Relationship between Service Quality and Customer Satisfaction with reference to Apparel Specialty Stores in Kolhapur City

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ABSTRACT:

Retailing is the final step in the distribution channel of merchandise, i.e. the last link in the supply chain connecting the bulk producers of commodities to the final consumers. Retail is a very strong component of the service sector. Growth and development of the organized retailing in the country is driven by two main factors, lower prices and benefits. Measuring and managing service quality from the consumers' point of view is still a developing and a challenging issue. Both from the academic community point of view, and in business practice, it is well established that measurement of service quality is an important procedure for improving the performance of the overall service quality. Therefore the objective of this study is to find out relationship between customer satisfaction and service quality of apparel specialty store. Researcher collect 130 responses from apparel specialty stores customer and check service quality of the stores.

Keywords: *Service Quality, Customer Satisfaction, Apparel specialty stores*

INTRODUCTION:

Retail means "any business that directs its marketing efforts towards satisfying the final consumer based upon the organization of selling goods and services as a means of distribution "(David Gilbert). Retailing consists of the sale of goods or merchandise from a fixed location, such as a departmental store, boutique or kiosk, or by mail, in small or individual lots for direct consumption by the purchaser. Retailing covers diverse products such as apparels, consumer goods, financial services and leisure. Considering the competitive environment, there is a need for a retailing strategy that differentiates one clothing store from another. This can be achieved through the delivery of high service quality (Berry, 1986; Hummel & Savitt, 1988). Retailers need to constantly evaluate their service quality through the use of a reliable measuring instrument. Such an evaluation can serve as a diagnostic tool that helps the business to monitor, detect any imperfections

and most importantly improve their service. Because service quality is affect on customer satisfaction. Hence, The present research work is aimed to study the service quality and customer satisfaction in apparel specialty stores - a new sort of retail shopping apparel merchandise - in a small town i.e. Kolhapur city.

OBJECTIVES OF THE STUDY:

The specific objectives of the study are as follows:

1) To measure the service quality of apparel specialty stores with the help of Retail Service Quality Scale (RSQS) developed in the U.S. for measuring service quality in retail.

2) To study the relationship between service quality and customer satisfaction.

EARLIER STUDY:

Parasuraman Zenithal and Berry (1985) explained the concept of SERVQUAL which is the most prominent and widely used. The authors of this model proposed that the consumers opinion of quality is formed by internal comparison of performance with expectation good service quality means that the customer perception of service performance meet or exceed their expectation of what the service firm should provide.

Parasuraman *et al* (1988) published one of the earliest articles to measure the service quality of the retailers. After that the concept of service quality has spread widely over the world and it has attracted researcher and academicians in this study service quality of the food retailer was scrutinized and the conclusion reached that, it will lead to understand the service quality of food retailers in our country.

Dabholkar *et al*. (1996) with their own study developed and tested RSQS. It consisted of unique interviews with three retail customers, exploratory in-depth interviews with six customers and tracking thought processes of three customers during actual shopping experience at a store and found that all the RSQS dimensions and sub-dimensions to be valid in US. Subsequently RSQS has been used by many researchers in measuring service quality in certain types of retailers such as departmental stores, supermarkets and discount stores in western and Eastern countries.

Various studies have been undertaken to measure service quality of organized Retail stores. However most of the studies are undertaken in developed. In India organized form of retailing was initiated in metro cities like Banglore, Mumbai, Chennai, Ahmadabad etc. Lately the retail malls has made entry into the mini metro cities like Kolhapur. Therefore, there is a need to study the services quality of Apparel specialty stores in metro cities like Kolhapur.

METHODOLOGY OF THE STUDY:

Sample Design:

In sample design sufficient care has been taken to embody the universe comprehensively by

selecting apparel specialty stores in Kolhapur.

Table No.1.1 Selection of Sample

Universal	Sample	Percentage
130	13	10

For this research, "purposive convenient quota sampling method" is used. 'Purposive' meant that the apparel stores selected were from different discipline; 'Quota' meant the predetermined sample size of 10 customer per apparel store that is the total quotas of 130 customer from 13 stores; and convenience sample' meant only those customers that were willing to participate in the present survey . Accordingly 13 apparel specialty stores were identified as sample stores and 130 customers were administered a structured questionnaire for collecting the required information.

Primary data:

Primary data is collected through RSQS instrument consisted of 26 items of Dabholkar *et al*., (1996) for measuring retail service quality.

Secondary data:

The secondary data has been also collected through different sources like reports, published and unpublished earlier studies, books and journals, periodicals and internet.

DATA ANALYSIS AND INTERPRETATION:

OVERALL ANALYSIS:

Using the mean values, level of performance of service quality variables for various Apparel specialty stores, is measured. For this purpose mean values are considered as follows:

Mean Values between -

- 3.00 to 4.00 - the Excellent level
- 2.00 to 3.00 - Good level
- 1.00 and 2.00 - Fair level and
- below 1.00 - Poor level

In order to express the score in percentage the score 4 is taken as 100 percent and the mean score is converted in to percentage applying the following formula.

