

## IMPACT OF SERVICE QUALITY OF RETAIL SUPER MARKETS ON CUSTOMER SATISFACTION- A STUDY WITH REFERENCE TO CHENNAI CITY.

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### ABSTRACT

Retail supermarket business in the competitive environment depends upon the factors that motivate the consumers who expect more, perfect and easy of use services from the retail supermarkets . The Indian retailing industry is becoming intensely competitive, as more and more players are competing for the same set of customers .When a company organisation sets itself the purpose of satisfying its numerous clients, the vast majority of the equipment in the business organisation will be effective in achieving that goal. In order to meet the challenges posed by big retailers, the traditional retailers in the city are redefining business strategies, organizing leadership summits and focusing more on service. The primary goal of the study is to get an understanding of consumers' perception towards various service quality dimensions of retail supermarkets in Chennai city as well as the influence of product attributes on customer perception towards various service quality dimensions and their level of satisfaction .A sample of 127 responses from all the 15 zones of Chennai city was collected, statistical tools including exploratory factor analysis, confirmatory factor analysis, linear multiple regression analysis, one-way analysis of variance and the structural equation model to verify the objectives and to test the hypothesis. The service quality of retail supermarkets depends upon the five dimensions namely ambience, product availability, quick billing service, parking facilities and the staff relationship was considered for the study. The results of this analysis revealed that ambience of supermarket is able to create significant influence on quality of the products satisfaction The demographic variables and the product details of retail supermarket customers is found to influence their perception towards ambiances of retail supermarkets

**Keywords:** *Retail Supermarket ,service quality dimensions, product satisfaction , customer satisfaction ,customer perception*

### INTRODUCTION.

Retail supermarkets or the powerful evidences of present liberalized and globalized Indian economy. The cultural changes among the consumers motivate them expect more, perfect and easy of use services from the retail supermarkets. The retail supermarket business in the competitive environment depends upon service quality dimensions of food by them to their customers. The

customers of the retail supermarkets expect wide collection of groups, international groups, all types of groups in the same place. The customer satisfaction of retail supermarket customers depends upon the availability of all types of products, cost of the products, ambience and the interaction of the sales personnel. Periodically these customers already to further feedbacks to update the service quality of retail supermarkets.

Product availability is the most important aspects in the service quality of retail supermarkets and it has very good combination with marketing mix to offer customer satisfaction. The products in the retail supermarkets have their own tangibility and in tangibility in the benefits of customers. The customer psychology is truly depending upon the nature of the product, product attributes, perceived the streets in processing the product. The luxurious products, necessity products, durable products, nondurable products or all available in the retail supermarkets, in this juncture the customers or meticulous about their cost benefit in purchasing the products in the same premises. The price of the product is also playing a crucial role in offering customer satisfaction, promoting customer loyalty and motivating for repurchase intention.

The customers visiting the retail supermarkets regularly expect their ambience to be clean, personalized interaction of the sales personnel, availability of all types of products, best price for the product and the good quality of the products/ the customers firmly believe that the retail supermarkets under their business performance is leaning upon the maximization of customers and motivation for their repurchase intention. Many customers visiting the retail supermarkets complained that the billing process, waiting time or the major hindrances for the customers and lengthy billing process demotivate the customers. These hindrances and demotivation hamper the repurchase intention of customers. Some of the customers have their peculiar approach in meticulously identifying the responsiveness of the staff, parking facilities and hassle-free purchase. Therefore the present study is focusing on measuring the service quality dimensions of retail supermarkets and its subsequent impact on customer satisfaction.

#### **LITERATURE REVIEWS.**

Hamad Saleem and Naintara Sarfraz Raja, (2014) This particular study is focusing on establishing the relationship between service quality of supermarkets and their customer satisfaction. The researchers validated the three service quality dimensions ambience, interpersonal relationship with the staff, parking facilities are playing crucial role in determining the customer satisfaction.

