ORIGINAL

Customer satisfaction in retail services: a study with reference to Kottayam district in Kerala

Satisfacción del cliente en los servicios al por menor: un estudio con referencia al distrito de Kottayam en Kerala

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ABSTRACT

Purpose: the main aim of this research paper is to ascertain the factors influencing the service quality of retail services in the study area and to identify the strategies of retail services leading to customer satisfaction of retail services as well as to measure the influence of demographic variables on the level of satisfaction of retail services.

Method: the comprehensive framework for ascertaining customer satisfaction on service quality of retail services was subsequently accompanied by the collection of data through a structured questionnaire. The researcher used convenience sampling method and collected 384 responses and used confirmatory factor analysis, linear multiple regression analysis, structural equation model and one way analysis of variance.

Findings: it is found that the customer satisfaction of retail services and their quality can be judged by the retail stores location and the relationship maintained by the employees. The customers expect the staff in the retail services have good knowledge about the products and to have empathy in dealing with their customers. The ambience of retail services outlets and their layout are the predominant factors offer best satisfaction to the customers.

Practical Implications: the present research is focusing on the unaddressed issues to determine the factors of retail services empirically namely, the strategies of retailer services having their limitations of measurement and how can they be measured, the role of service quality on offering customer satisfaction through the retailer's services and the demographic variables deciding the level of satisfaction of customers on retail services.

Originality/Value: the quality of retail service comprises a healthy interaction between service seekers and service providers. The retailers strategies are to be designed in such a way the performance exceeds the expectations of customers and make them as the customers with high satisfaction and delighted and need to ascertain the factors responsible for customer satisfaction in retail services in retail sector, which is not much done by past researchers.

Keywords: Retail Services; Service Quality; Customer Satisfaction; Retail Services Outlets; Retail Stores Location; Retail Stores Ambience.

RESUMEN

Objetivo: el objetivo principal de este trabajo de investigación es determinar los factores que influyen en la calidad del servicio de los servicios minoristas en la zona de estudio e identificar las estrategias de los

servicios minoristas que conducen a la satisfacción del cliente de los servicios minoristas, así como medir la influencia de las variables demográficas en el nivel de satisfacción de los servicios minoristas.

Métodos: el marco global para determinar la satisfacción del cliente con la calidad de los servicios de venta al por menor se acompañó posteriormente de la recogida de datos mediante un cuestionario estructurado. El investigador utilizó un método de muestreo por conveniencia, recogió 384 respuestas y aplicó un análisis factorial confirmatorio, un análisis de regresión lineal múltiple, un modelo de ecuaciones estructurales y un análisis de varianza unidireccional.

Resultados: se concluye que la satisfacción de los clientes con los servicios de venta al por menor y su calidad pueden juzgarse en función de la ubicación de los comercios y la relación mantenida por los empleados. Los clientes esperan que el personal de los servicios minoristas conozca bien los productos y tenga empatía en el trato con sus clientes. El ambiente de los puntos de venta y su disposición son los factores predominantes que ofrecen mayor satisfacción a los clientes.

Implicaciones Prácticas: la presente investigación se centra en las cuestiones no abordadas para determinar empíricamente los factores de los servicios minoristas, es decir, las estrategias de los servicios minoristas que tienen sus limitaciones de medición y cómo pueden medirse, el papel de la calidad del servicio en la satisfacción del cliente a través de los servicios minoristas y las variables demográficas que deciden el nivel de satisfacción de los clientes en los servicios minoristas.

Originalidad/Valor: la calidad del servicio minorista comprende una sana interacción entre los demandantes y los proveedores de servicios. Las estrategias de los minoristas deben diseñarse de tal manera que el rendimiento supere las expectativas de los clientes y los convierta en clientes muy satisfechos y encantados, y es necesario determinar los factores responsables de la satisfacción de los clientes en los servicios minoristas en el sector minorista, algo que no han hecho muchos investigadores en el pasado.

Palabras clave: Servicios Minoristas; Calidad del Servicio; Satisfacción del Cliente; Puntos de Venta de Servicios Minoristas; Ubicación de las Tiendas Minoristas; Ambiente de las Tiendas Minoristas.

INTRODUCTION

A service is measure to determine the performance of firm or product to their customers. The service evaluation depends on the physical product as well as the services offered by the retail outlets. The performance is essential to seek customer satisfaction from the customers and intangible in the marketing approach. The nature of retail services is to maximize the customer base and does not normally focus on exorbitant profit. The factors of production as well as services are to encourage an economic activity aimed at reaping the customer value and offer best benefits to their customers. The specific times of services and places are well coordinated to bring a desired change in the quality of the services.[5] The quality of retail service comprises an healthy interactions between service seekers and service provider.[9] The retail services leans upon the three basic characteristics for its dynamic marketing revolution namely: 1. Services are the processes with needful series of activities to reach customers 2. Services are offered by the provider and consumed by the customers simultaneously 3. The participation of customers is a productive outcome of retail services to a greater extent.

