EXAMINATION OF ORGANIZED RETAILING SERVICE QUALITY IN ATTIRE SPECIALTY STORES IN BANGALORE CITY, INDIA

KUMAR.R

Assistant Professor

Department of Management Studies

Adhiyamaan College of Engineering (Autonomics)

Hosur, Tamilnadu (Mail Author)

krkquality@gmail.com

Dr.G.BARANI

Assistant Professor

School of Management studies

Anna University of Technology Coimbatore

Coimbatore, Tamilnadu

Abstract: The last few years have witnessed a growing number of retail service quality measurement studies, albeit in various cultures and different settings. Two well-known retail attire store chains were selected for this study. Findings obtained from the confirmatory factor analysis and reliability tests indicated that all the five dimensions of physical aspects, reliability, personal interaction, problem-solving and policy are highly suited for measuring retail service quality in attire stores, also proving that the instrument is appropriate in the Indian culture. Through the correlation analysis, it was shown that retail service quality is furthermore associated with future consumption behaviour in terms of the customers' intention to visit, purchase and recommend the stores to others. Repercussions of this retail service quality scale for practitioners are included in this paper.

Keywords: *Organized Retailing, Service Quality, Attire, Specialty Stores and Bangalore city*

INTRODUCTION

During the last few years, the Indian retail market has seen considerable growth in the organized segment. Major domestic players have entered the retail arena and have ambitious plans to

expand in the future years across verticals, formats, and cities. For example, companies like Reliance, Tata, Bharti, Big Buzzers, Brand factory, Pantaloons have been investing considerably in the booming Indian retail sector. Besides, a number of transnational corporations have also set up retail chains in collaboration with big Indian companies. The Indian retail sector is highly fragmented and the unorganized sector has around 13 million retail outlets that account for around 95-96% of the total Indian retail industry. However, going forward, the organized sector's growth potential will increase due to globalization, high economic growth, and changing lifestyle. Moreover, high consumer spending over the years by the young population (more than 31% of the country is below 14 years) and sharp rise in disposable income are driving the Indian organized retail sector's growth. Even small towns and cities are witnessing a major shift in consumer lifestyle and preferences, and have thus emerged as attractive markets for retailers to expand their presence. Although the growth potential in the sector is immense, it is not without challenges that could slow the pace of growth for new entrants. Rigid regulations, real estate costs, high personnel costs, lack of basic infrastructure, shrinkage, and highly competitive domestic retailer groups are some such challenges. Additionally, resource constraints at shopping mall projects are also delaying completion and disrupting many retailers' entry strategies. The retail industry in India is highly fragmented and unorganized. Earlier on retailing in India was mostly done through family-owned small stores with limited merchandise, popularly known as kirana or mom-and-pop stores. In those times, food and grocery were shopped from clusters of open kiosks and stalls called mandis. There were also occasional fairs and festivals where people went to shop. In the twentieth century, infusion of western concepts brought about changes in the structure of retailing. There were some traditional retail chains like Nilgiri and Akbarallys that were set up on the lines of western retail concepts of supermarkets. The government set up the public distribution system (PDS) outlets to sell subsidized food and started the Khadi Gram Udyog to sell clothes made of cotton fabric. During this time, high streets like Linking Road and Fashion Street emerged in Mumbai. Some manufacturers like Bombay Dyeing started forward integrating to sell their own merchandise. Shopping centres or complex came into existence, which was a primitive form of today's malls. Since liberalisation in early 1990s, many Indian players like Shoppers Stop, Pantaloon Retail India Ltd (PRIL), Spencer Retail ventured into the organised retail sector and have grown by many folds since then. These were the

pioneers of the organised Indian retail formats. With the opening up of foreign direct investment in single-brand retail and cash–and-carry formats, a new chapter unfolded in the retail space. Many single-brand retailers like Louis Vuitton and Tommy Hilfiger took advantage of this opportunity. The cash-and-carry format has proved to be an entry route for global multichannel retailing giants like Metro, Wal-Mart and Tesco. The Indian economy posted a remarkable CAGR growth of 8.9% during FY04-FY08, which increased the per capita income and in turn, the disposable income of a large section of the population. Growth in the retail trade depends on the fundamentals of an economy. The Indian economy grew at a robust rate over the last five years, riding high on the high growth in the service sector (10.5%) and the manufacturing sector (9.4%) as compared with 7.4% and 4.1% during FY99-FY03. The rise in per capita income and the resultant rise in disposable income stimulated consumption during this five-year period, thereby resulting in a spurt in retail trade. Furthermore, according to the Mckinsey Global Institute (MGI), the average real household disposable income is likely to grow by 5.3% during 2005-2025 and reach Rs 318,896 per annum as compared with 3.6% in the previous 20 years, which indicates the huge potential for the retail sector in India.

