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# Service Quality Dimensions of Corporate Retail Outlets on Customers With Special Reference to Coimbatore City – Factor Analysis

KEYWORDS: Service Quality Dimensions, Corporate Retail Outlets, Factor Analysis

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**ABSTRACT** *This study tries to find out the most influencing variables in the service quality dimensions of corporate retail outlets on customers in Coimbatore city. Questions pertaining to all the dimensions of service quality identified by Parasuraman, Zeithaml & Bitner are asked to the respondents. Total 750 respondents have been taken by applying convenience sampling method. Result of factor analysis shown that nine variables namely; play area for children, service materials, decoration of the outlet, care taking of customer's things/properties without any charges, more payment counters, display of the product, Attractive, clean & convenient physical facilities, comfortable layout and uninterrupted power supply have been lead to the service quality dimensions of corporate retail outlet customers.*

## INTRODUCTION

The Indian retail industry has presently emerged as one of the most dynamic and fast paced industries as several corporate players have started to enter the market. It accounts for over 14 to 15 per cent of the country's gross domestic product (GDP) and around 8 per cent of the employment in India. India ranks 5th on global retail development index, and are considered the second fastest growing economy in the world and ranks amongst the top 10 FDI destinations in the world. Of the total Indian retail market, 8 per cent is made up by the organized retail segment.

Service quality in retailing is different from any other product or service environment. In corporate retail stores there are a mix of product and service. Corporate retailers are likely to have an impact on service quality more than on product quality. As corporate retailers create such effects, service quality plays a strategic role in creating quality perceptions. Maintaining service quality within the outlet is not a simple task. It requires continuous measurement to monitor and identify areas that are responsible for service quality.

Retail service quality is also associated with future consumption behaviour in terms of the customer's intention to visit, purchase and recommendations of the store to family and friends. Hence, it is important for the corporate retail managers to pay attention on evaluation of service quality dimensions and to add value to the both customers and organizations.

For this reason, Parasuraman et al. (1988) devised the scale for measuring service quality on the basis of five-dimensions as follows.

**TABLE 1: FIVE BROAD DIMENSIONS OF SERVICE QUALITY**

| Dimension | Definition |
|---|---|
| Tangibles | Appearance of physical facilities, equipment, personnel and written materials |
| Reliability | Ability to perform the promised service dependably and accurately |
| Responsiveness | Willingness to help customers and provide prompt service |
| Assurance | Employees' knowledge and courtesy and their ability to inspire trust and confidence |
| Empathy | Caring, easy access, good / communication, customer understanding and individualized attention given to customers |

Source: Adapted from Zeithaml et al. (1990)

With this background, the researcher is proposed study on service quality dimensions of corporate retail outlets on customers with special reference to Coimbatore city.

### Review of Literature

**C.N. Krishna Naik et.al(2010)** studied **"**Service Quality (Servqual) and its Effect on Customer Satisfaction in Retailing". This research uses SERVQUAL to analyze the gap between perceptions and expectations of the customer, concerning with the service at retail units in the South Indian state of Andhra Pradesh. Five dimensions in service quality (servqual), tangibility, reliability, responsiveness, empathy, and assurance (Parasuraman, Zeithaml, &Berry, 1985) have been considered for this empirical research. General purpose of this research to know some factors that impact customer satisfaction. The result of research showed that services offered by retail units have positive impact and are significant in building customer satisfaction.

**Omotayo and Abolaji (2012)** made a study on "Measuring Retail Service Quality in Nigerian Departmental Stores". The study found that, RSQS to be a useful tool for evaluating retail service quality in retail sector of departmental stores. Physical dimension, reliability, personal interaction and problem solving were also found to significantly affect customers' satisfaction, while policy was found not to have similar effect within the Nigerian environment.

**Aluregowda(2013)** attempted a study entitled "Retail Service Quality and its Effect on Customer Perception: A Study Of Select Supermarket In Mangalore". The paper focuses on retail service quality that contributes to customer perception. Retail service quality was measured by using

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five dimensions like reliability, personal interaction, physical aspects, problem solving and policy. The result revealed that all the five dimensions were positively significant to customer perception.

**OBJECTIVES**

- To study the various dimensions of service quality rendered by the corporate retail outlets
- To find out the most influencing variables in the service quality dimensions of corporate retail outlets

**RESEARCH METHODOLOGY**

The following methodology have been used for the study in hand

Sample size: 750

Sampling technique: Convenience sampling method

Sources of Data: Data collection is based on primary and secondary data

Tool for collection of data: Interview schedule (Questionnaire)

Tools for analysis: Factor analysis

**ANALYSIS AND INTERPRETATION**

**DIMENSIONALITY OF THE MULTI-SCALE ITEMS (FACTOR ANALYSIS)**

Factor Analysis is a set of technique which by analyzing correlations between variables reduces their numbers into fewer factors which explain much of the original data, more economically. Even though a subjective interpretation can result from a factor analysis output, the procedure often provides an insight into relevant psychographic variables, and results in economic use of data collection efforts. The subjective element of factor analysis is reduced by splitting the sample randomly into two and extracting factors separately from both parts. If similar factors result, the analysis is assumed as reliable or stable[1].

