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## RESEARCH ARTICLE

# A STUDY ON RETAILERS SERVICE QUALITY IN SELECTED RETAIL OUTLETS IN COIMBATORE CITY

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### ABSTRACT

The retail environment today is changing more rapidly than ever before and It is characterized by the competition from both domestic and foreign companies, by mergers and acquisitions, and more sophisticated and demanding customers who have great expectations related to their consumption experiences This paper attempts to analyse the service quality in select retail outlet in Coimbatore city with a sample size of 384 respondents selected on judgement basis. Percentage analysis and Chi-Square Analysis, ANNOVA were carried out further there is a relationship between responsiveness, attractiveness, assurance, reliable service

#### Key words:

Retailing, Service quality,  
consumer expectations,  
relational factors

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## INTRODUCTION

Retail environment in present times is changing more rapidly than ever before. It is characterized by competitive pressures from domestic and foreign companies, and demanding customers whose service expectations are perennially on the rise. In service organizations, customer-perceived service quality is considered as one of the key determinants of business performance Further consumers are aware of all the rules of the game. They can instantly sense a good buy and lap it up or breathe in out a bad product and dismiss it. Their expectations are tough to meet but for retailers aiming to make a big sale, there is not much of a choice but to find ways to win customers over and keep them permanently happy.

### Retailers profile

#### Big bazaar

Big Bazaar is credited with bringing organized mega retailing to India. The project was conceived as a uniquely Indian hypermarket in a format that combined the look, touch and feel of Indian bazaars with the comfort, convenience and quality that modern retailing brings. Launched in August 2001, Big Bazaar has now become the iconic destination of modern retailing for all sections of Indian consumers. There are 80 Big

Bazaar stores in 45 cities including smaller towns like Sangli, Durgapur, Panipat, Palakkad, Ambala, Meerut, Kolhapur and Haldia. Attracting over 100 million customers every year, it has democratized shopping in India and become synonymous with great promotions that offer quality products at affordable prices. Spread over anywhere between 30,000 square feet and 150,000 square feet of retail space, a typical Big Bazaar store offers over 160,000 products across categories like apparel, general merchandise, food, cosmetics, home needs, electronics, furniture, communications, books, music, gold and pearl jewellery and even value added services like consumer credit, beauty salons, gyms and travel services<sup>2</sup>.

### Kanan Departmental Store

Service provider of departmental stores trader of rice, ponni, basumathi, dhall, toor dhall, moong dhal, soaps, detergents, liquids, perfumes.

#### Company profile

Business type	Service provider/trading company
Year of established	1985
Product trader	Rice, ponni, basumathi, dhall, toordhall, moong dhall,soaps,detergents,liquids,perfumes,spices,cinnamon, cardamom,gloves,cosmetics.
Services	Departmental stores

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## **Nilgiris**

**Nilgiris** is a supermarket chain in South India. It is also one of the oldest supermarket chains in India with origins dating back to 1905 and hence its products are sold under the brand name of "Nilgiris 1905". Also, unlike almost all other supermarkets and grocery shops in India, Nilgiris sells its own products among other brands.

The origin of this supermarket chain can be traced back to S. Arumuga Mudaliar of Erode district in Tamil Nadu, who was a mail runner for the British in colonial India. S. Arumuga Mudaliar carried letters and cheques for the British from Coimbatore to the hill stations of Ooty and Coonoor. As he was flooded with requests to carry dairy products and other items, he opened a small shop in 1905, after buying the butter business of an Englishman in Vannarpet and soon, "The Nilgiri Dairy Farm Ltd." was established. In 1936, he moved his shop to Brigade Road, Bangalore. The Nilgiri Dairy Farm Ltd. specialized in dairy, dairy products, bakery and chocolates. In 1962 the town of Erode sees the setting up of the specialized dairy unit that enhances the capacity of the company to manufacture its signature on high-quality dairy products.

## **Reliance Fresh**

Reliance Fresh is the convenience store format which forms part of the retail business of Reliance Industries of India which is headed by Mukesh Ambani. Reliance plans to invest in excess of 250 billion in the next 4 years in their retail division. The company already has 1691 Reliance Fresh outlets across the country. These stores sell fresh fruits and vegetables, staples, groceries, fresh juice, bars and dairy products.