Research gaps

So far these research works explored the retailer services and their various components responsible for the best retailer's service. These reviews paved the way to ascertain three important and conspicuous unaddressed areas namely:

1. Are the strategies of retailer services having their limitations of measurement and how can they be measured.
2. What is the role of service quality on offering customer satisfaction through the retailer's services?
3. Are the demographic variables deciding the level of satisfaction of customers on retail services?

Therefore the present research is focusing on these unaddressed issues to determine the factors of retail services empirically.

The following objectives are framed by the researcher based on the above mentioned research gaps in an innovative manner namely:

1. To study the factors influencing the service quality of retail services in the study area.
2. To identify the strategies of retail services leading to customer satisfaction of retail services.
3. To measure the influence of demographic variables on the level of satisfaction of retail services in the study area.

Theoretical framework

Customer satisfaction is a marketing indicator to measure the performance of a product or services[1] in the customer's point of view. It depends upon the set of relationship between service provider and service seekers in retail industry. Customer[6] satisfaction particularly in retail services depends upon the different dimensions fulfilling the expected performance of the services and also fulfilling the customer expectations. The large gap between customer expectations and satisfaction ultimately leads to customer dissatisfaction. In the retail services the performance matching plays a vital role to meet the expectations of customers and the retailers design their strategies to meet the customer satisfaction. The retailers strategies are designed in such a way the performance exceeds the expectations of customers and make them as the customers with high satisfaction and delighted. Armstrong[12] hence the present research work is aimed at ascertaining the factors responsible for customer satisfaction in retail services in retail sector.

Literature review

Kent[8] these authors also identified that the target of retail service marketers is meet all the strategies of their competitors. They have their retail mix with the marketing strategies to satisfy customer needs and also influence the purchase decisions of customers. There are several components in the retail mix namely type of product marketing, offers and gifts, best service quality better price, advertising and promotional marketing mix. They mainly focus on store design, product display, sales personnel relationship, convenience in store's locations.

Tony[8] found that the retail trade and its growth depend upon their outlet stores. The retailers use their wide and varied collection of outlets to sales their goods and services. In order to boost the retail sector they can take stringent measures to attract the customers through marketing strategies. The retailer is interested to sell products and services to offer best satisfaction to the customers.

Barry[13] argued that the retailing consists of all the business strategies involved in selling goods and services to consumers. They mainly focus on consumers' needs as well as their personal, family, or household needs. The retail services are aimed at customer satisfaction as they are in the last stage in the distribution process and frequently interact with end users directly.

Levy[14] it is found from an empirical study that the retail services are providing a combination of products and service in their business venture. They also focus on Breaking bulk, Holding inventory and providing best services to their customers. The research found that the Retailers and their services to the customers are the final point of contact in the business supply chains. The supply chain starts from the manufacturers to consumers through the distribution point of retailers.

Azhagan[2] the authors ascertained that the products or services valued by customers are very important for their development as well as the growth. The Retailers create value for customers through their best service quality and their dimensions namely reliability and responsiveness. They are also offering the best customer touch point and create a pleasant atmosphere. The retail services ensure no shopping risks and convenience shopping at a reasonable price.

Kumar[10,11] these authors emphasized that the supply chain in the retail services is very important for the firms and service quality of retailers is very important for the customers. The retailers impose empathy, reliability, sales man relationships, and responsiveness and cost benefits to the customers in their service quality approach. The main business of firms is to make and deliver a goods and services to the end users. The retailers implement their business strategy to improve their service quality as well as to give satisfaction to their customers. The management of the retailers develops their indigenous strategies to satisfy the need of the consumers.

Dineshkumar[4] these authors innovatively revealed that the retailers provide important marketing offers to their customers to increase the value of the product and best service quality to their customers. The main theme of retail services is to sell a product or services to consumers and make them comfortable at the point of sales. The retail services actually distribute those products and services from the manufacturers to the consumers through the process of supply chain management. The retail services have their business strategies forvalue-creating approach of customers

John[7] these authors highlighted the importance of Customer service and customer relationship in retailing services. The retailers always welcome the customers to their store and make a convenient and smooth purchase and also spread the message of retail services to friends, colleagues and others. The retail services also depend upon the behaviour of staff and price of the products. The customers are expected to experience a service encounter of retails to get their high level of satisfaction.

