Research Paper Management

Retail Service Quality of Grocery Stores using SERVQUAL Model and Find the Willingness to Wait When the Shop is Closed

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ABSTRACT

This study is about the retail service quality of grocery stores in five major cities in Tamilnadu, India. It covers four retail formats. The study aims at finding the influence of SERVQUAL score on the willingness to wait when the grocery store is yet to be opened. The important diemension among the four diemensions is identified and few suggestions in the conclusion.

KEYWORDS Service Quality, Grocery, Retail Store, Format of Retail store

1. Introduction:

Measuring service quality is difficult because of its unique characteristics: Intangibility, heterogeneity, inseparability and perishability (Bateson, 1995). Service quality is linked to the concepts of perceptions and expectations (Parasuraman *et al.*, 1985, 1988. Customers' perceptions of service quality result from a comparison of their before-service expectations with their actual-service experience. The service will be considered excellent, if perceptions exceed expectations; it will be regarded as good or adequate, if it only equals the expectations; the service will be classed as bad, poor or deficient, if it does not meet them

Based on this perspective, Parasuraman et al. developed a scale for measuring service quality, which is mostly popular known as SERVQUAL. This scale operationalizes service quality by calculating the difference between expectations and Experiences of the respondents in five major places in tamilnadu, evaluating both in relation to the 22 items that represent five service quality dimensions known as 'tangibles', 'reliability', 'responsiveness', 'assurance' and 'empathy'.

The SERVQUAL scale has been tested and/or adapted in a great number of studies conducted in various service settings, cultural contexts and geographic locations like the quality of service offered and it is suggested that they require customization to the specific service sector in which they are applied and the researcher has customized for Grocery retailing. The five dimensions are elaborated in Table 1.

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 cutomers

Source: Adapted from Zeithaml et al. (1990)

In SERVQUAL, both - store service performance and consumer expectations of the store service, are explicitly measured to assess the 'gap'. Several researchers find the performance perceptions to be sufficient in assessing service quality as compared to the gap (Carman, 1990).

2.Literature Review

Good customer satisfaction has an effect on the profitability of nearly every business. For example, when customers perceive good service, each will typically tell nine to ten people. It is estimated that nearly one half of American business is built upon this informal, "word-of-mouth" communication (Gitomer, 1998). Improvement in customer retention by even a few percentage points can increase profits by 25 percent or more (Griffin, 1995). The University of Michigan found that for every percentage increase in customer satisfaction, there is an average increase of 2.37% of return on investment (Keiningham & Vavra, 2001). Most people prize the businesses that treat them the way they like to be treated; they'll even pay more for this service.

The message is obvious – the customer's willingness to wait will improve business and customer not willing to wait may not be loyal to the store. Customer satisfaction is an asset that should be monitored and managed just like any physical asset. This is true for both service-oriented and product-oriented organizations (Sureshchander, Rajendran, & Kamalanabhan, 2001).

3.Statement of the Problem

Research has always been concentrated in measuring SERVQUAL for customer services. The current study aims at measuring the influences of SERVQUAL in Retailing. Every marketing effort is directed to be customer focussed and hence it is imperative that retailing strategy or SERVQUAL initiatives result in willingness to wait when the shop is yet to be opened.

4.Scope of the Study

SERVQUAL has two components to it: Customer Expectations Customer Experience.

Customer Expectations are those that the customer expects as "should be" and "can be" type of services. Service offered varies with providers and the amount of variation that customers can tolerate is known as Tolerance.

The gap between what is thought to be adequate service and desired service is known as service gap. The more the SERVQUAL, the higher is the desired service. Therefore, the study coners the customer expectations and Customer Experi-

ences while shopping Grocery retail store of five selected cities in Tamilnadu.

The study is also confined to the following retail store formats.

Format of stores covered: Kirana Stores, Discount stores, Supermarket, Hyper Market

5.Data Sources
Primary Sources
A structured questionnaire was constructed taking into account SERVQUAL dimensions such as Tangibles, Reliability, Responsiveness, Assurance, Empathy, Willingness to wait when the shop is yet to be opened, Repurchase Intention. Sampling Method employed is Convenience sampling. The queationnaire is collected from the people who have shopping experience.