## **REVIEW OF LITERATURE**

**Nitecki and Hemon<sup>1</sup>, 2000** investigated the reliability and validity of SERVQUAL instrument in the context of library service. They found that SERVQUAL displayed three responsive dimensions, rather than the five dimensions originally proposed by **Parasuraman et al.**

**Mehta<sup>2</sup> 2000** Service quality in retailing is different from any other product/service environment on account of the unique nature of retail service, improvements and measurements of quality in retailing cannot be approached in the same way as that of the services perspective. In retail service, it is necessary to look at quality from the perspective of services as well as goods and derive a set of items that accurately measure this construct.

**Wisniewski, 2001; Schneider and White<sup>3</sup>, 2004** Service quality has been one of the most discussed and debated concept in the research literature because of the difficulties in both defining it and measuring it with no overall consensus emerging on either. The most commonly used definition of service quality is the extent to which a service meets customers needs or expectations and it involves a comparison of customer expectations with customer perceptions of actual service performance.

**Othman & Own<sup>4</sup>, 2001** Also, considering the difference between Islamic banking and Usury banking in nature, Othman & Own (2001) have offered a model called CARTER, consisting of Complaint, Assurance, Reliability, Tangibles, Empathy, and Responsiveness which includes 34 components. **Kim & Jin<sup>5</sup>, 2002** found RSQS to be relevant towards assessing service quality of discount stores in context of USA and South Korea. They were unable to find distinct personal interaction and problem solving dimensions for contexts under review.

**Spohrer & Maglio<sup>6</sup>, 2008** As the service sector of the global economy grows, the study of services and innovation are becoming increasingly important. Service products distributed regionally, nationally, and globally have become larger portions of company revenue streams; knowledge-intensive business services aimed at enhancing performance require reliable methods of measurement, assessment, and improvement.

**Wong and Sohal<sup>7</sup>, 2003** Companies need to provide services with such a quality that meet or exceed customer expectations. Customers, satisfied with service quality are most likely to remain loyal.

**Caruana<sup>8</sup>, 2002** On the relationship between customer satisfaction, service quality and service loyalty in Malta's banks, concluded that customer satisfaction plays a mediator role in the effect of service quality on service loyalty. In fact, service quality affects service loyalty through customer satisfaction. In addition, results of this research show that service quality is an important gateway to customer satisfaction, and explains 53% of the variance.

**Yongyui<sup>9</sup>, 2003** has presented a model for the relationship between service quality and bank's reputation. According to the findings of this research, the fivefold dimensions of service quality have direct effect on the bank's reputation. In addition, on the basis of this research's findings, the bank's reputation plays an important role in determination of purchase, repeated purchase, and customer loyalty. This issue has much more importance in banking industry, because service quality cannot be accurately evaluated before purchasing.

**Chakravarty<sup>10</sup> 2003** On customers' abandonment behavior in America's banks, found that there is a meaningful negative relation among service quality dimensions, responsiveness, empathy, and reliability, with customer's tendency to abandon the bank. This study in India's banks show that the concept of service quality in developing countries is a multi-dimensional structure, and in fact the results clearly show that SERVQUAL model provides more evaluating information in relation with service quality gaps, than SERVPERF scale.

**Spohrer & Maglio<sup>11</sup>, 2008** Services are increasingly becoming a larger portion of many organizations' regionally, nationally, and globally and are considered as a tool for revenue streams. Today's knowledge intensive services businesses require reliable methods of measurement, assessment, and improvement

Landrum<sup>12</sup>, 2008 Service quality is determined by calculating the difference between two scores where better service quality results in a smaller gap.

Dr. Chandan A. Chavadi and Shilpa S. Koktanur<sup>13</sup>, 2010 Customers consider fast billing, parking facility and long hours of operations as prime services and key factors in Retail service quality.

S.P.Thenmozhi and D.Dhanapal<sup>14</sup>, 2011 Retail Service Quality factors like Store Merchandise, Access, Problem solving, and Personal Interaction have a significant impact on customer satisfaction and factors like Problem Solving and Personal Interaction have a significant impact on customer loyalty in retail outlets.

Shishma Kushwaha and Dr. Mohender Kumar Gupta<sup>15</sup>, 2011 Quality is a multi-dimensional phenomenon. Thus, reaching the service quality without distinguishing the important aspects of quality is impossible. In his discussion of service quality.

**Statement of the Problem**

- Lack in responsiveness by the employees
- Lack in visually appealing facilities
- Assurance on the products
- Understanding the customer needs

**Objectives of the Study**

- To study the awareness about retailers service quality among customers.
- To analyze the factors influence retail service quality.