Borkar Suneeta, Sameer Koranne, (2014) In another study the researchers validated the five components of service quality dimensions namely tangibility, empathy, reliability, responsiveness and assurance. The authors proved that these service quality dimensions are very important for all the services industry. They also estimated that service quality dimensions of any services industry is creating significant influence on the psychology of customers.

Vibha arora, Zenith, Dr. Nravichandran, Dr. N.k. jain, (2011) These authors identified that retail supermarkets and their service quality is leaning upon the five important service quality dimensions namely ambience, staff relationship, quick billing service, parking facilities and the product availability. It is formed from the linear multiple regression analysis that staff relationship induces repurchase intention and customer loyalty in all the supermarkets.

C.N. Krishna Naik, Swapna Bhargavi Gantasala, Gantasala V. Prabhakar, (2010) In an another innovative study the researchers empirically proved that the service quality dimensions are very important to decide the three dependent factors namely customer satisfaction, customer loyalty and repurchase intention. These authors ascertained that service quality alone responsible for the best satisfaction and motivate the customers to have loyalty towards the store they purchase. After acquiring the customer loyalty it automatically promotes repurchase intention among the customers.

Ram Mohan, Naik (2013) These authors identified that prevailing competition among the retail services actually improves really dimensions of service quality. The study also proved that the birth of new dimensions like parking facilities, hasslefree purchase, offers and discounts, cost benefits to the customers are able to promote very high customer satisfaction, loyalty and repurchase intention. It is also found from the study that the customer satisfaction depends upon the best service quality of sales personnel in all the retail outlets.

Geetika, Shefali Nandan, (2010) These authors investigated the influences of demographic variables in perceiving the motions of service quality, loyalty behaviour, satisfaction and repurchase intention. The study clearly revealed using one-way analysis of variance that the male and female customers differ in their perception towards price satisfaction. The customers in the younger age group are showing special interest towards ambience and parking facilities. These younger age group customers are also expecting the product availability particularly international brands all the retail outlets.

John E. Swan, Michael R. Bowers, (1998) In another study the researchers mainly focused on measuring the correlation between products purchased by the customers and their perception towards various dimensions of service quality. It is found from the study that the purchase of fast moving consumer goods is not more focused on the service quality whereas it is mainly focused on the cost of the product. The durable product consumers mainly focused on after sales service and discounts and offers. Therefore it is concluded from the research that product attributes are considered as one of the factors influencing the service quality perception of customers.

### **RESEARCH GAPS.**

After reviewing the national and international literature pertaining to service quality, customer satisfaction, customer loyalty and repurchase intention the researchers identified three important research questions are not fully answered and empirically proved by the researchers these questions are given as follows

1. What are all the service quality dimensions are responsible for retail supermarkets in the metropolitan city conditions.
2. Is there any direct relationship that exists between service quality dimensions and customer satisfaction of retail supermarkets.
3. Is there a influence of demographic background and a product attributes on customer perception towards service quality, customer satisfaction, customer loyalty and the repurchase intention.

### **OBJECTIVES OF THE STUDY.**

1. To study and validate the appropriate dimensions of service quality pertaining to retail supermarkets in Chennai city.
2. To find the relationship between various service quality dimensions of retail supermarkets in the perception of customers and their satisfaction level.
3. To measure the influence of demographic background and product attributes on customer perception towards various service quality dimensions and their level of satisfaction.

#### **HYPOTHESES.**

1. There is no significant relationship between service quality dimensions of retail supermarkets and level of satisfaction of customers.
2. There is no significant influence of demographic background of customers and the product attributes on service quality dimensions and the customer satisfaction.

#### **RESEARCH METHODOLOGY.**

This study is conducted in the metropolitan city of Chennai. Chennai city consist of 15 zones. The results are obtained the responses from the customers of retail supermarkets in all the 15 zones through the well structured questionnaire. The questionnaire consist of four parts namely demographic details, product details, service quality perception and the customer satisfaction. The first two parts of the questionnaire are completely in optional type questions whereas the second part and third part or constructed in the form of statements in Likert's five-point scale which ranges from strongly agreed to strongly disagree for service quality dimensions and highly satisfied to highly dissatisfied for customer satisfaction.

