A Study on Service Quality in Organized Retail Sector with Reference To Tiruchirappalli

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Abstract- **The purpose of study is to assess the service quality by using SERVQUAL instrument in tiruchirappalli retail setting. A survey was conducted at three selected major retail outlets in tiruchirappalli. Questions relating to all the dimensions of service quality identified by reliance mart, famine super market & were asked to the respondents. The study gave perceptions into the critical gaps that exist in the services provided. Comparative study of the gap score of the retail outlets above study helped us to focus on the dimensions that required direct care as they taken strong impact on the business of the organized retail stores. The study clearly indicates the absence of basic service delivery systems on part of the retail outlets. There is provision on all fronts by the retail to provide good services but gaps in meeting the consumer expectations tell a different story. Few suggestions are recommended based on the study carried out to fine tune the processes which will benefit the organized retailers to bridge the gaps in services. This study provides useful insights and guidance for managers to measure and improve service quality.**

Index Terms- **SERVQUAL, Dimensions of Service Quality- Tangibles, Responsiveness, Reliability, Assurance, Empathy, Retail Formats-Hypermarkets and Malls.**

INTRODUCTION

Retailing is the most projecting element of marketing where the marketer happens the ultimate consumer who exchanges value for the product and thus sanctions the very existence of business. Retailer is the last link in the distribution chain and his efforts to create demand and satisfy needs pave the way for the economic activity. Retailing is a business, easy to enter, with comparatively low capital and infrastructural requirements. The Indian retail industry is the fifth largest in the world including organized and unorganized sectors. Retail industry is one of the fastest growing industries in India, especially over the last few years. The retail enterprises in India numbered over 8.5 million in 1996, 9.3 million in 2000, 12 million in 2003 and 15 million in 2005. The volume of retail turnover is estimated as Rs. 4 - 2 - lakh crores a year and it constitutes 10 percent of the GDP. The industry constitutes 16 percent, 15 percent, 12 percent and 7 percent of the economy in US, Brazil, Poland and China respectively1. Retailing is a labour - intensive industry which serves to be the second largest source of employment and the job market is hugely receptive to retailing expertise as more and more B schools are now focusing on this sector and large retailers are setting up retail academies. Over 4 crore people are employed in the retail sector which constitutes 8 per cent of the total employment in India.

RETAILING SCENARIO IN INDIA

It is well known that the organized retail revolution started in India in southern India. Today the phenomenon has caught on and has assumed a pan-India magnitude. Especially the Entry of big players like Big Bazaar into tier C cities of India like Bhubaneswar has given them the first mover advantage. The phenomenal rise of ultra-modern retail formats in such cities has proliferated rapidly. Hence, a consumer based study aimed to understand the factors which are responsible to influence the store patronage and sought consumer's opinion on how are the service quality standards maintained in these retail formats. Further, making tall claims of consumer convenience in shopping for products getting quality products or services at affordable

prices. The retail sector in India is the fastest growing sector in the country. According to BMI India Retail Report for the third-quarter of 2010, free in May 2010 forecasts that the entire retail sales will grow from US$ 353.0 billion in 2010. Strong underlying economic growth, populace expansion, the increasing wealth of individuals and the rapid structure of organised retail infrastructure are key factors behind the forecast growth. As well as an increasing middle and upper class consumer base, there will also be chances in India's second and third-tier cities. The greater availability of personal credit and a growing vehicle population to improve mobility also contribute to a trend towards annual retail sales growth of 11.4 per cent. The growth in the overall retail market is driven largely by the explosion in the organised retail market. Domestic retailers continue to invest heavily in increasing their store networks and improving in-store offerings, and the impact they have on growth will be boosted by the arrival of expansion-orientated multinationals. Mass Grocery Retail (MGR) sales in India are forecast to undergo enormous growth over the forecast period. BMI predicts that sales through MGR outlets will increase by 154 per cent to reach US$ 15.29 billion by 2014. This is a consequence of India's dramatic, rapid shift from small Independent retailers to large, modern outlets.

According to a McKinsey report published in September 2008, called 'The Great Indian Bazaar: Organised Retail Comes of Age in India', organised retail in India is expected to increase from 5 per cent of the total market in 2008 to 14-18 per cent of the total retail market and reach US$ 450-billion by 2015.

STATEMENT OF THE PROBLEM:
Service quality is more problematic for the consumer to analyze than goods quality. Service quality perceptions result from a judgment of consumer expectations with actual service performance. Quality expectations are not completed solely on the outcome of the service. They also involve evaluations of the process of the service.

OBJECTIVES OF THE STUDY:
1. To identify the service quality dimension influencing customer preference in organized retail in Tiruchirappalli.

2. To study customer perceptions regarding ethics of quality maintained by the organized retail in Tiruchirappalli.
3. To identify the gaps between expectations and perceptions of customer regarding the quality of service reduced at retail.
4. To compare the service gaps in selected organized in Tiruchirappalli.

NEED OF THE STUDY:
1. To identify the critical components or retail service quality.
2. To test the applicability of retail service quality (RSQS) model in Indian conditions.
3. To measure the gap between perception and expectations of customer and identify the areas of improvement.