**Sample Method**

The Research study on the customer satisfaction towards retailer’s service quality in retail outlets is a Non - Probability sampling in which the population and sample size are not known. Hence Judgmental Sampling technique is done based on Judgments given in various Review of Literature.

**Sample Size**

Since it is a non-probability sampling the sample size is determined using the formula:

$$\text{Sample size} = z^2 * p * (1-p) / M^2$$

Where Z is Z value [1.96 at 95% confidence level]  
 P is population proportion (Since the population is not known p vale is Considered as 0.5)  
 M is margin of error at 5%

$$\text{Sample size} = 1.96^2 * 0.5 * (1-0.5) / 0.05^2$$

$$= 3.8416 * 0.5 * (1-0.5) / 0.0025$$

$$= 3.8416 * 0.5 * 0.5 / 0.0025$$

$$= 0.9604 / 0.0025$$

$$= 384$$

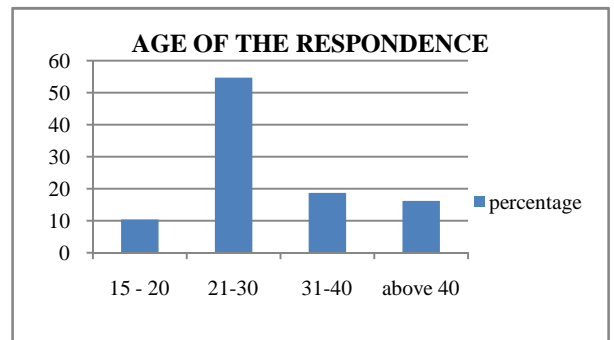
**Statistical Tools for Analysis**

The statistical tools used in analysis in the problem are as follows:

- Mean analysis
- Chi-square test
- ANOVA

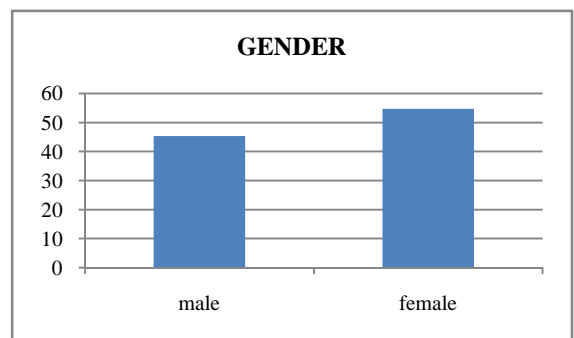
**Analysis and Interpretation Table & Chart Showing the age of the Respondents**

Age	Sample size	Percentage (%)
15 – 20	40	10.42
21 – 30	210	54.69
31 – 40	72	18.75
Above 40	62	16.15
Total	384	100



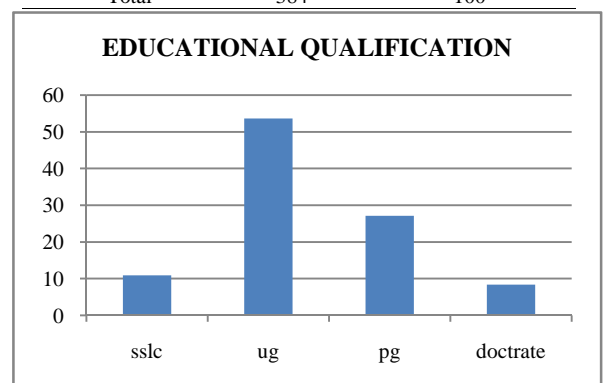
**Table & Chart Showing The Gender Of The Respondents**

Gender	Sample size	Percentage (%)
Male	174	45.31
Female	210	54.69
Total	384	100



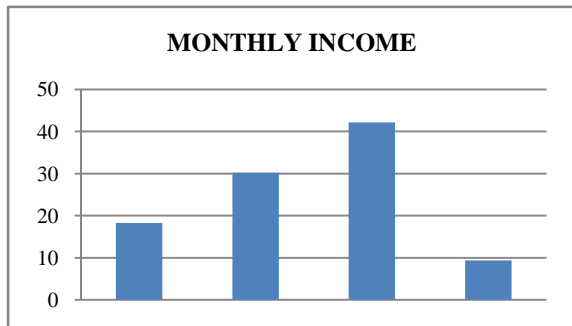
**Table & Chart Showing The Educational Level Of the Respondents**