LITERATURE REVIEW

The origins of numerous instruments measuring service quality can perhaps be traced back the pioneering work of Parasuraman et al. (1988) who developed the widely popular scale termed as SERVQUAL to evaluate service quality. According to the developers of SERVQUAL, service quality is derived from a comparison between customer expectations and customer perceptions of actual service performance. The difference between perceptions and expectations results in the service quality gap (Q = P-E), also known as GAP 5 (Parasuraman et al., 1985; 1988). A wide gap would represent poor service quality and shows that the service provider needs to improve on the service offered to its customers. Parasuraman et al.'s (1988) study also suggested that five dimensions namely, tangibles, reliability, assurance, responsiveness and empathy, influence service quality perceptions. SERVQUAL has spawned many other studies undertaken by both academicians and practitioners alike. It has been tested and applied in diverse service settings which includes hospitals (Babakus & Mangold, 1989), a dental school patient clinic, business school placement centre, tire store and acute care hospital (Carman, 1990), a utility company

(Babakus & Boller, 1992), banking, pest control, dry cleaning and fast food (Cronin & Taylor, 1992), and banking industries (Lassar et al., 2000; Zhu et al., 2002). Recently, SERVQUAL has also been expanded and applied to internet retailing (Trocchia & Janda, 2003; Long & McMellon, 2004). Even so, the scale itself possesses some serious shortcomings that limit its usefulness (Brown et al., 1993). For example, the generalizability of the SERVQUAL dimensions across different service settings is severely doubted (Siu & Cheung, 2001) as most of the studies demonstrated a poor fit of the five-factor structure posited by Parasuraman et al. (1988). In actual fact, perceptions-only measure seems to be more realistic and applicable. Indeed, this has been supported by Cronin and Taylor (1992) who claimed that their perception-only measure of service quality (SERVPERF) was far more superior to the traditional SERVQUAL because the scale provided a more construct-valid explanation to service quality due to their content and discriminate validity. Apart from this, concern has also been expressed over the length of the SERVQUAL questionnaire. Respondents may end up either bored or confused having to answer a 22 expectations item and 22 perceptions item scale, and this can certainly affect the quality of data obtained (Bouman & Van der Wiele, 1992; Siu & Cheung, 2001). Taking into account the many comments and criticisms, Parasuraman et al. (1991; 1994) later reassessed and refined SERVQUAL. Despite the fact that SERVQUAL has been empirically tested in various studies involving "pure" service settings, it has not been proven to be successfully applied in a retail setting (Dabholkar at al., 1996; Mehta et al., 2000) and also more specifically, in apparel specialty stores. Service quality in "pure" service settings and retail settings differ in the sense that quality is seen from the perspective of not only services but goods as well. Measuring service quality, therefore, can be rather complicated and difficult especially in apparel specialty retailing where it combines the selling of goods and services to the customers as well as the customers' expectations of knowledgeable, helpful staff to assist them during their shopping experience (Gagliano & Hathcote, 1994). The need for a measurement instrument that can accurately assess service quality in a retail environment was answered by Dabholkar et al. (1996) who developed and empirically validated a scale to measure retail service quality distinctively. These three differing methods combined with a review of service quality related literature and some modification to the original SERVQUAL scale produced a hierarchical factor structure scale which Dabholkar et al. (1996) aptly named as the Retail Service Quality Scale (RSQS). According to

Dabholkar et al. (1996), retail service quality had a hierarchical factor structure which comprised of five basic dimensions. The five dimensions projected were:

Physical locations: includes functional elements like layout, comfort and privacy and also aesthetic elements such as the architecture, colour, materials and style of the store.

Reliability: a combination of keeping promises and performing services right.

Personal interaction: the service personnel being courteous, helpful, inspiring confidence and trust in customers.

Problem solving: the handling of returns and exchanges as well as complaints.

Policy: a set of strategies, procedures and guiding principles which the store operates under such as high quality merchandise, convenient operating hours, availability of parking spaces and payment options.

