CHAPTER 6

CONCLUSION

6.1 OVERVIEW OF FINDINGS

The purpose of this chapter was to analyze how the findings of this study have contributed to the knowledge of applying the retail service quality scale in India. The findings of this research were compared with the literature elaborated in Chapter 2 and the conceptual models explained in Chapter 3.

This chapter provided an overview of the findings of study in terms of research issues 1 and 2 and addresses the research questions and hypotheses. Based on the hypothesis findings, comparisons with the findings of existing empirical studies of retail service quality were carried out. This chapter also provided the support for the existing literature works of RSQS and addresses the difference in findings to the literature.

Apart from the findings related to the research issues 1 and 2, this study also contributed to the knowledge on retail practices in South India. The knowledge on retail service quality scale was also understood from this research. As discussed in chapter 2, two research gaps were identified in retail service quality literature. The two gaps, operationalization of the retail service quality construct and appropriateness in using the number of dimensions that should be included in a retail service quality model were dealt with the findings of the study. The research questions formulated were addressed through the research hypotheses. These research hypotheses were critically evaluated and the results were compared with previous studies.
<table>
<thead>
<tr>
<th>Hypothesis Number</th>
<th>Hypotheses</th>
<th>Result</th>
<th>Analysis Used</th>
<th>Literature Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hypothesis 1</td>
<td>The retail service quality construct in India is best represented by a five factor structure: RSQS five dimensional model (five basic dimensions of retail service quality as first order factors)</td>
<td>Rejected</td>
<td>Convergent Validity, Confirmatory Factor Analysis (Item and Dimension Correlations), Reliability Analysis (Cronbach Alpha, Item-to-total Correlations), Discriminant Validity, Fit Indices</td>
<td>Brent McKenzie (2006) found in his research that RSQS is best represented by three factor structure not by five factor</td>
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<td></td>
<td></td>
<td>Rejected</td>
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<td>Kim and Jin (2001, 2012) found that the five items designed to measure service quality to be unreliable.</td>
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<td></td>
<td></td>
<td>Rejected</td>
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<td>Siu and Cheung (2001) in their study failed to identify the five dimensions of RSQS.</td>
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<td>Hypothesis 2</td>
<td>The retail service quality construct in India is best represented by a five factor structure: RSQS Second Order Factor of the Five Basic Dimensions</td>
<td>Rejected</td>
<td>Convergent Validity, Confirmatory Factor Analysis (Item and Dimension Correlations), Reliability Analysis (Cronbach Alpha, Item-to-total Correlations), Discriminant Validity, Fit Indices</td>
<td>Subhashini Kaul (2005) research indicated that the RSQS dimensions were not valid in India</td>
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<tr>
<td>Hypothesis Number</td>
<td>Hypotheses</td>
<td>Result Overall</td>
<td>CBE</td>
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<td><strong>Hypothesis 3</strong></td>
<td>The retail service quality construct in India is best represented by a Six Sub-Dimensions of Retail Service Quality as First-Order Factors</td>
<td>Rejected</td>
<td>Rejected</td>
<td>Rejected</td>
</tr>
<tr>
<td><strong>Hypothesis 4</strong></td>
<td>The retail service quality construct in India is best represented by a Six Sub-Dimensions of Retail Service Quality with corresponding dimensions as Second-Order Factors</td>
<td>Rejected</td>
<td>Accepted</td>
<td>Rejected</td>
</tr>
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Table 6.1 (Continued)

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<thead>
<tr>
<th>Hypothesis Number</th>
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<th>Result</th>
<th>Analysis Used</th>
<th>Literature Support</th>
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</table>
| Hypothesis 5      | Physical Aspects measures are positively related to retail service quality in India | Accepted | Rejected  | Reliability Analysis (Cronbach Alpha, Item and dimensions Correlation). Convergent Validity and Confirmatory Factor Analysis, Multiple Regression Analysis | *Kim and Jin (2002)* found that Physical Aspects was one of the dimension found.  
*Subhashini Kaul (2005)* research identified that except for the sub dimensions pertaining to ‘Physical aspects’ dimension, no other sub-dimensions were supported. |
| Hypothesis 6      | Reliability measures are positively related to retail service quality in India | Rejected | Rejected  | Rejected  | Reliability Analysis (Cronbach Alpha, Item and dimensions Correlation). Convergent Validity and Confirmatory Factor Analysis, Multiple Regression Analysis | *Siu and Cheung (2001)* in their study found that the original reliability dimension was not fit for measuring retail service quality.  
*Mehta et. Al (2000)* found that reliability dimension got poor Cronbach Alpha values which indicate its poor fit.  
*Subhashini Kaul (2005)* mentioned that Indian customers do not differentiate Reliability and Policy dimensions and indicated that both these items were largely loaded into one item. |
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<tbody>
<tr>
<td>Hypothesis 7</td>
<td>Personal interaction measures are positively related to retail service quality in India</td>
<td>Accepted Accepted Accepted</td>
<td>Reliability Analysis (Cronbach Alpha, Item and dimensions Correlation), Convergent Validity and Confirmatory Factor Analysis, Multiple Regression Analysis</td>
<td>Brent McKenzie (2006) identified that retail service quality was influenced by Personal Interaction. Kim and Jin (2002) in their study identified Personal Attention was one of the three dimensions of retail service quality. Mehta et al. (2000) explored that Personal Interaction dimension alone was significant in contributing to overall variance for the RSQS Siu and Cheung (2001) identified Personal Interaction was one of the six service quality dimensions.</td>
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<tr>
<td>Hypothesis 8</td>
<td>Problem Solving measures are positively related to retail service quality in India</td>
<td>Accepted Accepted Accepted</td>
<td>Reliability Analysis (Cronbach Alpha, Item and dimensions Correlation), Convergent Validity and Confirmatory Factor Analysis, Multiple Regression Analysis</td>
<td>Siu and Cheung (2001) identified Problem Solving was one of the six service quality dimensions. Siu and Chow (2004) use Problem Solving dimension to develop a new one.</td>
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<tr>
<td>Hypothesis Number</td>
<td>Hypotheses</td>
<td>Result Overall</td>
<td>Result CBE</td>
<td>Result Erode</td>
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<td>Hypothesis 9</td>
<td>Policy measures are positively related to retail service quality in India</td>
<td>Rejected</td>
<td>Rejected</td>
<td>Rejected</td>
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<tr>
<td>Hypothesis 10</td>
<td>The retail service quality dimensions as a whole positively related to customer satisfaction</td>
<td>Accepted</td>
<td>Accepted</td>
<td>Accepted</td>
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6.1.1 Applicability of Retail Service Quality Construct