Qualification	Sample size	Percentage (%)
SSLC	42	10.94
UG	206	53.65
PG	104	27.08
Doctorate	32	8.33
Total	384	100



**Table & Chart Showing The Income Level Of The Respondents**

Monthly income	Sample size	Percentage (%)
10000 – 20000	70	18.23
21000 – 30000	116	30.21
31000 – 40000	162	42.19
Above 40000	36	9.375
Total	384	100



**Chi – Square Test**

**Responsiveness and assured while buying**

**H0:** There is no relationship between the responsiveness and assurance while buying.

**H1:** There is a relationship between the responsiveness and assurance while buying

**Solution**

O	E	(O-E)	(O-E)*2	(O-E)*2/E
44	35.4	8.6	74	2
14	17	-3	9	0.53
18	22.31	-4.31	19	0.85
8	9.18	-1.18	1.4	0.15
76	57	-19	361	6.33
26	27.2	-1.2	1.44	0.05
28	36	-8	64	1.78
4	15	-11	121	8
34	44	-10	100	2.27
30	21.13	8.87	78.68	3.72
24	28	-4	16	0.57
16	11.38	4.62	21.34	1.88
8	26.16	-18.16	329.79	12.61
8	13	-5	25	1.92
32	16.47	15.53	15.53	14.64
14	7	7	7	7
<b>TOTAL</b>				<b>64.3</b>

**Anova**

**Assurance and reliable service**

Assurance Reliable service	Instill	Employee knowledge	Consistently courteous	Consumer Feel safe	Total
Promised time	72	48	34	14	168
Handling customer service problem	18	22	12	14	66
Maintaining error-free record	64	14	32	4	114
Services as promised	6	16	14	16	36
<b>Total</b>	<b>160</b>	<b>92</b>	<b>92</b>	<b>40</b>	<b>384</b>

**Calculation**

**H0:** There is no relationship between assurance and reliable service

**H1:** There is a relationship between assurance and reliable service.

Sources of Variation	Degree of freedom	S.S	MSS=S.S/D.O.F	F Calculated Value	F tabular Value
Between while Buying	3	1816	MSC=1816/3 =605.33	MSC/MSE =11.84	3.86
Between retail Service	3	2502	MSR =2502/3 =834	MSR/MSE =16.31	3.86
Error	9	460	MSE=460/9 =51.11		
<b>Total</b>	<b>15</b>	<b>4778</b>			

**Inference**

No of rows:4 ,no of column:4

Degree of freedom=(c-1)(r-1)

**Calculated value**

Between while buying=(11.84)

Between retail service=(16.31)

**Tabulated value:**(5% level of significance)

Between while buying=(3.86)

Between retail service=(3.86)

Since the calculated value of its larger than the tabulated value, so there is no relationship the null hypothesis(H0) accepted.

Responsiveness Assured While buying	Instill confidence consumer	Employees Knowledge To answer	Consistently courteous	Consumer Feel safe In transaction	Total
Willingness to Help consumer	44	14	18	8	84
Keeping customer Informed	76	26	28	4	134
Respond consumer request	34	30	24	16	104
Prompt service to consumer	8	8	32	14	62
<b>Total</b>	<b>162</b>	<b>78</b>	<b>102</b>	<b>142</b>	<b>384</b>

**Inference**

No. of rows :4, No. of columns:4

Degree of freedom= (4-1)(4-1)=9

Table value=16.919, Calculated value=64.

From the above calculation it is clear that calculated value (64.3)>tabulated value (16.919) so there is a relationship between responsiveness and assured Hence Alternative Hypothesis H1 is accepted.

**Service Offered And Tangible Attracts Consumer**

Attract Consumer Service offered	Employee Professional appearance	Visually appealing facilities	Stores layout	Product presentation	Total
Discount	30	18	32	6	86
Promotional offer	24	26	14	42	106
Door delivery	18	26	40	60	144
Gift cheques	4	14	16	14	48
<b>Total</b>	<b>76</b>	<b>84</b>	<b>102</b>	<b>122</b>	<b>384</b>

