with Cronbach's alpha coefficient of more than 0.60, otherwise 0.70 should be the threshold. Cronbach's alpha of 0.80 or more is considered significant and highly reliable.

Cronbach's alpha coefficient for overall and individual branches is as presented in Table 2.

Table 2
Reliability Statistics
"Table 2 about here"

Sl. No.	Dimensions	Cronbach Alpha Coefficient	RSQS Sub-Dimensions	Cronbach Alpha Coefficient
1	Physical Aspects (6 items)	0.652	Appearance (4 items) Convenience (2 items)	0.564 0.518
2	Reliability (5 items)	0.660	Promises (2 items) Doing –it-Right (3 items)	0.445 0.539
3	Personal Interaction (8 items) (1 deleted)	0.837	Inspiring Confidence (3 items) Courteous/Helpfulness (5 items)	0.646 0.770
4	Problem Solving (3 items)	0.858	-	-
5	Policy (4 items) (1 deleted)	0.306	-	-
6	RSQS (26 items)	0.892	-	-

The results of the test indicated that the data collected from the respondents were very much reliable instrument, returning an overall Cronbach's alpha of 0.892.

Kaiser-Meyer-Olkin (KMO) and Bartlett's scores
Before carrying out the factor analysis, the data should have to be checked for its appropriateness of use (Kline, 1998). To check the appropriateness of use the Kaiser-Meyer-Olkin (KMO) and Bartlett's scores were measured (Table 3).

Table 3
Kaiser-Meyer-Olkin (KMO) and Bartlett's scores
"Table 3 about here"

	Bartlett Test of Sphericity		
	KMO	X2/ Df	Significance
Overall Scale	0.857	2.596E3	0.000
Physical Aspects	0.699	198	0.000
Reliability	0.757	160.241	0.000
Personal Interaction	0.845	709.792	0.000
Problem Solving	0.733	338.426	0.000
Policy	0.583	39.256	0.000

Results and Discussion
The collected data was analyzed using SPSS 16.0 version. Exploratory Factor Analysis (EFA) was performed to identify the factors influencing the retail service quality.

Table 4
Factor Analysis
"Table 4 about here"

| S.No | Factor Name | Factor Description | Rotated Component Matrix Component | | | | | |
			1	2	3	4	5	6
1	Keeping Promises	Returns and Exchanges	0.856					
		Store Promises	0.817					
		Handle Customer Complaints	0.786					
		Solving Interest	0.765					
2	Personal Interaction	Employees Never Too Busy		0.835				
		Safe Transactions		0.778				
		Materials Associated		0.629				
		Individual Attention		0.592				
3	Service Ability	Exact time of Service			0.707			
		Employees Courteous			0.654			
		Promt Service			0.579			
		Promised Service			0.556			
4	Physical Evidence and ServiceScape	Physical Facilities				0.782		
		Store public Areas				0.620		
		Modern Outlook				0.601		
		Store Move Around				0.494		
5	Creating trust	Store Performance					0.658	
		Error Free Transaction					0.628	
6	Convenience	Convinient Parking						0.716
		Operating Hours Convenient						0.543

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 10 iterations.

The Exploratory factor analysis indicates that the retail store's service quality depends more on human factors. Out of 6 factors influencing the Retail Service quality, 3 factors are based on employees' service ability and it shows that the service parameters are dominant in retail service quality setup also.

Since the retail environment consists of both goods and services, the retail store has to give equal importance to both products and providing better service in the store. The analysis shows that the service quality in a retail environment is a combination of both pure service and providing better products and is based on Stores' interior and layout. The Retail Service Quality Scale (RSQS) used extensively in Western countries for understanding the customer opinion on retail store's service quality found to be useful in Indian retail store environment also.

Conclusion
RSQS helps the retailers to detect most needed areas within the store and focus its resources on improving the service quality. Retailers applying multi-dimensional service quality scale developed and used internationally to Indian retail settings need to understand the model factor structure and scale adaptation. Since the organized retail stores are growing in India, the focus should also on finding the customer preferences towards store, products, employee involvement, stores' perceived image in the minds of the customer.

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