**TABLE -2 KMO AND BARTLETT'S TEST**

| | |
|---|---|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy | 0.693 |
| Bartlett's Test of Sphericity: Approx. Chi-Square | 34284.204 |
| Sig | 0.000** |
| S/NS | S |

**P<0.01 S-Significant

From the above table, the Kaiser-Meyer-Olkin Measure of sampling adequacy shows the value of test statistics is 0.693, which means the factor analysis for the selected variable is found to be appropriate or good to the data. Bartlett's test of sphericity is used to test whether the data are statistically significant or not with the value of test statistics and the associated significance level. It shows that there exists a high relationship among variables.

**TABLE 3 - ROTATED COMPONENT MATRIX**

| Variable Code | Component | | | | | | | | COMMUNALITIES |
|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | ( $C^2$) |
| TAN7 | .877 | .048 | .179 | .125 | .039 | .097 | .121 | .077 | 0.851 |
| TAN4 | .870 | .168 | .139 | .142 | .126 | .133 | .032 | .033 | 0.860 |
| TAN3 | .852 | .154 | .136 | .145 | .174 | .153 | .053 | .075 | 0.851 |
| REL8 | .852 | .192 | .139 | .152 | .214 | .086 | .196 | -.032 | 0.898 |
| REL9 | .834 | .100 | .114 | .148 | -.048 | .208 | .169 | .031 | 0.816 |
| TAN6 | .813 | .045 | .049 | .113 | .167 | .044 | -.021 | .486 | 0.945 |
| TAN1 | .786 | .194 | .132 | .236 | .084 | .276 | .138 | .020 | 0.831 |
| TAN2 | .779 | .383 | .196 | .245 | .108 | .253 | .043 | .054 | 0.932 |
| TAN8 | .653 | .291 | .427 | .173 | .046 | .232 | .010 | .048 | 0.782 |
| REL4 | .084 | .828 | .079 | .235 | .037 | .106 | -.176 | -.038 | 0.799 |
| REL1 | .521 | .654 | .107 | .024 | .005 | .289 | .172 | .145 | 0.845 |
| REL3 | .346 | .628 | .063 | .062 | .062 | .286 | .330 | .183 | 0.750 |
| RES1 | .564 | .621 | .095 | .215 | .150 | .403 | .018 | .009 | 0.944 |
| REL2 | .373 | .505 | -.003 | .214 | -.041 | .475 | .120 | .105 | 0.693 |
| ASS3 | .064 | .016 | .806 | .039 | -.018 | .028 | .219 | .132 | 0.722 |
| ASS2 | .511 | -.028 | .768 | .035 | .080 | -.004 | -.008 | .065 | 0.864 |
| ASS1 | .252 | .017 | .758 | .271 | .208 | .136 | -.090 | .021 | 0.782 |
| EMP7 | .108 | .305 | .681 | -.096 | -.062 | .029 | .143 | .148 | 0.625 |
| RES4 | .151 | .036 | -.050 | .856 | -.068 | .297 | .109 | .041 | 0.866 |
| RES3 | .414 | .131 | .063 | .837 | -.004 | .116 | .125 | .034 | 0.923 |
| RES2 | .286 | .370 | .245 | .734 | -.063 | -.071 | -.056 | .003 | 0.830 |

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| Variable Code | Component | | | | | | | | COMMU-NALITIES |
|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | ( $C^2$) |
| RES5 | .477 | .290 | .066 | .538 | .000 | .460 | .014 | -.025 | 0.818 |
| EMP2 | .055 | .081 | -.048 | .087 | .813 | -.029 | .339 | -.219 | 0.844 |
| EMP3 | .341 | -.029 | .046 | -.096 | .794 | -.081 | .110 | .149 | 0.800 |
| EMP4 | -.022 | -.109 | .171 | -.057 | .712 | .372 | -.180 | .215 | 0.769 |
| EMP5 | .177 | .220 | .125 | -.118 | .665 | .008 | .017 | .444 | 0.749 |
| REL5 | .226 | .134 | .007 | .150 | -.029 | .768 | .045 | .080 | 0.691 |
| REL6 | .398 | .418 | .143 | .158 | .186 | .644 | .001 | -.028 | 0.829 |
| REL7 | .415 | .425 | .117 | .144 | .193 | .639 | .037 | -.040 | 0.836 |
| EMP6 | .186 | -.121 | .387 | .220 | -.029 | .105 | .695 | .190 | 0.778 |
| ASS5 | .215 | .020 | .463 | -.041 | .183 | -.108 | .639 | -.009 | 0.716 |
| EMP1 | .132 | .183 | -.123 | .065 | .432 | .123 | .591 | -.112 | 0.634 |
| ASS4 | -.012 | -.012 | .434 | -.025 | .098 | .083 | .186 | .780 | 0.849 |
| TAN5 | .505 | .180 | .031 | .175 | .178 | .022 | -.191 | .677 | 0.846 |
| Total | 14.292 | 3.414 | 2.536 | 1.98 | 1.766 | 1.448 | 1.1 | 1.03 | |
| % of Variance | 42.036 | 10.04 | 7.46 | 5.824 | 5.195 | 4.259 | 3.236 | 3.03 | |
| Cumulative % | 42.036 | 52.076 | 59.536 | 65.36 | 70.555 | 74.814 | 78.05 | 81.08 | |
| Total | 14.292 | 3.414 | 2.536 | 1.98 | 1.766 | 1.448 | 1.1 | 1.03 | |

