

# Service Quality, Satisfaction and Behavioral Intentions Aspects across Different States in Retailing

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## Abstract

This study is carried out to examine the service quality, customer satisfaction and behavioral intentions aspects across the retail outlets in India. This study is being carried out from three states of India which are Delhi, Haryana (Gurgaon & Faridabad) and Uttar Pradesh (Noida & Ghaziabad) are being selected to carry out this study. In this study a total of 600 customers are being chosen and 200 customers are selected from each state of India. Probability sampling method is chosen for collecting the data. Finally 540 filled in questionnaires are collected from the market. The data analysis is done by descriptive statistics, mean and one-way ANOVA. Finally there is found significant difference among the many aspects of service quality, customer satisfaction and behavioral intentions in retail outlets. For service quality in retail outlets, the scale developed by Dhabolkar, Thorpe and Rentz being used in the study. Various dimensions of customer satisfaction and behavioral intentions are found by reviewing of related literatures. This study makes the implications for the managers in these states to improve upon the service quality, customer satisfaction and behavioral intentions in retail outlets. In this study a response rate of 90% is achieved from the data collected. Finally customers are also allowed to provide their suggestions for further improvements in the aspects of service quality, customer satisfaction as well as behavioral intentions like purchasing decisions, complaining decisions, recommendation behavior etc. This research is important to understand the difference in the various dimensions of service quality as well as customer satisfaction and recommending and purchasing differences across the different localities in a country.

**Keywords:** Service quality, Satisfaction, Purchasing intention, Recommending behavior, Complaining behaviour, Product quality etc.

## 1. Introduction

### 1.1 Retailing Perspectives in India

Retailing in India is growing at a very fast rate. Retailing is contributing to Indian GDP more than what the banking and insurance sector does together. As we know Indian population is moving towards the big cities in the country. This is increasing the space for expansion for Indian retail. There are large numbers of big retailers like Reliance Fresh, Big Bazaar, Ebony, Spencer's, Westside etc. are having large number of stores in Delhi as well as in the nearby areas of Delhi. Organized form of retailing is spreading its scope Delhi as well as in the around areas of Delhi at a very fast rate. India is having a large middle-class income population with rising incomes and this middle income group is being driven by price-value evaluation in their consumption pattern (*Indian Retail Report, 2009*). Indian Government has recently allowed 100% FDI in cash and carry operations and 51% in single brand retail in our country (*Indian Retail Report, 2009*). According to a study by Mckinsey suggested that Indian consumer market will become the world largest fifth market by the year 2025. There is an increase in the disparity of Indian Income and richer are becoming more and richer and poorer are becoming more and poorer in the country. Service quality, customer satisfaction and behavioral Intentions are very essential for achieving the growth in the retail stores. Customer loyalty is an important factor in retailing sector (*Park and Kim, 2003; Yang and Peterson, 2004*). Loyalty brings profitability to the retailers by decreasing costs and increasing commitment to the retailers (*Reichheld et al., 2000*). Customer service is very important for the business success of the company (*Taguiri and Davis, 1992*). In our country organized retailing is growing at a very fast rate. It is growing at a rate of 35% year on year basis and organized retailing is existing around 5% of total Indian retailing. Organized retailing is growing in all the spheres of Indian retailing either it may be consumer goods, electronic goods, shopping goods etc. In retail stores, price and quality are one of the important factors which determine the future growth prospects and profits of retailers in any country ((*Hardesty, Bearden, and Carlson 2007; Hardesty and Bearden 2003*). It was also found that a customer is ready to pay the price on the basis of the value of the product and it decides his/her purchasing decision (*Netemeyer et al. 2004*). Hence quality becomes an important gradient for customer attraction as well as customer purchasing decision in the store. For attracting the large number of customers in the store, quality upgradation becomes an important criterion for the retail stores in the market. Hence it becomes very important to understand the level of customer service quality, satisfaction and behavioral intentions of the store.

## 2. Review of Related Literature

From the review of literature it is found that service quality is having a positive impact on customer satisfaction (*Singh, Ajmer; 2013*). It was also found that service quality is having a strong impact on behavioral intentions of the retail store, which may include purchasing decisions, complaining behavior, retention behavior etc. (*Singh, Ajmer; 2012*). Further research suggests in the aspects of service quality, customer satisfaction and behavioral intentions shows a significant difference among the various retail formats like hypermarket, supermarket and departmental stores (*Singh, Ajmer; 2013*). From the review of literature, it is

found that service quality is showing its impact on the financial performance of the organization (Greising, 1994; Rust et al., 1995), as well as service quality is showing its impact on consumer satisfaction

(Spreng et al., 1996), and switching behaviour (Keaveney, 1995), and behavioral Intentions (Boulding et al., 1993; Cronin and Taylor, 1992) in the company. It is also found that service quality, customer satisfaction and behavioral intentions differ from place to place and expectations and perceptions differ in these aspects. So it becomes evident to check these aspects across the different states.