The applicability of Retail Service Quality Scale (RSQS) and its five factor structure were tested and the research findings contribute to the knowledge about adaptability of RSQS in developing retail markets like India. The core aspect of this research, the applicability of RSQS as a five factor model in all retail settings have found limited literature support (Mehta et al 2000, Siu and Cheung, 2001 and Kim and Jin, 2002). There had been a wide spread support that retail service quality was best defined as a multi-dimensional construct though the factor structure and dimensions were differed (Brady and Cronin, 2001).

With respect to the factor structure of the construct, the research findings indicated that in South Indian retail market, Retail Service Quality Scale exhibited acceptable level of reliability settings and shows good content and discriminant validity. Retail Service Quality was best represented by the three factors of Physical Aspects, Personal Interaction and Problem Solving. This was in line with the findings of other retail service quality studies which questioned the five dimensional structures of RSQS (Brent McKenzie, 2006; Kim and Jin 2001; Siu and Cheung, 2001 and Subhashini Kaul, 2005).

One of the major findings of this research was that in Indian retail market, customers faced difficulty in understanding the key difference between Reliability dimension aspects and Store Policy aspects especially while answering the survey questionnaire. This finding was supported by Malhotra et al (1994) research, in that reliability dimension was better suited to retail markets of advanced technology, affluence and matured competition than in other retail markets.

The major reasons for customers’ inability to understand the reliability and Policy dimensions were that the items in both dimensions have
used a common characteristic namely the ‘store’. There was a confusing aspect whether to treat the ‘store’ fulfilling its promises as a Reliability item or a Policy parameter and similarly understood the ‘store’ offering quality merchandise as a Policy parameter or a Policy one.

The findings of the research further indicated that South Indian retail shoppers had not perceived each dimensions as it was evident from the misconception of several parameters of RSQS dimensions. For example, “This store provides plenty of convenient parking for customers” originally as a Policy dimension of RSQS, because of social/cultural belief of the shoppers classified under Physical Aspects dimension by majority of retail shoppers in South India.

At the sub-dimensions level, retail service quality scale was a four factor structure unlike the six factor structure proposed by Dabholkar et al (1996). Out of six sub-dimensions only ‘Appearance’, ‘Convenience’, ‘Doing-it-Right’ and ‘Inspiring Confidence’ were found valid in measuring the retail service quality. The two other sub-dimensions ‘Promises’ and ‘Courteousness/Helpfulness’ were found unreliable in South Indian retail market. The sub-dimensions were highly correlated not just within the dimension but also across the other dimensions of RSQS. It was again because of this reason that South Indian retail shoppers were not clear about the sub-dimensions.

6.1.2 Demographic Aspects and its impact on Retail Service Quality

Since the study was carried out in two different districts having different culture and life style, the results were compared. MANOVA test was conducted to understand the impact of demographic factors on dimensions of retail service quality in two different retail environments.
MANOVA results indicated that there was no effect of store brands to different parameters of retail service quality. Analysis on two different samples pointed out that because of awareness level among Gender and Age group of respondents, they were significantly affect the Retail service quality and there was a three way interaction between Store Brand, Gender of the respondents and Marital Status of the respondents.

Among the Retail Service Quality Scale (RSQS) dimensions, the store name or brand had an impact on ‘Physical Aspects’ dimension and it was differed from store to store and place to place. Similarly Age group of respondents and Income of respondents had a mention on ‘Problem Solving’ dimension.