Percentage Score = Mean Score X 100/4

Table No.1.2 Means and Percentage Scores

Sr. No.	SERVICE QUALITY	
	Mean Score	**Quality**
1	3.00 to 4.00	Excellent
2	2.00 to 3.00	Good

3	1.00 to 2.00	Fair	
4	Below 1.00	Poor	

Customer satisfaction can be measured indirectly through sales changes, profit and number of customer complaints registered. The direct measures of satisfaction are through service. But the researcher uses the four point Likert scale to measure customer satisfaction. One question is included in the questionnaire pertaining to the customers' satisfaction (Q. Rate Overall Customer Satisfaction towards Service Quality of the Apparel Speciality Stores) and the level of satisfaction as under

Table No. 1.3 Level and Frequency of Customer Satisfaction

Sr. No.	Level of Satisfaction		Frequency	Percentage
1	1	Not satisfied	03	2.31
2	2	Somewhat Satisfied	36	27.69
3	3	Satisfied	68	52.31
4	4	very satisfied	23	17.69
	Total		**130**	**100**

Source: Primary Data field survey

The Table No.1.3 indicates the level of customer satisfaction and frequency of the customer satisfaction. 2.31% customers are not satisfied for the performance of Apparel Speciality Stores, 27.69% customers are somewhat satisfied, and 52.31% customers are satisfied for the performance of Apparel Speciality Stores and 17.69% customers are very satisfied for the performance of Apparel Speciality Stores.

Table No.1.4 overall analysis of service quality

Service Quality Factors	Sub Factors	Service Quality Variables	Mean	%
Physical Aspects	Appearance	P1. The store has modern looking equipment and fixtures.	2.56	64.00
		P2. The store and its physical facilities (trial rooms & restrooms) are visually attractive.	2.45	61.25
		P3. Materials associated with this store's service (such as shopping bags, loyalty cards) are visually appealing.	2.40	60.00

Service Quality Factors	Sub Factors	Service Quality Variables	Mean	%
		P4. The store has clean, attractive and convenient physical facilities (restrooms, fitting rooms)	0.88	22.50
	Convenience	P5. The store layout at this store makes it easier for customers to find what they need.	3.62	90.20
		P6. The store layout at this store makes it easier for customers to move around in the store	3.68	92.00
		Physical Aspects Average Score	**2.59**	**64.95**
Reliability	Promises	P7. When this store promises to do something by certain time, it will do so.	1.32	33.00
		P8. This store provides its services at the time it promises to do so	1.62	40.50
	Doing it Right	P9. This store performs the service right the first time.	1.63	40.75
		P10. This store has merchandise available when the customers want it.	2.10	52.50
		P11.This store insists on error-free sales transactions & records	2.70	67.50
		Reliability Average Score	**1.87**	**46.85**
Personal interaction	Inspiring confidence	P12. Employees in the store have the knowledge to answer customers' questions.	1.62	40.50
		P13. The behavior of employees in this store instills confidence in customers	2.65	66.25
		P14. Customers feel safe in their transactions with this store.	3.76	94.00
	Courteousness/ Helpfulness	P15. The employees in this store give prompt service to customers	1.58	39.50
		P.16 Employees in this store tell customers exactly when services will be performed	2.55	63.75
		P.17 Employees in these stores are never too busy	2.58	64.50

Service Quality Factors	Sub Factors	Service Quality Variables	Mean	%
		to respond to customers' request.		
		P18. This store gives customers individual attention	2.62	65.50
		P19. Employees in this store are consistently courteous with customers	2.52	63.00
		Personal Interaction Average Score	**2.49**	**62.13**
Problem solving		P20. The store willingly handles returns and exchanges	0.88	22.00
		P21. When a customer has a problem this store shows a sincere interest in solving it.	1.31	32.75
		P.22 Employees of this store are able to handle customer complaints directly &immediately.	1.75	43.75
		Problem Solving Average Score	**1.31**	**32.83**
Policy		P23. This store offers high quality merchandise.	3.56	89.00
		P24. This store provides plenty of convenient to all their customers.	0.98	24.50
		P25. This store has operating hours convenient to all their customers.	3.72	93.00
		P26.This store accepts all major credit cards	2.96	74.00
		Policy Average Score	**2.81**	**70.13**
Overall Performance			**2.21**	**55.35**

The overall performance of the Physical Aspects Factor in the apparel speciality stores is at good level (mean scores 2.59) because satisfied customers are up to 64.95%.

The overall performance of the Reliability Factor of the apparel specialty stores is at a fair level (mean scores 1.87) because satisfied customers are only 46.85%.

The overall performance of the Personal Interaction Factor at the apparel speciality stores is at good level (mean scores 2.31) because satisfied customers are up to 62.13%.

Overall performance of the Problem Solving Factor at apparel speciality stores is at fair level (mean scores 1.31) because satisfied customers are only 33.83%.

The overall performance of Policy Factor of apparel speciality stores is at good level (mean

scores 2.81) because satisfied customers are up to 70.13%.

Thus, the overall performance of the apparel speciality stores is at good level (mean scores 2.21) because average satisfied customers in all service quality factors are up to 55.35%.

CONCLUSION:

From the above discussion regarding data analysis and interpretation we can come to conclusion that -

- The service quality and customer satisfaction are closely related.

- Measurement of the service quality in retail is difficult task but Retail Service Quality Scale (RSQS) instrument can measure it effectively.

- Service quality affects the Customer satisfaction; therefore customers give importance to this factor and prefer the shop where there is good service.

- Customer satisfaction does not only depend upon product price, product quality and quantity but also it depends upon service quality factors i.e. physical aspects, reliability, personal interactions, problem solving & policy.

- Considering overall analysis, customers of apparel specialty stores are satisfied up to a good level of 55.35% regarding service quality. However, the factor wise analysis shows variations such as the service quality factors like physical aspects, personal interactions and policy are at good level. But the factors as reliability and problem solving are at just fair level.

- Therefore, we can conclude that the service quality performance of apparel speciality stores under study is at good level and there is significant relationship between service quality and customer satisfaction.

As further research the present study can be extended by adding the objective measures to service quality the performance from the apparel speciality stores. This will reveal the actual impact on customer satisfaction. The study also motivates for future research by examining the satisfaction level of customers during different period of time to see the difference in their satisfaction level and its impact on business profitability. The present study evidences the relationship between service quality and customer satisfaction.

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