**Extraction Method: Principal Component Analysis.**
**Rotation Method: Varimax with Kaiser Normalization.**
**Rotation converged in 8 iterations.**

The above table represents the Rotated Component Matrix, which is an important output of principal component analysis. The coefficients are the factor loadings which represents the correlation between the factors and the thirty four variables (TAN1 to EMP7). All the thirty four variables extracted under eight factors and also together represent 81.08 percent of the total variance in the scale items measuring the service quality dimensions of corporate retail outlets**.** From the above factor matrix it is found that coefficients for factor-I have high absolute correlations with variable TAN7(play area for children),TAN4(service materials), TAN3 (decoration of the outlet), REL8 (care taking of customer's things/properties without any charges), REL9(more payment counters),TAN6 (display of the product), TAN1(attractive, clean & convenient physical facilities), TAN2 (comfortable layout) and TAN8 (uninterrupted power supply) that is, 0.877, 0.870, 0.852, 0.852, 0.834, 0.813, 0.786, 0.779 and 0.653 respectively. Similarly factor-II has high absolute correlation with variable REL4 (selling price less than the MRP), REL1 (Error - free sale transactions and records), REL3 (suggestions are insisted from the customers), RES1 (employees have the knowledge to answer customer's questions) and REL2 (extend its services) that is, 0.828, 0.654, 0.628, 0.621 and 0.505 respectively. Next, factor III has high absolute correlation with variable ASS3 (fast billing and checking), ASS2 (customer has a problem the outlet shows sincere interest is solving the same), ASS1 (return and exchange of commodities) and EMP7 (operating hours) that is, 0.806, 0.786, 0.758 and 0.681 respectively. Factor-IV has high absolute correlation with variable RES4 (employees of the outlet are ready to help the customers to do good shopping) RES3 (customers are paid individual attention), RES2 (behaviour of the employees) and RES5 (customer friendly employees) that is, 0.856, 0.837, 0.734 and 0.538 respectively. Factor-V has high absolute correlation with variable EMP2 (space for vehicle Parking), EMP3 (major credit cards are accepted), EMP4 (satisfaction of quality of the service offered) and EMP5 (promotion catalogue offered) that is, 0.813, 0.794, 0.712 and 0.665 respectively. Factor-VI has high absolute correlation with variable REL5 (updating prices are done at the appropriate time), REL6 (No hidden prices and unsuitable bills are given for the products) and REL7 (door delivery facility) that is, 0.768, 0.644 AND 0.639 respectively. Factor-VII has high absolute correlation with variable EMP6 (Free and complementary goods are supplied), ASS5 (service provided by this outlet meets my requirements), and EMP1 (offers high quality merchandise) respectively. Factor-VIII has high absolute correlation with variable ASS4 (Efficient cashiers in the payment counter) and TAN5 (atmosphere of the outlet) that is, 0.780 and 0.677 respectively. In such a complex matrix it is difficult to interpret the factor. So they have proceeded to compute the rotated factor matrix.

TABLE 4 - COMPONENT TRANSFORMATION MATRIX

| Component | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|---|
| 1 | .733 | .362 | .272 | .291 | .176 | .320 | .139 | .139 |
| 2 | .027 | -.327 | .534 | -.384 | .465 | -.295 | .247 | .309 |
| 3 | .011 | .166 | -.598 | -.276 | .712 | .174 | -.029 | -.019 |
| 4 | -.634 | .493 | .371 | .023 | .125 | .402 | .201 | .001 |
| 5 | -.041 | -.241 | -.086 | .413 | .184 | -.108 | .676 | -.510 |