METHOD

This study is based on both primary data collected from respondents in the Kottayam district in the state of Kerala, India. Secondary data is also used to justify the information derived through the results. The research

design is both descriptive and empirical in nature. The primary data is collected through a well structured questionnaire circulated among all the Taluks in the kottayam district.

The questionnire is derived from the literature reviews as well as the gaps in the literature. The research questionnaire consist of three parts namely the first part deal with demographic profile as well as the purchase detail of customers. The second part deals with quality of retail services offered to their customers. The third part consists of satisfaction level of customers from what they experienced with the retail services. The second and third part are the statements in the questionnaire with the five-point scale options namely strongly agreed to strongly disagree and highly satisfied to highly dissatisfied. After framing the questionnaire the researcher conducted a pilot study to check the reliability as well as the validity of the research instrument emerged out of gaps in the literature.

The researchers used convenience sampling method to conduct the pilot study in the study area. At the point of inception the researchers circulated 150 questionnaires in the study area and able to obtain only 113 usable questionnaire. After entering 113 usable questionnaire in SPSS package version 23 and coded them in terms of numerical values. The application of cronbach Alpha method and the researcher is able to obtain the value 0,894 for all the statements in likert's five-point scale. This shows that the questionnaire framed by the researcher is highly reliable and well understood by the respondents in the study area.

After conducting the pilot study the researcher started the main study data collection through convenience sampling method and visited all parts of the Taluks in the study area. The researchers circulated 400 questionnaires and able to receive only 384 usable questionnaires. Hence the sample size of the research is 384.

After receiving those responses they are systematically entered in the SPSS version 23 and appropriately coded in terms of numerical values. All the questions in the questionnaire are coded in numerical values based on the options and used for the analysis. The following statistical tools or found useful to analyse the data anatomically. The confirmatory factor analysis is used validated the service quality of retail services and also to find that significant presence in the research. The linear multiple regression analysis is found useful to estimate the influence of service quality of retail services on the customer satisfaction. One-way analysis of Williams's found a suitable to estimate the influence of demographic variables of customers on their perception towards service quality of retail services as well as the satisfaction level.

RESULTS AND DISCUSSION

At the point of inception in the analytical part the researcher computed the total average scores for all the seven dimensions of service quality of retail services[3] namely ambiences, product availability, staff relationship, facilities, cleanliness, marketing promotion and location. These average scores computed by the researcher are useful to validate the seven factors of service quality involved in measuring the retail services. The confirmatory factor analysis is applied on these average results are obtained in the form of a diagram and the table. Model fit indices and bench markks for retail service quality shown in figure 1.
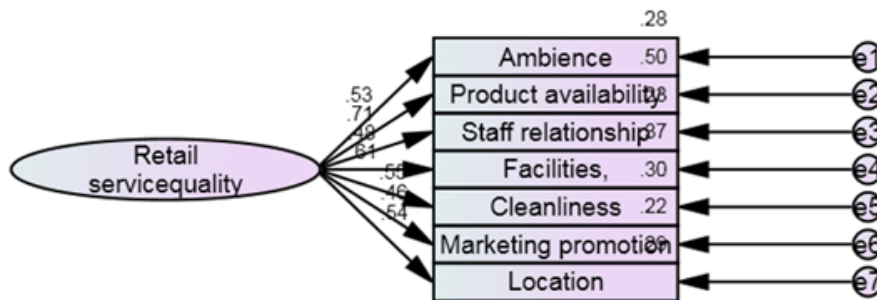
Figure 1. Model Fit Indices and Bench Markks for Retail Service Quality

S.NO	Fit indices	Values	Bench mark values
	Table 1. Model fit indices and bench marks for retail service quality		
1	Chi-square	7,951	-
2	P-value	0,405	>0,05
3	Goodness of fit index(GFI)	0,989	>0,9
4	Comparative fit index(CFI)	0,984	>0,9
5	Normed fit index(NFI)	0,980	>0,9
6	Root Mean Square Error of Approximation(RMSEA)	0,08	<=0,08

From the above table 1 and diagram it is found that the 6 fit indices satisfy all the benchmark values required for the best fit of dimensions and some service quality of retail services. The values clearly revealed that the service quality of retail services is not unique phenomenon but it is a combination of seven factors namely ambience, product availability, present staff, facilities, cleanliness, marketing promotion and location. After confirming the seven factors the researcher considered them as independent variables and the total average score of the variables of customer satisfaction is estimated and considered as a dependent factor. The influence of independent variables of service quality of retail services on the dependent variable customer satisfaction on retail services is estimated through linear multiple regression analysis and the following results are obtained.