SCOPE OF THE STUDY:
- This study covers the spread of customer satisfaction regarding various service dimensions reduced by the departmental store in trichy.
- In the usual globalized economic situation the consumers have full opportunistic to select any shop for buying good quality products.
- The present study aims at bringing out the various aspects concern with customer satisfaction which would surely serve a purpose for retailers to work out their service quality with regard to the various dimensions such as Tangible, reliability, responsiveness, assurance and empathy.

REVIEW OF LITERATURE

Douglas M Stewart, (2003) presents a framework based on the three T's of task, treatment, and tangibles as a means of organizing the application of the diverse and growing body of service quality literature to encounter design.
Gabbott Mark (2000) quotes several psychological studies which show that non-verbal behaviour by the service provider affects service evaluation, because the quality of interaction between the customer and the service provider influences the customers' perception of service quality.
Marie Mikie Little, Alison M. Dean (2006) this study has demonstrated that the service climate in an

organization, as perceived by employees, is positively related to service quality, as perceived by customers. The findings indicate that the service climate in a call centre affects employees, both in terms of their commitment and their self-reported feelings about the delivery of service quality to customers.

Domingo Ribeiro Soriano (2001) has explained in his paper about the importance of the work of external consultants in firms. The study deals with the analysis of external advice within small to medium–sized enterprises. It tries to reflect the actual importance of external advice sought by firms in trying to reach the highest possible level of client satisfaction.

Byron Keating, Robert Rugimbana, Ali Quazi (2003) explore and define two related constructs – service quality and relationship quality – to ascertain whether consumers can meaningfully distinguish between the constructs. The paper finds that, although service quality and relationship quality are distinct constructs, they overlap in the area of personal interaction and problem solving.

Goran Svensson (2004), depicts in his paper that the performance of services is done at an operative level and service is an important issue for the strategic, tactical and operative business activities of automobiles companies. The major contributions of the research provide an on-the-spot account of interactive service quality. The paper provides theoretical and managerial implications of the construct of interactive service quality in service encounters.

Riadh Ladhari (2008) in his paper identifies and discusses the key conceptual and empirical issues that should be considered in the development of alternative industry-specific measurement scales of service quality (other than SERVQUAL). The study identifies deficiencies in some of the alternative service-quality measures; however, the identified deficiencies do not invalidate the essential usefulness of the scales. The study makes constructive suggestions for the development of future scales.

Emin Babakus, Carol C Bienstock, James R Van Scotter (2004)47 wherein the effects of perceived merchandise and service quality, relative to competition, on retail store performance are investigated using store traffic and revenue growth as outcome variables. Results suggest that both the service and the merchandise quality exert significant influence on store performance, measured by sales growth and customer growth and their impact is mediated by customer satisfaction.

RESEARCH METHODOLOGY

Research methodology is a process of solving the research problem methodically. This paper is based on a survey research work. The survey was done to know the satisfaction level of the respondents and also to get some personal information of the respondents.

QUESTIONNAIRE DEVELOPMENT

For the present work, 22 items SERVQUAL instrument has been modified to suit the telecom sector. In addition to the original 5 dimensions: tangibles, reliability, responsiveness, assurance and empathy; the network quality dimension was incorporated due to its importance in telecom sector. Also the total number of items has been reduced to 19 in the questionnaire.

1. Tangibles: It refers to the appearance of physical facilities, equipment, personnel, documents etc.
2. Reliability: It is the Ability to deliver the promised service perfectly and within a predefined time period .
3. Responsiveness: Responding to customer as and when required. In other word it requires Good customer care service with willingness to help.
4. Assurance: Knowledge and courtesy of employees and their ability to inspire trust and confidence. This builds a tight and positive bonding between the customer and the service provider .
5. Empathy: Empathy means understanding. The service provider must have a clear-cut understanding that what customer requires. Service providers must be Caring and should provide individual attention to customers.

CHI-SQUARE TEST:
The chi – square test is commonly used for testing the relationships between categorical variables. It is used to evaluate tests of independence when using a cross tabulation.

HYPOTHESIS 1

H0: Null Hypothesis: There is no significance difference in the gender and physical facility visually attractive.

H1: Alternate Hypothesis: There is significance difference in the gender and physical facility visually attractive.

TABLE NO: 1 showing the result of Hypothesis 1. There is significance association between the Gender of the respondents and their physical facilities towards the type of retail store.

s.no	particulars	Value	Degree of freedom	Asymptotic Significance (2-sided)
1.	Pearson Chi-Square	11.019[a]	4	.026
2.	Likelihood Ratio	11.224	4	.024
3.	Linear-by-Linear Association	.459	1	.498
4.	N of Valid Cases	128		

a.   0 cells (0.0%) have expected count less than 5 The minimum expected count is 5.00.

INTERPRETATION:

From the above table 4.2.1, it is interpreted that the CAL value 11.019>4.989TAB value. So, H1 is accepted, there is significance association between the gender of the respondents and their physical facilities towards the type of retail store. So, reject the null hypothesis and accept the alternate hypothesis.