6.Research Objectives
The objective of this study is to assess the influence of service quality on customer's Willingness to wait when the shop is yet to be opened. In accordance with this objective, the empirical survey encompasses the following objectives:

- Describe service quality dimensions contribution to SERVQUAL
- Assessing servqual dimensions that contribute to Willingness to wait when the shop is yet to be opened, and
- Assessing the dominant service quality dimensions that influence customer to wait when the retail store is yet to be opened.

Hypothesis
The statistical hypothesis is:

Ho: $r_s \leq 0$, "Service Quality of Grocery Retail Units has an impact on Willingness to wait when shop is closed.

Ha: $r_s > 0$, "Service Quality Grocery Retail Units have a positive impact on Willingness to wait when shop is closed.

7.Methodology
Research methodologies used in this study are descriptive method. Descriptive method is a method that describes the study systematically, methodologically, rationally and ethically utilizing opinion, behaviour and its relevance to the phenomenon being studied (Ayyamperumal, 2015).

Analysis methods used:
- Pearson Product Moment Correlation Analysis: To calculate the coefficient that shows the degree of proximity between variable service quality (x) and variable Willingness to wait when shop is closed (y). Correlation coefficient calculation (Davis: 2005):
- Determination Coefficient Analysis: To calculate the influence variable service quality (x) to variable Willingness to wait when shop is closed (y).

8.Results
Questionnaires filled by 542 respondent and the findings are tabulated hereunder.

Table 2: Customer Expectation to the Quality Retail Services

No.	Constructs	Average
1	Tangibility	5.81
2	Reliability	5.35
3	Responsiveness	5.58
4	Assurance	4.18
5	Empathy	5.19
		5.22

From the table above, on average, customer expectations are at 5.22 level (from the range 1 (Strongly Disgree) to 7 (Strongle Agree). It close to strongly Agree.

Table 3: Customers Experienced Service Quality in the Retail Unit:

No.	Constructs	Average
1	Tangibility	4.15
2	Reliability	4.14
3	Responsiveness	4.04
4	Assurance	4.04
5	Empathy	4.30
		4.15

From the table above, on average, customers perceived service quality ratings are at 4.15 levels (from the range 1 (Strongly Disgree) to 7 (Strongle Agree).

Table 4: Correlations

	X	Y
Pearson Correlation X	1.000	0.767
Y	0.767	1.000
Sig. (1-tailed) X		0.21
Y	0.21	
N X	78	78
Y		
	78	78

The Influence of Service Quality in Retail Units:

The relation between service quality and Willingness to wait when shop is closed / correlation coefficient(r) is 0.767 or 76.7% (middle up relation) and has positive relation.

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std Error of Estimate
1	.767a	0.588	0.315	0.22181

Regression Linear equation defined from Table 8 is Y = 1.365 + 0.23X

Determination Coefficient is used to measure the influence of independent variable x (service quality) to the dependent variable y (Willingness to wait when shop is closed).The result shows that the service quality has influenced of 58.8% on the Willingness to wait when shop is closed, while the remaining 41.2% is influenced by other factors.

Table 6: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	5% Confidence Interval	
	B	Std Error	Beta			Lower Bound	Upper Bound
(Constant a)	1.365	0.655		2.011	0.044	-0.055	3.022
X	0.230	0.211	0.545	2.122	0.051	0.021	0.811

a. Dependent Variable: Y

9.Conclusions:

Based on the results obtained by the researcher, the following are the conclusions:

Customers have highest expectations are on Tangibility, Reliability constructs; the customer's lowest expectations are in Responsive, Assurance, Empathy.

Customers reported the highest reason for willingness to wait for its promptness and speed of service along with accuracy of transactions at cash counters. They were also satisfied with the processing of transactions and efforts to expedite processing whenever the traffic at the counters increased. The lowest satisfaction levels were reported at the willingness of staff to assist customers in accessing facilities, assortments, information on products, stock positions etc.

It is very obvious from the results that service quality is better in Metros, in the retail segment. Dimensions like attention to details, promptness in addressing complaints; initiation of corrective action on faulty transactions and goods is sought by the respondents. These issues could be prioritized as the most important ones for offering better and improved service quality to customers and to make shopping a pleasurable experience.

Improvements that can be done by management are:

Improving communication amongst staff members, using updated systems to process complaints, and ensuring error-free transactions.

Training of staff to enable them in assisting customers and provide them with relevant and timely information. Courtesy, etiquette and communication skills could be honed through continuous training of the staff.

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The result shows that the service quality has influenced of 58.8% on the Willingness to wait when shop is closed, while the remaining 41.2% is influenced by other factors.

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