Table 2. Correlation				
ML-1	**SQRT**	**CORRE**	**ACORRE**	**SEER**
1	0,958[a]	0,366	0,353	0,79149
a. Predictors: (Constant), Location, Marketing promotion, Staff relationship, Cleanliness, Ambience, Facilities, Product availability				

From the above table 2 of correlation analysis the correlation value is found to be highly significant. It is revealed that the service quality of retail services is essential to determine the satisfaction level of customers regarding the availability of different retail services. It is further consolidated by the following analysis of variance table.

Table 3. F-Values						
ML-2		**SQUARES**	**df**	**MSQAURES**	**F**	**Sig.**
1	Regression	21,931	7	3,133	6,001	0,000[b]
	Residual	308,220	376	0,626		
	Total	330,151	383			
a. Dependent Variable: Satisfaction						
b. Predictors: (Constant), Location, Marketing promotion, Staff relationship, Cleanliness, Ambience, Facilities, Product availability						

From the above table 3 it is found that just values or highly significant to revealed that the domain of service quality perception of customers regarding the retail services. It is found to influence the satisfaction level of customers. At this juncture the individual influence of all the seven variables over satisfaction level is estimated in the following coefficient table.

Table 4. Individual influence on satisfaction					
Model	**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
	B	**Std. Error**	**Beta**		
1 (Constant)	2,272	0,336		6,767	0,000
Ambience	0,051	0,057	0,045	0,905	0,006
Product availability	0,176	0,074	0,131	2,383	0,018
Staff relationship	0,139	0,062	0,110	2,248	0,025
Facilities,	0,088	0,065	0,070	1,353	0,007
Cleanliness	-0,148	0,063	-0,118	-2,359	0,019
Marketing promotion	0,102	0,056	0,089	1,842	0,026
Location	-0,082	0,075	-0,054	-1,087	0,017
a. Dependent Variable: Satisfaction					

From the above table 4 it found that beta values, t values are statistically significant to prove that the service quality of retail services depends upon the seven factors ambience, product availability, present staff, facilities, cleanliness, marketing promotion and location and they create subsequent impact on satisfaction of customers. This leads to the testing of hypothesis using the structural equation model and this hypothesis

relates the dimensions of service quality on customer satisfaction. The structural equation model comprises both confirmatory factor analysis and linear multiple regression analysis to summarize as well to validate the whole research. It validates the existence of seven factors of service quality of retail services and also proved their potentiality to promote satisfaction among the customers availing the services of the retailers in the study area. Model fit indices and bench marks for retail service quality and satisfaction shown in figure 2.
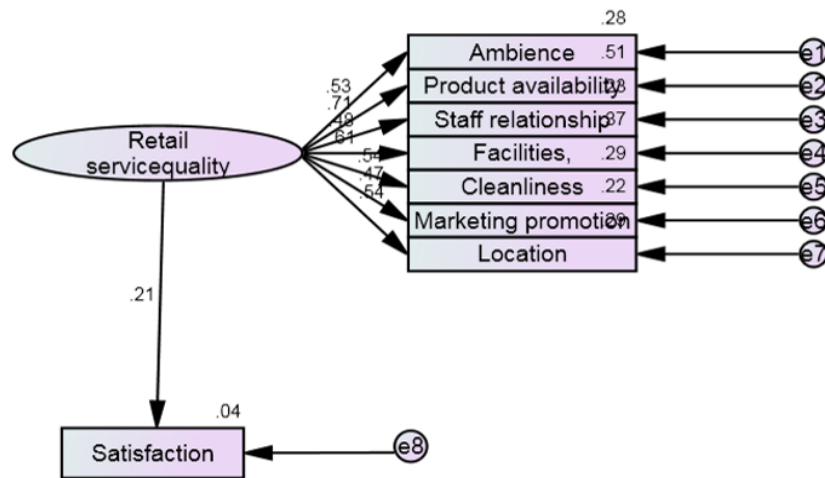

Figure 2. Model fit indices and bench marks for retail service quality and satisfaction

S.NO	Fit indices	Values	Bench mark values
	Table 5. Model fit indices and bench marks for retail service quality and satisfaction		
1	Chi-square	9,139	-
2	P-value	0,503	>0,05
3	Goodness of fit index(GFI)	0,983	>0,9
4	Comparative fit index(CFI)	0,982	>0,9
5	Normed fit index(NFI)	0,981	>0,9
6	Root Mean Square Error of Approximation(RMSEA)	0,07	<=0,08

After confirming the factors of service quality and the subsequent impact on customer satisfaction, the researcher tested the hypothesis one through the above mentioned structural equation model. The six fit indices satisfy the bench mark values indicated the best fit of the model and support the hypothesis 1 and conclude that There is significant influence of service quality of retailers on customer satisfaction.