#### **PILOT STUDY.**

After framing the question, the researcher intended to conduct a preliminary investigation for reliability of the questionnaire. Therefore your pilot studies conducted using 127 responses from all the 15 zones of Chennai city, the researcher applied normal distribution method for optional type questions, Cronbach's alpha method for statements in Likert's five-point scale. It is found from the study the Cronbach's alpha value is found to be 0.841. This implies that the questionnaire is reliable at 84.1% level which is above the required benchmark of 75%. Therefore the researcher went ahead for the main study without any changes in the questionnaire.

#### **RESULTS AND DISCUSSION.**

In this section the researcher intended to analyze the primary data obtained from the customers of retail supermarkets. At the point of inception the researcher applied the exploratory factor analysis to identify the dimensions of service quality provided by the retail supermarkets. The results of the factor analysis is clearly presented below

**Table 1-KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.788
Bartlett's Test of Sphericity	Approx. Chi-Square	2131.724
	df	190

Sig.

.000

from the above table of statistical values under chi-squared distribution values indicated that all the 20 variables of service quality in scales are normally distributed and a more suitable and appropriate for internal segmentation. The following table indicates the reduction of factors from their more number of variables

Table 2- Number of factors of service quality of retail super markets

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.412	22.058	22.058	2.581	12.907	12.907
2	1.780	8.901	30.959	2.357	11.785	24.692
3	1.498	7.488	38.448	2.237	11.186	35.878
4	1.379	6.893	45.340	1.893	9.463	45.340
5	1.172	5.862	51.203			
6	1.049	5.244	56.447			
7	1.042	5.210	61.657			
8	.914	4.572	66.229			
9	.827	4.135	70.364			
10	.768	3.839	74.203			
11	.696	3.479	77.683			
12	.639	3.197	80.879			
13	.604	3.020	83.900			
14	.551	2.756	86.656			
15	.528	2.642	89.298			
16	.512	2.560	91.858			
17	.462	2.310	94.168			
18	.441	2.204	96.372			
19	.369	1.846	98.218			
20	.356	1.782	100.000			

from the above table it is found that the 20 variables are diminished into five predominant factors namely ambience, product availability, parking facilities, staff relationship and quick bill facilities. Therefore the researcher computed the total average scores for all these factors using these underlying variables and that they are considered as independent variables to use to make their influence on the dependent variable customer satisfaction. Before venturing into the relationship between service quality and customer satisfaction, it is the duty of the researcher to conform the

five factors of service quality dimensions using structural equation model and the results are clearly presented below

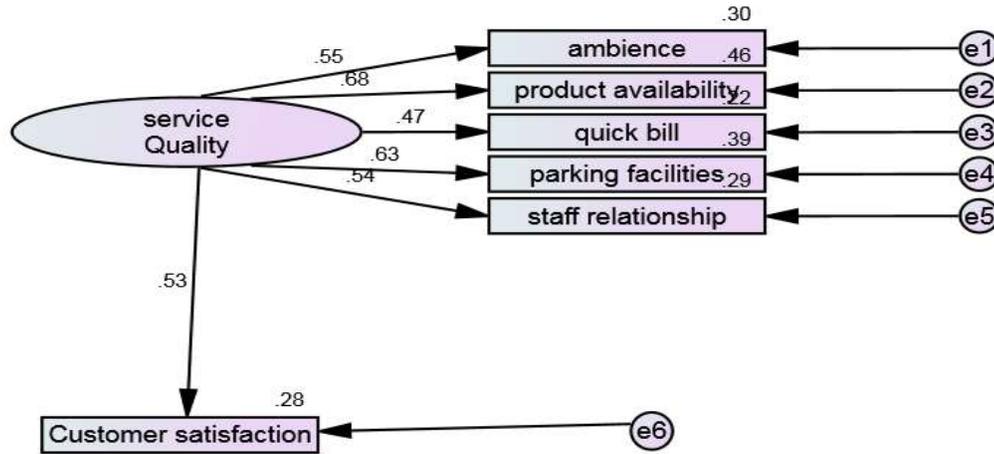


Table 3- MODEL FIT INDICES AND BENCH MARKKS.