### 3. Research Methodology

This study is carried out in the three states of India. These three states are Delhi, Haryana (Gurgaon & Faridabad) and U.P. (Noida & Ghaziabad). These states are selected because of large spread of organized retailing among these states. A total sample size of 600 customers are chosen from these states and it is further divided into 200 customers for each state in India. Seven stores from organized retailing are chosen from these areas. Multistage sampling method is being adopted to collect the data from these states. Finally 540 filled-in questionnaires are collected from these states. It gave a response rate of 90% in total. The collected data was further analyzed through various statistical methods like descriptive statistics, one-way Anova, mean, sum; percentages are being used to analyze the data in the study.

### 4. Data Analysis and Data Interpretation

#### 4.1 Descriptive Statistics of Data

Final data analysis is done with the help of various statistical methods like descriptive statistics like mean, average, as well as one-way Anova is also used in the study.

Table 1. Across Various Demographic Characteristics

Statistics	Your Age	Gender	Education level	Monthly Income	Marital Status
540	540	540	540	540	540

From the above table 1, it is found that there 540 respondents from which data is collected and the above table is showing a representation of the data among the different demographic variables.

Table 2. Across Various States

	Frequency	Percentage	Cumulative Percentage
Delhi	184	34.1	34.1
Haryana	180	33.3	67.4
U.P.	176	32.6	100.0
Total	540	100.0	

From the above table 2, it is found that population is distributed among the three states which are Delhi, Haryana (Gurgaon & Faridabad) and U.P. (Noida & Ghaziabad). A total sample size

of 540 Respondents are chosen from these three states. It is found that 184 (34%) respondents belong to Delhi, 180 (33.3%) respondents are from Haryana and 176 (32.6%) from U.P. This shows the respondents distribution across the three states of India.

Table 3. Across Various Age Groups

	Frequency	Percentage	Cumulative Percentage
20-to-25 years	138	25.6	25.6
25-to-35 years	230	42.6	68.1
35-to-45 years	84	15.6	83.7
Above 45 years	88	16.3	100.0
Total	540	100.0	

From the table 3, it is found that 230 respondents are belonging to 25-to-35 years of age out of total 540 respondents. It is further followed by 138 respondents in the age category of 20-to-25 years. From the table it is also found that 88 people are above 45 years of age. So from the above analysis, it can be suggested that most of the respondents are falling in the age groups of 25-to-35 years of age.

Table 4. Marital Status

	Frequency	Percentage	Cumulative Percentage
Male	343	63.5	63.5
Female	197	36.5	100.0
Total	540	100.0	

In the table number 4, it is found that there are 540 respondents in the table. It is found that there are 343 female and 197 male in the total sample. Hence from this we can say that more number of males is visiting to malls in comparison to females.

Table 5. Educational Qualification

	Frequency	Percentage	Cumulative percentage
None	06	1.1	1.1
Matriculation	26	4.8	5.9
Diploma	60	11.1	17.0
Degree	206	38.1	55.2
Master degree	200	37.0	92.2
Ph. d	14	2.6	94.8
Others	28	5.2	100.0
Total	540	100.0	

In the table number 5, it is found that 206 respondents are graduates and it is further followed by 200 respondents having master degree and 60 are diploma holders. So it can be concluded that large number of respondents are graduates and postgraduates in their qualification. Hence from this we can say that most of the respondents are highly qualified in nature.

#### 4.2 Inferential Statistics of Data Analysis

Table 6. Anova Across Service Quality Aspects

		Sum of Squares	df	Mean Square	F	Sig.
Materials associated with this outlet service (such as shopping bags) are virtually appealing	Between Groups	7.586	2	3.793	3.328	.037
	Within Groups	611.989	537	1.140		
	Total	619.576	539			
The layout at this outlet makes it easier for me to find what I need	Between Groups	19.078	2	9.539	6.602	.001
	Within Groups	775.905	537	1.445		
	Total	794.983	539			
The store layout makes it easier to move around in the store	Between Groups	9.225	2	4.612	3.871	.021
	Within Groups	639.906	537	1.192		
	Total	649.131	539			
Employees in this outlet respond to customer's requests immediately	Between Groups	9.375	2	4.687	4.022	.018
	Within Groups	619.963	532	1.165		
	Total	629.338	534			
The outlet gives customers individual attention	Between Groups	10.657	2	5.328	4.322	.014
	Within Groups	653.373	530	1.233		
	Total	664.030	532			
Employees in this outlet are able to handle customer complaints directly and immediately	Between Groups	8.054	2	4.027	3.511	.031
	Within Groups	615.880	537	1.147		
	Total	623.933	539			
The outlet offers high quality merchandise	Between Groups	8.085	2	4.043	3.528	.030
	Within Groups	595.788	520	1.146		
	Total	603.874	522			
The outlet provides plenty of convenient parking for the customers	Between Groups	12.590	2	6.295	4.049	.018
	Within Groups	819.298	527	1.555		
	Total	831.889	529			