Table 1: Summary of Several Studies on Retail Service Quality Measurement

Authors	Research setting(s)	Study sample(s)	Instrument	Analysis	Factor structure or other key findings
Gagliano & Hathcote (1994)	Southeastern USA	Customers of specialty attire stores	Refined SERVQUAL scale (Parasuraman et al., 1991)	Principal axis factor analysis followed by oblique rotation	The five-factor structure used in this study was reduced to four factors.
Dabholkar	Southeastern	Customers of	The authors' own	Confirmatory	A hierarchical factor

et al. (1996)	USA	seven selected stores from two department store chains	scale known as Retail Service Quality (RSQS) which they developed to suit the retail environment after making some modifications to SERVQUAL	factor analysis with partial disaggregation	structure was proposed comprising of five dimensions, with three of five dimensions having two subdimensions each and overall service quality as a second-order factor.
Christo & Terblanche (1997)	South Africa	Hypermarket shoppers	RSQS (Dabholkar et al., 1996)	Confirmatory factor analysis	Hierarchical factor structure. The five-factor structure of retail service quality Dimensions
Leung & To (2001)	Hong Kong	Undergraduate students who were shoppers at fashion stores	A 34-item scale developed by Leung & Fung (1996) for	Reliability and correlation analysis	The scale, comprising of five factors, possessed high internal

			measuring service quality specifically in fashion chain stores		consistency but low temporal stability.
Siu & Cheung (2001)	Hong Kong	Customers of five stores from a Multinational department store chain	RSQS (Dabholkar et al., 1996)	Principal component factor analysis with varimax rotation	Six factors emerged as opposed to the five-factor structure suggested in RSQS.
Kim & Jin (2002)	USA and Seoul, Korea	College students who were shoppers of discounts stores	RSQS (Dabholkar et al., 1996)	Confirmatory factor analysis with partial disaggregation	A three-factor structure was found. The RSQS presented a better fit for the US sample than the Korean consumers.

OBJECTIVE OF THE STUDY

Our key aim is to examine the generality and applicability of the retail service quality in an Bangalore City business vista. We seek to test the applicability of the aforementioned scale primarily in apparel specialty provisions. The last few years have observed a growing number of RSQS replication studies, notwithstanding in various customs and settings.

RESEARCH METHODOLOGY

Sample and Procedure

Two retail attire store chains, A and B were selected for this study based on a number of reasons. Both A (a local brand) and B (Overseas brand) are well-known fashion labels among Malaysian shoppers. They sell casual and comfortable apparel ranging from cotton wear, denim, khakis and knitwear as well as accessories targeted at the younger generation of consumers from the ages of 19 to around 40. Over the years, their strategies of providing quality and value-priced fashion apparel has certainly paid off as both A and B have emerged into immensely successful retailers today as well as close rivals competing for the casual apparel market share. The image of good merchandise and service quality has been observed to be consistent throughout the store chains. Perhaps through this study we can gain some valuable insights on excellent service delivery from these retailers. Customers of all A and B's chain stores in Bangalore city were involved in this study. The method of purposive sampling was employed whereby the respondents had to fulfill the criteria of having visited the stores before even if they had not made any purchases. The questionnaires were personally hand delivered in workplaces, educational institutions and shopping complexes, as distributing the questionnaires within the stores' premises was not allowed by the stores' management. Have been distributed questionnaires to respondent 350 numbers, but we have received from respondent 211 completed questionnaires were obtained, with female respondents (29%) greatly outnumbering the male respondents (71%). Majority of the shoppers were between the ages of 25 to 35 years.

Measures of Service Quality in Retail Store:

The Retail Service Quality Scale (RSQS) which was developed by Dabholkar et al. (1996) was utilized in this study. There are altogether 27 items in the RSQS whereby 16 items originated from the SERVQUAL scale while the remaining 11 items, which were believed to be related to retailing, were added in by Dabholkar et al. (1996). Another additional 3 questions were included in the questionnaire pertaining to the customers' future intentions to shop, purchase and

recommend the stores to their friends with the objective of assessing the predictive validity of the RSQS. Responses to all the statements in the questionnaire were measured on a five-point Likert scale, ranging from 1 = strongly disagree to 5 = strongly agree. Demographic information such as gender, age, ethnicity, education level and income was also collected.