S.NO	Fit indices	Values	Bench mark values
1	Chi-square	3.124	-
2	P-value	0.366	>.05
3	Goodness of fit index(GFI)	0.959	>.9
4	Comparative fit index(CFI)	0.965	>.9
5	Normed fit index(NFI)	0.968	>.9
6	Root Mean Square Error of Approximation(RMSEA)	0.07	<=0.08

from the above diagram and the table it is found that all the five factors are consistent and they satisfy the benchmark values through six fit indices. The satisfaction of the benchmark values validated the factors of service quality through the exploratory factor analysis. It is followed by the linear multiple regression analysis and its application to find the influence of independent service quality dimensions and the dependent variable customer satisfaction. The results of the linear multiple regression analysis is presented below

**Table 4-Model Summary of service quality and customer satisfaction of retail super markets**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.558 <sup>a</sup>	.310	.301	.47003

from the above correlation value, adjusted correlation value and standard error of the estimate the researcher identified that the independent factors service quality dimensions of retail supermarkets are able to create more than 30% variance on satisfaction of the customers.

**Table-5-Coefficients - service quality and customer satisfaction of retail super markets**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.076	.182		11.388	.000
1					
ambience	.105	.034	.142	3.131	.002
product availability	.149	.042	.172	3.563	.000
quick bill	.072	.036	.089	1.985	.048
parking facilities	.174	.038	.216	4.591	.000
staff relationship	.017	.037	.021	.455	.649

This validates the relationship between customer perception on service quality dimensions and their satisfaction level. Hence the hypothesis one is rejected at 5% level and concluded that there is a significant influence of service quality dimensions of retail supermarkets and the satisfaction level of customers. After testing the hypothesis one the researcher intended to verify the influence of demographic variables on the factors of service quality dimensions as well as customer satisfaction. In order to achieve underestimate the influences the researchers used one-way analysis of variance and the results are presented below

Table 6 Influence of demographic variables on the service quality and customer satisfaction of retail super markets.

Factors	Demographic variables	F-Values	Sig
Ambience	Gender	4.231	.000
product availability	Age	5.147	.001
quick bill	Education	4.874	.003
parking facilities	Income	6.247	.000
staff relationship	Occupation	3.012	.000
Customer satisfaction	Offers and discounts	5.624	.000

from the above table it is found that the demographic characteristic features namely gender, Gates, educational qualification, marital status, occupation and income are found to influence all the five dimensions of service quality and customer satisfaction. Hence it can be concluded that the hypothesis two is rejected at 5% level and concluded that there is a significant influence of

demographic variables of customers on their perception towards service quality dimensions of retail supermarkets and their satisfaction level.

### **CONCLUSION AND OUTLOOK**

It is found from the study that service quality dimensions of retail supermarkets is able to create significant influence on the satisfaction level of customers. The service quality of retail supermarkets depends upon the five dimensions namely ambience, product availability, quick billing service, parking facilities and the staff relationship. It is concluded from the research that ambience of supermarket is able to create significant influence on quality of the products satisfaction. Product availability and quick billing service is able to create significant influence on price satisfaction and time satisfaction of retail supermarket customers. The demographic variables and the product details of retail supermarket customers is found to influence their perception towards ambiances of retail supermarkets.

Particularly the customers in the younger age group we expect an attractive ambience with westernized approach and the air-conditioning facilities and availability of international brands satisfaction. It is concluded from the research that there is a significant difference in the opinion of male and female retail supermarket customers. It is further found that there is a significant difference between the customers purchasing fast moving consumer goods and the durable products in the retail supermarkets. Occupation of customers and their family income motivate the customers to have high satisfaction and to show loyalty towards the retail supermarket. The repurchase intention of retail supermarket customers arise in the psychology of customers when they have high satisfaction and high loyalty towards the retail stores.

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