ORIGINAL RESEARCH PAPER

Management

INFLUENCE OF SERVICE QUALITY, CUSTOMER SATISFACTION AND PERFORMANCE OF ORGANISED RETAIL STORES IN MADURAI

KEY WORDS: service quality, customer satisfaction, performance, organized retail stores.

S. Saravana Kumar Research Scholar, Department of Management Studies, Madurai Kamaraj University, Madurai

Dr. N. Rajasekar M.B.A. M.Phil., Ph.D Head of the Department, Business Administration, Thiyagarajar College, Madurai – 625 009

ABSTRACT

The purpose of this study is to find out the influence of service quality, customer satisfaction and their effective performance of organized retail stores in Madurai. Retail stores are not funded by the government, but fully funded by the private entities. The application of service quality in organized retail store is becoming more important in service arena. The study needs to assist the organized retail store authorities and stakeholders to create decisions with regards to the effectiveness of their service qualities. The results suggest that the 'service quality' is slightly unsatisfactory to the customers and needs further attention.

INTRODUCTION:

Today, competition in the service sector world has increased; Retail stores increasingly require employees to improve the customer's needs and store performance. Therefore, the retail stores of servicing are responsible for providing good service to meet out the competition and challenges. The numbers of retail stores at Madurai District are doing remarkably well in the recent years. In addition, several leading international retail stores have also set up their retail stores in Madurai District. Service quality is an important factor in differentiating retail stores one from other. Excellent service distinguishes one retail store from its competitors in a way that is essential to customers. Service quality is also one of the critical factors to be considered when the retail stores want to market themselves as one of best retail store in Madurai.

2. REVIEW OF LITERATURE
2.1 SERVICE QUALITY

Retail stores with a focus on service quality have been shown to adopt a winning competitive strategy (Parasuraman, Zeithami & Berry 1988. Customers expectation are beliefs about a service that serve as standards against which service performance is judged (Zeithaml et al., 1993); what customers think a service provider should offer rather than what might be on offer (Parasuraman et al., 1988). Expectations are formed from a variety of sources such as the customer's personal needs and wishes (Edvardsson et al., 1994). Cronin & Taylor (1992) view service quality as an antecedent of satisfaction.

Arun and venkateswaran (2014) studied the three important dimensions of service quality in hospitals. The level of expectation on the SQ and modern service qualities among the patients' are not fulfilled by the service provider. The service quality gap reveals that the level of perception on the service quality is lesser than the level of expectation. The revealed that both the private and the public hospital managements should take serious steps to enrich their service quality according to the level of expectation of their patients.

Meharajan et al (2015) studied banking and information systems using SERVQUAL. They found that hostile marketing strategies for making business opportunities, banks have to develop innovative products to cater the needs of different classes of individual customers. Banks may pursue a feedback system to know the customers' expectations for improving the level of customer satisfaction to the maximum level.

Venkateswaran et al (2017) measured the service quality, satisfaction and brand loyalty towards cellular service providers. Brand loyalty is widely varied in accordance with the service quality, Price, Product quality, Promotional quality and satisfaction. The study provides more useful and practical suggestions for researchers and managers to improve the service quality, creating and maintaining brand loyalty and achieving customer

satisfaction. The outcome of this research shows relationships among several dimensions of service quality, price, product quality, promotional quality and customer satisfaction with brand loyalty.

2.2 CUSTOMER SATISFACTION

David Rajesh et al (2015) studied the consumers' service quality, service loyalty and satisfaction towards commercial bank service. Service loyalty is widely varied in accordance with the service quality, information, Functional Quality Technical Quality, Servicescape Quality and Service Convenience and satisfaction. They revealed that the customer satisfaction is the most significant predictor of the service loyalty. The outcome of this research shows relationships among several dimensions of service quality, information, Functional Quality Technical Quality, Servicescape Quality and Service Convenience and customer satisfaction with service loyalty. Solomon (1991) recognized customer satisfaction was the overall attitude of the individual towards the bought service. Elliott and Healy (2001) identified eleven dimensions of a customer's service sectoral experience. They ultimately determined that the quality of classroom interactions, the rigor of the curriculum, positive feelings about their classroom and social interactions, connections to Employees, and a sense of fitting in with the campus culture contributed to a feeling of belonging.