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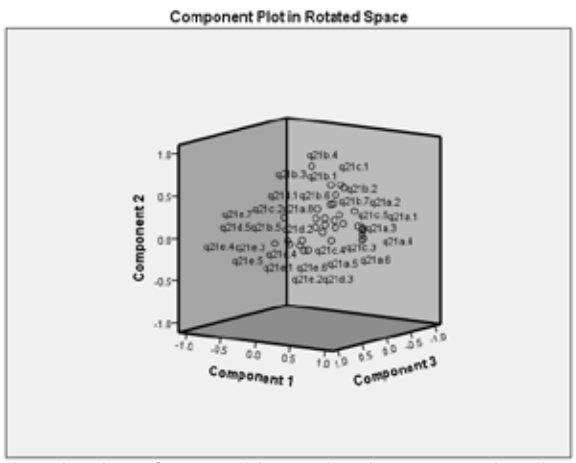
TABLE 4 - COMPONENT TRANSFORMATION MATRIX

| Component | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|---|---|---|---|---|---|---|---|
| 6 | -.232 | -.298 | -.016 | .697 | .318 | .035 | -.320 | .409 |
| 7 | -.048 | -.008 | -.367 | -.030 | -.297 | .083 | .565 | .669 |
| 8 | -.044 | .587 | -.061 | .187 | .077 | -.774 | .013 | .097 |

The above table reveals the factor correlation matrix. If the factors are uncorrelated among themselves, then in the factor correlation matrix, the diagonal elements will be 1's and off diagonal elements will be zero's. Since matrix was rotated with Varimax, barring some variables all other variables are found to have, even if not zero correlations but fairly low correlation.

**CHART -1**




Thus the thirty four variables in the data were reduced to eight Component factor and each factor may identified with the corresponding variables as follows:

**TABLE – 5 STATEMENTS SHOWING THE FACTORS IDENTIFIED IN THE SERVICE QUALITY DIMENSIONS OF CORPORATE RETAIL OUTLETS**

| | | | |
|---|---|---|---|
| TAN7 | Play area for children | 76.91 | Factor I |
| TAN4 | Service materials | 75.69 | |
| TAN3 | Decoration of the outlet | 72.59 | |
| REL8 | Take care of Customer's things/ properties without any charges | 72.59 | |
| REL9 | More payment counters | 69.56 | |
| TAN6 | Display of the product | 66.10 | |
| TAN1 | Attractive, clean & convenient physical facilities | 61.78 | |
| TAN2 | Comfortable layout | 60.68 | |
| TAN8 | Un interrupted power supply | 42.64 | |
| REL4 | Selling price less than the MRP | 68.56 | Factor II |
| REL1 | Error - free sale transactions and records | 42.77 | |
| REL3 | Suggestions are insisted from the customers | 39.44 | |
| RES1 | Employees have the knowledge to answer customer's questions | 38.56 | |
| REL2 | Extend its services | 25.50 | |
| ASS3 | Fast billing and checking | 64.96 | Factor III |
| ASS2 | Customer has a problem the outlet shows sincere interest is solving the same | 58.98 | |
| ASS1 | Return and exchange of commodities | 57.46 | |
| EMP7 | operating hours | 46.38 | |
| RES4 | Employees of the outlet are ready to help the customers to do good shopping | 73.27 | Factor IV |
| RES3 | Customers are paid individual attention | 70.06 | |
| RES2 | Behaviour of the employees | 53.88 | |
| RES5 | Customer friendly employees | 28.94 | |
| EMP2 | Space for vehicle Parking | 66.10 | Factor V |
| EMP3 | Major credit cards are accepted | 63.04 | |
| EMP4 | Satisfaction of quality of the service offered | 50.69 | |
| EMP5 | Promotion catalogue offered | 44.22 | |
| REL5 | Updating prices are done at the appropriate time | 58.98 | Factor VI |
| REL6 | No hidden prices and unsuitable bills are given for the products | 41.47 | |
| REL7 | Door delivery facility | 40.83 | |
| EMP6 | Free and complementary goods are supplied | 48.30 | Factor VI |
| ASS5 | Service provided by this outlet meets my requirements | 40.83 | |
| EMP1 | Offers high quality merchandise | 34.93 | |
| ASS4 | Efficient cashiers in the payment counter | 60.84 | Factor VIII |
| TAN5 | Atmosphere of the outlet | 45.83 | |

**CONCLUSION**

The main aim of the study was to assess the service quality dimensions of corporate retail outlets. The findings of the study state that service quality is an important element of corporate retail outlets. Factor analysis technique is helpful to identify the most influencing variables of service quality dimensions of corporate retail outlet on customers. The research concludes that out of thirty four service quality variables, the following variables are most influenced by the customers like Play area for children, Service materials, Decoration of the outlet, Take care of Customer's things/ properties without any charges, More payment counters, Display of the product, Attractive, clean & convenient physical facilities, Comfortable layout and Un interrupted power supply have been lead to the service quality dimensions of corporate retail outlet customers.

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