DATE ANALYSIS AND FINDINGS OF THE STUDY

Figure 1: Factor Analysis on Retail Service Quality Dimensions
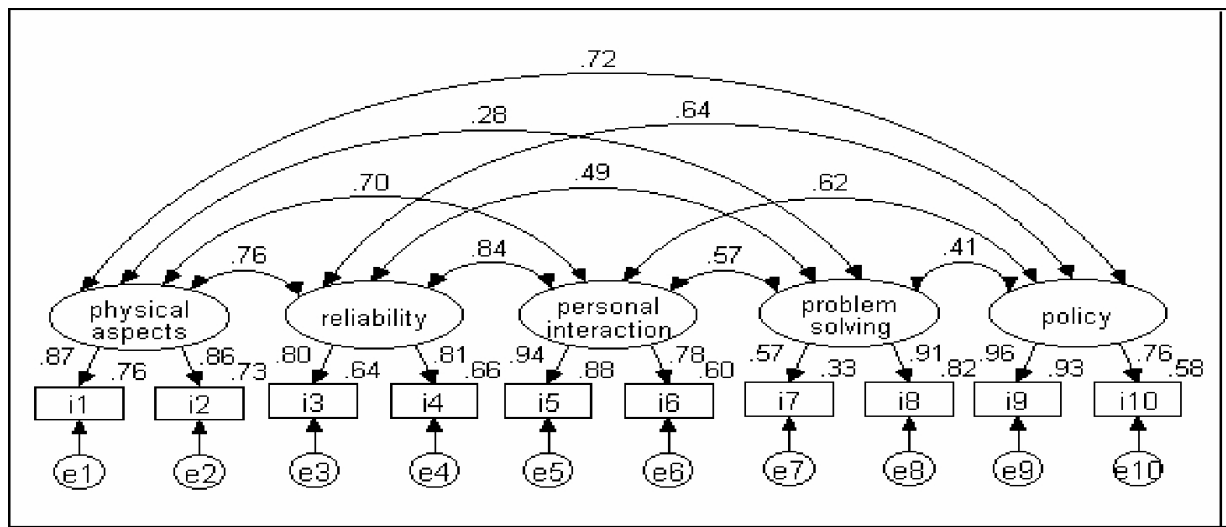
Structural equation modeling using AMOS 4.0 was used to test the retail service quality model proposed in Figure 1. Confirmatory factor analysis with partial disaggregation was performed on the five basic dimensions of retail service quality. The partial disaggregation technique was applied instead of the traditional structural equations approach (or total disaggregation). Although the traditional total disaggregation technique provides the most detailed analysis for construct testing (each item is used as a separate indicator of the relevant construct), it has a tendency to be cumbersome due to potentially high levels of random error in typical items and the many parameters that must be estimated. In contrast, partial disaggregation allows one to proceed with meaningful research by combining items into composites to reduce higher levels of random error and yet it retains all the advantages of structural equations, including accounting for measurement error, allowing for multiple, multidimensional variables and testing for hierarchical factor structures. The factor loadings and co variances obtained from the Retail Service Quality Dimensions factor analysis are as shown in Figure 1.

Table 2: Fit Statistic in the Structural Equation Model

Goodness-of-fit model index	Recommended Value*	RSQS model
Chi-square/degree of freedom**	≤ 2.00	2.595
Goodness-of-fit index	≥ 0.90	0.946
Adjusted goodness-of-fit index (AGFI)	≥ 0.90	0.882
Normalized fit index (NFI)	≥ 0.90	0.946
Tucker-Lewis index (TLI)	≥ 0.90	0.938
Comparative fit index (CFI)	≥ 0.90	0.966
Root mean square error of approximation (RMSEA)	≤ 0.08	0.087

* These criteria are according to Hair et al. (1998) and Arbuckle and Wothke (1995)

** Segars and Grover (1993) recommend chi-square/degrees of freedom value of ≤ 3.00

Based on the results obtained, it is evident that the model is well supported, thus we can conclude that all the five dimensions tested appear to be highly suited for measuring retail service quality, particularly in specialty attire stores.

Reliability and Validity Results

Construct reliabilities were computed for the overall scale as well as at the dimension level. The results of the test indicated that the retail service quality scale proposed by Dabholkar et al. (1996) is a very much reliable instrument, registering an overall Cronbach alpha value of 0.93. All of the dimensions except for problem solving (which returned a coefficient of 0.62) also recorded coefficient alphas above 0.70, adhering to the minimum value of 0.70 suggested by Nunnally (1978). Nonetheless, the coefficient for problem-solving is still considered to be satisfactory as it is over 0.6 (Malhotra, 1993). Hence, the internal consistency reliabilities of the measures used in this study were all acceptable.