3. RESEARCH METHODS
3.1 RESEARCH OBJECTIVES:

To study the influence of service quality, customer satisfaction and their effective performance of organized retail stores in Madurai.

3.2 RESEARCH DESIGN:

The research design for the study is descriptive. The methodology of the study is based on the primary data as well as secondary data. The data were collected through a structured questionnaire to obtain the opinions of the respondents from Madurai town. Convenient Sampling Method was used. A total of 300 questionnaires have been distributed and out of which 278 were received. After the scrutiny of these questionnaires, 13 questionnaires were rejected. Finally, 265 completed questionnaires were used for the current study.The study was conducted in the period of January 2016 to February 2016 at Madurai town.

3.3 PROPOSED MODEL
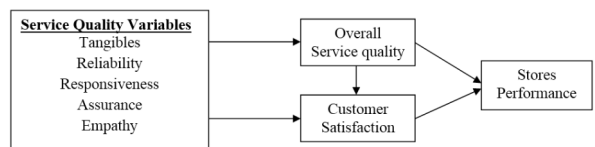
The constructs and their observable items are given in Table 4.1.

4. ANALYSIS AND INTERPRETATION

Table 4.1 - Latent Variables and Manifest variables

Dimensions	Variables	Mean	Standard Deviation	Cronbach Alpha
Tangibles				**0.8693**
T1	The retail stores has modern and latest equipment	3.6515	.967	
T2	The appearance of the physical facilities of the retail stores is attractive	3.6632	1.338	
T3	Employees is well dressed and neat in appearance	3.5363	.960	
T4	Store has the latest brands	3.9298	1.251	
Reliability				**0.7985**
R1	When something is promised by a certain time, it always is provided by employees	3.8120	.997	
R2	When customers have problems, employees is courteous, even if not able to help	3.5451	1.267	
R3	highly knowledgeable employees ready to explain	3.5958	1.124	
R4	The servicing employees respects customers	3.5363	.941	
R5	Employees keeps accurate records	3.1522	1.171	
Responsiveness				**0.9132**
RES1	Customers are informed of schedules and changes in schedules in advance	3.1109	1.229	
RES2	Service hours of learning facilities accommodate all customers	3.2017	.945	
RES3	Employees is always willing to help you	3.9216	.814	
RES4	Administrative staff are never too busy respond to customer requests promptly	4.0039	1.077	
Assurance				**0.8851**
A1	The behavior of Employees instills confidence in you	4.2817	.529	
A2	Customers are able to trust the employees	3.9649	1.376	
A3	Employees is friendly and polite	3.9752	1.415	
A4	Employees are providing the promising services	3.9364	.098	
Empathy				**0.8964**
E1	Employees provide personal attention to every customer	4.1119	.600	
E2	Employees have convenient office-hours to advise customers	3.5747	.810	
E3	Employees give customers individual attention	4.3015	1.445	
E4	Employees has customers' best interest as a major objective	3.9606	3.202	
E5	Employees understands the specific needs of customers	3.8490	.851	
Overall Service Quality				**0.9337**
SQ1	Employees provides excellent overall service	3.6232	.746	
SQ2	Employees provides superior service in every way	3.3137	.493	
SQ3	The standards of service of employees are very high	3.2764	1.247	
SQ4	The quality of the service provided by this employees is very high	3.8116	.988	
Customer satisfaction				**0.8475**
CS1	Servicing methods	3.0243	.735	
CS2	Cost	3.7416	.969	
CS3	Transport facilities	3.3343	.874	
CS4	Results of the retail stores	3.5059	.978	
CS5	Experienced employees	3.7838	.899	
CS6	Knowledge of the employees	3.8018	1.088	
CS7	New brands availability	3.9120	.917	
CS8	Product demo	3.3625	1.017	

The table 4.1 shows the mean, standard deviation and Cronbach alpha for service quality dimensions such as tangibles, reliability, responsiveness, assurance and empathy. The table also represents the mean, standard deviation and Cronbach alpha of the overall service quality and customer satisfaction.