From the above table 5 is Model fit indices and bench marks for retail service quality and satisfaction. Now it is the duty of the researcher with the third objective and also to test the second hypothesis using one-way analysis of variance. In this analytical part the demographic variables gender, age, educational qualification, income and occupation are considered as independent variables and the perception of customers on service quality of retail services as well as the customer satisfaction are taken up as dependent factor. The results of one-way analysis of variance or clearly presented below.

From the table 6 it is found that age, gender, educational qualification, income and occupation are found to influence the service quality perception of retail services and the level of satisfaction of customers. It is particularly found that the customers in the age group less than 30 strongly agree for the service quality seven dimensions as well as the satisfaction. Similarly there is a significant difference between gender, educational qualification and income of the customers as well as their perception towards service quality and also the level of satisfaction. The highly educated customers strongly agree for the importance of service quality and moderately satisfied with the service quality offered by the banks. The customers in the higher income group are found to influence service quality as well as the satisfaction level. This proves that the hypothesis is rejected 5 % level and concluded that there is a significant influence of service quality perception as well as customer satisfaction. Similarly the hypothesis 2 is also rejected and concluded that there is a significant influence of demographic variables on the customer perception on service quality of retail services as well as the customer satisfaction.

Table 6. Influence of demographic variables on retailers service quality and satisfaction						
Factors Variables		**SUMS**	**df**	**MSS**	**F**	**Sig.**
Ambience		3,422	2	1,711	3,406	0,034
	Age	249,212	496	0,502		
		252,635	498			
Product availability		4,068	2	2,034	5,658	0,004
	Age	178,317	496	0,360		
		182,385	498			
Staff relationship		.166	2	0,083	0,201	0,818
	Gender	205,381	496	0,414		
		205,547	498			
Facilities,		4,949	2	2,475	5,937	0,003
	Education	206,724	496	0,417		
		211,673	498			
Cleanliness		1,141	2	0,571	1,363	0,257
	Education	207,657	496	0,419		
		208,798	498			
Marketing promotion		1,754	2	0,877	1,756	0,174
	Age	247,798	496	0,500		
		249,552	498			
Location		1,448	2	0,724	2,507	0,083
	Income	143,223	496	0,289		
		144,671	498			
Satisfaction		9,537	2	4,769	7,378	0,001
	Income	320,556	496	0,646		
		330,093	498			

CONCLUSIONS

It is found from the study that the customer satisfaction of retail services and their quality can be judged by the retail stores location and the relationship maintained by the employees. The customers expect the staff in the retail services have good knowledge about the products and also to have empathy in dealing with their customers. The ambience of retail services outlets and their layout are the predominant factors offer best satisfaction to the customers. The customer preference is tending towards best service quality with high reliability, responsiveness and tangibility. The crucial point and reason for customer satisfaction depends upon the nearness of retail services outlets and there is wide scale opinion among the customers that their time is crucial so that near retailers is preferred than the others. The two factors easy accessible retailers and stimulus for customer loyalty factors through best retail services can easily retain the customers and motivate them to show their store loyalty.

The customers also expect that the retail outlets and their sales personnel with sufficient knowledge about the products and explaining about the offers and the specialty of the retail stores which are able to give all the services under one roof. The grievance handling procedures and redress measures and also decide the customer satisfaction level. The study concluded that the retail services are in midst of competition so they try to maximize their customer base through best service quality and offering best customer satisfaction. The retail stores and facilities like parking facilities, ambience and product or services availability are very important give customer satisfaction and systematically transform them into loyal customers. In the liberalized and globalized economy the retail services are competing with both national and international retailers to catch the customer base. The retail services industry is showing the upwards trend at the international level to encourage the economy in any country.

The study suggested that the retailers should adopt the new strategies to receive and retain the customers by

facilitating them at the cheaper price. It is the duty of retail services to design their own indigenous strategies to maintain smooth customer relationship management and maintain their customers over the domain of loyalty and update the new design and style in their strategies to scintillate in the heavy competitive market.

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CONFLICT OF INTEREST
The author declares that there is no conflict of interest in the work.

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Data curation: Seethu John, M. Thaiyalnayaki.
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Methodology: Seethu John, M. Thaiyalnayaki.
Drafting - original draft: Seethu John, M. Thaiyalnayaki.
Writing - proofreading and editing: Seethu John, M. Thaiyalnayaki.