**Calculation**

**H0:** There is no relationship between attractiveness and service offered.

**H1:** There is a relationship between attractiveness and service offered.

Sources of Variation	Degree of freedom	S.S	MSS=S.S/D.O.F	F Calculated Value	F tabular Value
Between attract consumer	3	314	MSC=314/3 =104.67	MSC/MSE =0.58	386
Between Service offered	3	1202	MSR =1202/3 =400.67	MSR/MSE =2.21	3.86
Error	9	1628	MSE=1628/9 =180.89		
Total	15	3144			

**Inference**

No. of rows:4,no.of column:4  
Degree of freedom:(c-1)(r-1)

**Calculated value:** Between attract consumer=(0.58)  
Between service offered =(2.21)

**Tabulated value:**(5% level of significance) Between attract consumer=(3.86)

Between service offered =(3.86)

Since the calculated value of F its smaller than the tabulated value, alternative hypothesis is accepted

**Reliable service And Attractiveness**

Attractiveness Reliable service retain consumer	Employee Professional appearance	Visually Appealing facilities	Stores layout	Product presentation	Total
Services at promotional time	36	34	54	42	166
Handling customer service problem	10	12	24	42	88
Maintaining error – free record	6	24	38	28	48
Services as promised	6	6	6	16	34
Total	58	76	122	128	384

**Calculation**

**H0:** There is no relationship between the attractiveness and reliable service

**H1:** There is a relationship between the attractiveness consumer and reliable service

Sources of Variation	Degree of freedom	S.S	MSS=S.S/D.O.F	F Calculated Value	F tabular Value
Between Tangible attractiveness	3	886	MSC=886/3 =295.33	MSC/MSE =2.40	3.86
Between Reliable service	3	1713	MSR =1713/3 =571	MSR/MSE =4.64	3.86
Error	9	1105	MSE=1105/9 =122.78		
Total	15				

**Inference**

No. of rows:4,no.of column:4  
Degree of freedom:(c-1)(r-1)

**Calculated value**

Between attract consumer=(2.40)  
Between reliable service return consumer=(4.64)

**Tabulated value:**(5% level of significance)

Between attract consumer=(3.86)  
Between reliable service return consumer=(3.86)

Since the calculated value and the tabulated value is not a same, so Ho is accepted

**Pricing And Assurance**

Pricing Assurance	Price compared To quality	Price Compared to other company	Price compared to expectations	Price compared to brand	Total
Instill Employee knowledge	34	70	42	12	158
Consistently courteous	16	44	26	4	90
Consumer feel safe	14	24	42	12	92
Total	16	14	12	2	44
	80	152	122	30	384

**Calculation**

**H0:** There is no relationship between the pricing attract consumer and while buying.

**H1:** There is a relationship between the pricing attract consumer and while buying.

Sources of Variation	Degree of freedom	S.S	MSS=S.S/D.O.F	F Calculated value	F tabular Value
Between pricing attract consumer	3	2106	MSC=2106/3 =702	MSC/MSE =5.28	3.86
Between while buying	3	1650	MSR =1650/3 =550	MSR/MSE =4.09	3.86
Error	9	1211	MSE=1211/9 =134.55		
Total	15	4967			

**Inference**

No. of rows:4,no.of column:4  
Degree of freedom:(c-1)(r-1)

**Calculated value**

Between pricing attract consumer=(5.28)  
Between while buying=(4.09)

**Tabulated value:**(5% level of significance)

Between pricing attract consumer=(3.86)  
Between while buying=(3.86)

Since the calculated value its grater than the tabulated value, null hypothesis is accepted

## Findings, suggestions and conclusions:

### Findings

- From the study around 54% are female.
- The study portrays that 20 - 30 aged respondents are high as 54.69%.
- The under graduates are higher as 53.65% in the study.
- Private sector as 47.92 respondents in the study.
- The study portrays that 31000 – 40000 monthly income level are high as 42.19%.
- From the study around 52.08 % are single.
- There is a relationship between responsiveness and assurance.
- There is a relationship between tangible attracts and service offers.

### Suggestions

- There is no association between reliable service and assurance so the reliable service have to the improved.
- Price of the product and the assurance indicates negative relationship so the retailers have to focus as the assurance based as the cash that consumer pay for it.
- The tangible attractiveness have to attract consumer reliable service. To improve the service quality.

## CONCLUSION

The research paper highlighting the retailers service quality. From the study it was found that reliable service, assurance and price are the important factor that influencing retailers service. From the customer perspective quality service may retain in the customer mind and it reflects as cognitive behaviour on the repeated buying behaviour so the consumer retention can be achieved only through a memorable service quality compared to other competitors

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