A SEM model was also developed to predict the fitness of the path between each variable.

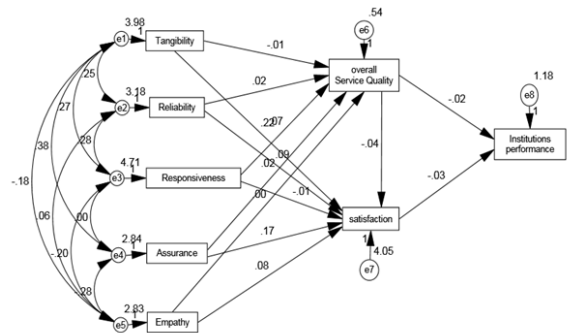FIGURE 2: SERVICE QUALITY AND CUSTOMER SATISFACTION ON PRIVATE HIGH SCHOOLS PERFORMANCE

Table 4.5. Coefficients Regression Weights: (Group number 1 - Default model)

Path model			Estimate	S.E.	C.R.	P
Overall Service Quality	<---	Tangibility	-.014	.006	-2.333	0.027
Overall Service Quality	<---	Reliability	.022	.010	2.20	0.031
Overall Service Quality	<---	Responsiveness	.067	.022	3.069	0.002

Overall Service Quality	<---	Assurance	.024	.011	2.11	0.033
Overall Service Quality	<---	Empathy	-.002	.028	-.079	0.937
Satisfaction	<---	Tangibility	.216	.065	3.299	0.001
Satisfaction	<---	Reliability	.095	.023	4.130	0.001
Satisfaction	<---	Responsiveness	-.012	.005	2.40	0.023
Satisfaction	<---	Assurance	.166	.078	2.144	0.032
Satisfaction	<---	Empathy	.081	.037	2.189	0.031
Satisfaction	<---	Overall Service Quality	-.043	.011	3.90	0.001
Retail store performance	<---	Overall Service Quality	-.022	.009	2.44	0.021
Retail store performance	<---	Satisfaction	-.025	.006	4.166	0.001

Here the coefficient of Tangibility is 0.014 represents the partial effect of Overall Service Quality would increase by 0.014 for every unit increase in Tangibility and the coefficient value is significant at 5% level.

The coefficient of Reliability is 0.022 represents the partial effect of Overall Service Quality would increase by 0.022 for every unit increase in Reliability and this coefficient value is significant at 5% level.

The coefficient of Responsiveness is 0.067 represents the partial effect of Overall Service Quality, would increase by 0.118 for every unit increase in Responsiveness and this coefficient value is significant at 5% level.

The coefficient of Assurance is 0.024 represents the partial effect of Overall Service Quality, would increase by 0.024 for every unit increase in Assurance and this coefficient value is significant at 5% level.

The coefficient of Empathy is -.002 represents the partial effect of Overall Service Quality, would decrease by 0.002 for every unit decrease in Empathy and this coefficient value is not significant at 5% level.

The coefficient of Tangibility is 0.216 represents the partial effect of Satisfaction, would increase by 0.137 for every unit increase in Tangibility and this coefficient value is significant at 5% level.

The coefficient of Reliability is 0.095 represents the partial effect of Satisfaction, would increase by 0.095 for every unit increase in Reliability and this coefficient value is significant at 5% level.

The coefficient of Responsiveness is -0.012 represents the partial effect of Satisfaction, would decrease by 0.012 for every unit decrease in Responsiveness and this coefficient value is significant at 5% level.

The coefficient of Assurance is 0.166 represents the partial effect of Satisfaction, would increase by 0.166 for every unit increase in Assurance and this coefficient value is significant at 5% level.

The coefficient of Satisfaction is 0.081 represents the partial effect of Satisfaction, would increase by 0.081for every unit increase in Satisfaction and this coefficient value is significant at 5% level.

The coefficient of Overall Service Quality is -0.043 represents the partial effect of Satisfaction, would decrease by 0.043 for every unit decrease in Responsiveness and this coefficient value is significant at 5% level.