Data was collected on three dependent variables intention to visit, intention to purchase and intention to recommend the store to others with the purpose of assessing the criterion related to retail service quality scale. In this study, criterion related validity was determined using correlations between the overall scale, the individual dimensions and the three dependent variables. The results presented in Table 3 shows that the entire scale is highly correlated with the three intentions to visit (0.59, p<0.05), purchase (0.5, p<0.05) and recommend the stores (0.62, p<0.05), thus verifying the predictive validity of the RSQS. Based on Table 3 also, strong positive correlations can be traced for all the underlying dimensions except between problem solving and the intention to visit (0.16, p<0.01) and purchase (0.15, p<0.01).

Table 3: Construct Reliability and Criterion Related Validity of the Retail Service Quality Scale

			Criterion Related Validity with correlations		
	No.of items	*Construct Reliability*	*Intention to visit*	*Intention to purchase*	*Intention to recommend*
Overall scale	*28*	*0.93*	*0.59***	*0.5***	*0.62***
Dimensions					
Physical aspects	*6*	*0.84*	*0.60***	*0.47***	*0.46***
Reliability	*5*	*0.78*	*0.45***	*0.42***	*0.49***
Personal interaction	*9*	*0.85*	*0.49***	*0.38***	*0.55***
Problem-solving	*3*	*0.62*	*0.16**	*0.15**	*0.31***
Policy	*5*	*0.82*	*0.53***	*0.45***	*0.54***

* p<0.05, ** <0.01

Further to that, we also endeavored to test the discriminate validity of this instrument. Discriminate validity gauges the extent to which measures of 2 different constructs are

comparatively distinctive from each other, and that their correlation values are neither an absolute value of *0 nor 1*. A correlation analysis was run on all the dimensions of retail service quality and the results are as presented in Table 4. It is found that all the dimensions are not perfectly correlated as their correlation coefficients fall between *0 and 1*, hence establishing the discriminate validity of the RSQS.

Table 4: Correlation results

	Physical aspects	*Reliability*	*Personal Interaction*	*Problem-solving*	*Policy*
Physical aspects	*1.000*				
Reliability	*0.623***	*1.000*			
Personal interaction	*0.587***	*0.695***	*1.000*		
Problem-solving	*0.114**	*0.330***	*0.428***	*1.000*	
Policy	*0.624***	*0.552***	*0.520***	*0.246***	*1.000*

*p<0.05, ** p<0.01

DISCUSSION

Organized retail service quality is also extremely allied with future consumption behavior in terms of the customers' intention to visit, purchase and recommend the store to family and friends. All the underlying dimensions of service quality play a role in stimulating repeated store patronage and the spread of good word-of-mouth. However, it is noteworthy to point out that problem solving did not record strong positive correlations as compared with the other dimensions when it came to intention to visit and purchase although it was significantly related to those two intentions. A most attire store in Bangalore generally does not accept returned but exchanged goods through their goods sold are not returnable but exchangeable policy. Nonetheless, it is still

worthwhile for the retailers to apply prompt and professional problem-solving methods including having a proper system of returns as this can certainly delight the customers while positioning a favorable impression of the store in the customers' minds. The instrument is useful in collecting data that can be used for benchmarking current levels of retail service quality as well as in carrying out periodic inspections to measure service performance and improvement. Using the instrument to analyze data at different levels (i.e. overall level and dimension level) allows the retailer to detect problematic areas of service quality within the stores that are in need of attention. With this, the retailer is able to focus its resources on improving the particularly weak aspects of its service. The chosen attire specialty stores in this study are renowned retailers whose consistent service and quality image have propelled them towards the success they are today.

CONCLUSION AND LIMITATION

There slight doubt that the local fashion retail industry is evolving into an exceedingly competitive scene with both foreign and local players fighting for a share in the customers' minds as well as hearts. In glow of this, service quality has long been accepted as the most basic marketing tool for retailers to differentiate their retail offers, create competitive advantage and to enhance the customers' shopping experience. Nonetheless, maintaining excellent service quality within the stores is no simple task as it requires incessant facet from time to time to monitor and identify areas of activity that may be responsible for the standards of service quality. This study has successfully legalized Retail Quality Service Scale in the Bangalore setting specifically in attire specialty stores. There are two limitations in the study that should be considered when interpreting the results and implications. First of all, very poor responses from patrons and secondly, the sample size was small so we could not generalized this results remaining locations.

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