In the above table 6, it is found that there exists a significant difference in many aspects of service quality across the three states. It is found that there exists a significant difference in the outlet services offered by various retail stores. It is also found that layout also differs across the different regions. There also exists a significant difference among the layout within the store also across the different regions. There also exists a significant difference in solving the customer problems. It is also found that there exists a significant difference towards solving the individual customer problem. It is also found that Employees differ in handling the customer's complaints directly and immediately. The table shows that outlets differ in quality merchandise

and convenient parking for the customer in different regions.

Table 7. Anova Across Customer Satisfaction Aspects

		Sum of Squares	Df	Mean Square	F	Sig.
I am satisfied with my personal contact with the staff	Between Groups	4.871	2	2.435	3.50	.031
	Within Groups	369.660	532	.695		
	Total	374.531	534			

In the table number 7, it is found that customer's satisfaction level differs across the different states in personal contact with the staff. There exists a significant difference in personal contact of the staff with the customers across the different states.

Table 8. Anova Across Behavioral Aspects

		Sum of Squares	Df	Mean Square	F	Sig.
I would like to continue with this outlet even if the store increases the prices of its products	Between Groups	10.384	2	5.192	3.025	.049
	Within Groups	906.294	528	1.716		
	Total	916.678	530			

In the table number 1.7 shows a significant different across the different regions in loyalty intentions of the customers towards a particular retail store. It is further found that there exists a significant difference in customer loyalty with the retail store when the retailer increases the prices of the products.

## 5. Findings and Suggestions of the Study

The main findings and suggestions of the study are as follows.

1. A total sample size of 540 Respondents are chosen from these three states. It is found that 184 (34%) respondents belong to Delhi, 180 (33.3%) respondents are from Haryana and 176 (32.6%) from U.P. This shows the respondents distribution across the three states of India.
2. It is found that 230 respondents are belonging to 25-to-35 years of age out of total 540 respondents. It is further followed by 138 respondents in the age category of 20-to-25 years. From the table it is also found that 88 people are above 45 years of age. So from the above analysis, it can be suggested that most of the respondents are falling in the age groups of 25-to-35 years of age.
3. It is found that there are 540 respondents in the table. It is found that there are 343 female and 197 male in the total sample.
4. It is found that 206 respondents are graduates and it is further followed by 200 respondents having master degree and 60 are diploma holders. So it can be concluded that large number of respondents are graduates and postgraduates in their qualification. Hence from this we can say that most of the respondents are highly qualified in nature.
5. It is found that there exists a significant difference in many aspects of service quality across

the three states. It is found that there exists a significant difference in the outlet services offered by various retail stores. It is also found that layout also differs across the different regions. There also exists a significant difference among the layout within the store also across the different regions. There also exists a significant difference in solving the customer problems. It is also found that there exists a significant difference towards solving the individual customer problem. It is also found that Employees differ in handling the customer's complaints directly and immediately. The table shows that outlets differ in quality merchandise and convenient parking for the customer in different regions.

6. It is found that customer's satisfaction level differs across the different states in personal contact with the staff.

7. It shows a significant different across the different regions in loyalty intentions of the customers towards a particular retail store. It is further found that there exists a significant difference in customer loyalty with the retail store when the retailer increases the prices of the products.

## **6. Conclusion of the Study**

From the conclusion of the study we can say that there exist significant differences in many aspects of service quality in three different states of the country. From the above discussion of results the significant differences are found in outlet services offered by various retail stores as well as in that layout also across the different regions. It is also found that there exists a significant difference among the layout within the store in the different regions and difference in solving the customer problems. Hence we can conclude that customers have different opinions towards the aspects of service quality across the different regions. It is also found that there exists a significant difference towards solving the individual customer problem. In further analysis it is found that customer satisfaction also differs across the different regions. Hence from this we can say that marketers should change their strategies from place to place to satisfy the customer needs. Another conclusion is that employees are not having the equal skills and knowledge to deal with the customer problems across the different regions. Hence it is important to impart the skills and knowledge to the employees in a manner so that they can solve the customer problems easily. From the above study it is also found that customer purchasing as well as recommending decisions differ from place to place. So it becomes important for the marketer to understand the customer behavioral aspects across the different regions and accordingly they need to serve the customers in that particular region.

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