The coefficient of Overall Service Quality is -0.022 represents the partial effect of Retail store performance, would decrease by 0.022 for every unit increase in Overall Service Quality and this coefficient value is significant at 5% level.

The coefficient of Satisfaction is -0.025 represents the partial effect of Retail store performance, would decrease by 0.025 for

every unit decrease in Satisfaction and this coefficient value is significant at 5% level.

5. FINDINGS
- The research findings show that the customers perceived the core service/service quality level of private retail stores as above average but below slightly good.
- Based on the findings the customers are generally satisfied with the service provided concerning core service/service quality. This shows that there is still plenty of room for improvement.
- From the response to core service/service quality items, the customers are generally satisfied with the operating hours of the retail store.
- Most of the customers perceive that their retail stores are consistently pleasing and courteous.
- The customers viewed the overall service quality as slightly good, which is above the average.
- Findings of this study also concluded that majority of customers perceived that their retail stores are having a highly standardized and simplified delivery process, having the enhancement of technological capability.
- Most of the customers also perceived that their retail stores have necessary personnel for good customer service.
- Majority of customers perceived the ambient conditions such as temperature, ventilation, noise and odor prevailing in the retail stores premises is above average. Most of the customers also perceived that the extent of the physical layout of equipment and other furnishings as being comfortable for them.
- Generally, the customers perceive their satisfaction level is just above the average but still way below the excellence level.

REFERENCES
1. Arun B., Venkateswaran P.S (2014). A Study on Service Quality in Public and Private Hospitals International Journal of Scientific Research, Vol.3 Issue.2.pp 272-274
2. Cronin, J. & Taylor, S. (1994), An empirical assessment of the SERVPERF scales. Journal of Marketing Theory and Practice. Fall, pp. 52-69.
3. Curry, J. & Curry, A. (2000),The Customer Marketing Method: How to Implement and Profit from Customer Relationship Management, New York, The Free Press
4. David Rajesh, Manimaran.S, Venkateswaran P.S (2015), a study on the linkage between service quality, service loyalty and customer satisfaction in commercial banks in Madurai, Tamilnadu, India. International Journal of Contemporary Research in Humanities and Social Sciences Vol.2, No.1, pp.89-103.
5. Kellogg, D. L., Youngdalil, W. E., & Bowen, D. E. (1997) On the correlation between customer participation and satisfaction: Two frameworks. International, Journal of Service Industry Management. vol. 8 no. 3 pp: 206-19
6. Kotler, P. (1996) Marketing Management: Analysis, planning, implementation, and control 9th ed. Englewood Cliffs, NJ. Prentice-Hall.
7. Meharajan T., Venkateswaran P. S., Aravind S (2015), Information Seeking and Service Quality of Public Sector Banks in Dindigul. European Academic Research Vol.3, No 1.pp 880-890.
8. Parasuraman, A, Zeithaml, VA & Berry, LL 1988, „SERVQUAL: a multiple-item scale for measuring consumer perceptions of service quality, Journal of Retailing, vol. 64, no. 1, pp. 12-40.
9. Parasuraman, A., Zeithaml, V., & Berry, L. (1985). A conceptual model of service quality and its implications for the future research. Journal of Marketing, 49(4), 41-50. http://dx.doi.org/10.2307/1251430Roest & Pieters 1997)
10. Parasuraman, A., Zeithaml, V., & Berry, L. (1988). SERVQUAL: a multiple-item scale for measuring consumer perceptions of service quality. Journal of Retailing, 64(1), 12-40.
11. Venkateswaran P.S, Nithya,M, Ranjeetha.S,Santhiya.B (2017), A study on Service quality, Customer satisfaction and Brand Loyalty towards Cellular Phone Industry in Madurai, SSRG International Journal of Economics and Management Studies – (ICET'17) - Special Issue - March 2017, PP 10-15.
12. Zeithaml, V. A., Berry, L. & Parasuraman, A. (1996) The behavioural consequences of Service Quality. Journal of Marketing. vol.60 (April), pp. 31-46.
13. Zeithaml, V.A. & Bitner, M.J. (2003). Services Marketing: Integrating Customer Focus Across the Firm, McGraw- Hill, New York.