6.2 RESEARCH FINDINGS CONTRIBUTION TO RETAIL PRACTICES

Sureshchander et al (2001) put forth the question of applicability of Western Retail service quality scales such as the SERVQUAL and SERVPERF to understand the ‘critical aspects of customer perceived service quality’ in India. Subhashini Kaul (2005) further indicated that a high need for basic research into the Indian retail consumer perceptions of service quality.

In this context, research had gained the knowledge on measuring retail service quality using RSQS and analyzing the validity of service quality construct.

It has also contributed in understanding the Retail Service Quality Scale (RSQS) and its factor structure and testing the scale in retail market like South India. Thus, from a theoretical point of view, this research had tested
for content validity on how well an established scale instrument measures retail service quality in South India.

Since the Foreign Direct Investment (FDI) on retail was approved by the Government, the findings of the study will be of real use to retail practitioners (both domestic and those willing to expand the Indian retail market particularly South India) in understanding how the measures of retail service quality were perceived by South Indian retail shoppers and how these measures were critically addressed by individual stores.

The findings of the research was represented by two different consumer samples comprising of four different retail stores, which provided a variety of insights into South Indian retail shoppers perception towards retail service quality. The findings which were considered as first of its nature in the South Indian retail market will be of great help to retailers striving to improve the service quality.

Any theoretical model of retail service quality had potential cultural limitations (Svensson, 2001), which was clearly exhibited in the two different samples. Coimbatore being a cosmopolitan city had more matured retail shoppers who were in better knowledge about retail service quality dimensions. Because of this reason, shoppers believe that RSQS was more reliable in a six factor structure in the sub-dimension level.

6.3 **SUGGESTIONS**

The research work identified the key elements constituting the retail service quality and based on the outcome of the research the following recommendations were made. Recommendations were given to retail practitioners and to academicians involving retail service quality research.
To the Retail Practitioners

- Since the retail service quality was influenced by Age Group, Educational Qualification and Occupation, the store should devise separate strategies for different age groups.

- It is recommended the store pay more attention to the customer in the Middle Age when they design and organize the store’s Physical Aspects, Personal Interaction and Problem Solving dimensions.

- It is also recommended that the sales persons should pay equal attention to all the customers, no matter they are elder or young customers. They should perform the service right the first time, such as greeting the customers by entering or leaving the store, and ask customers initiative if they need help.

- Since the organized retail attracted Gen Y customers, the store should focus on building the employees’ knowledge on products and services. Employees should be trained to know more about young customers’ interests and how to communicate with them.

- Majority of elder customers felt that the store was provided prompt service and they expect service at a faster pace. Retail Outlets should pay more individual attention to customers of 41-55 years old. For example, they can ask what the elder customers need, and help them to find out where the products are.

- Employees need to pay more attention when they handle customers’ complaints. The store can promote separate royalty
cards to customers based on their Age group and Occupation. The benefit of Loyalty cards should be explained to customers by suitable medium.

- Since the analysis indicate that the retail service quality is influenced mostly by Educational Qualification and Occupation across different cultures, the retail outlets should identify the most frequent, repeated shopping customer’s educational qualification and occupation. These two factors will determine the kind of products preferred and could differentiate the store operation from others.

- The research outcome had indicated that two of the retail service quality dimensions ‘Promises’, and ‘Courteousness / Helpfulness’ were not adequate as it was evident from the respondents’ opinion on those dimensions. Since the brand name of a retail outlet was influenced by those two dimensions, the retail practitioners should focus on the two of the ‘Personal Interaction’ sub-dimensions.

**To Academicians involved in research:**

- The different service quality scales and its cross validation had not been extensively carried out in academic research and academicians involving in service quality studies should apply and validate the service quality models in India.

- Retail Service Quality Scale (RSQS) and its validity in different retail settings were less researched in India and academic research should focus on validating the service quality model in India.
India being a multi-cultural country need separate yardstick in evaluating the retail service quality depending upon the region and culture. Academic research should explore the cultural dimensions pertaining to different regions and states in India.

Customer buying behavior and its impact on retail service quality across different regions of India should be researched and a scale for evaluating the retail service quality must be developed and validated.

Research in customer perception on retail service quality scale in urban and rural India should be taken up by the academicians to find out the differences in RSQS perception by customers.

Academic research using advanced statistical tools in the retail service quality scale validation must be taken by the academicians, which will bring new insights into the replication studies.

6.4 SCOPE FOR FUTURE RESEARCH

The RSQS scale showed good convergent and predictive validity as well as an acceptable level of reliability in the Indian retail setting. Although, the discriminant validity of the scale could not be established, these findings indicated that Retail Service Quality Scale (RSQS) can be used to assess overall retail service quality and for tracking changes in overall service levels over a period of time.

Research involved in applying multi-dimensional service quality scales such as the RSQS developed internationally to the Indian context can also apply other retail settings in India and also in scale adaptation to ensure
that the scale had highly reliable diagnostic ability. This research also forms a basis for extending the similar scale validity tests in other cultural regions of India. As the retail sector continued to grow across all regions of India and the arrival of foreign brands and retailers required a better understanding of how best it can match the tastes of Indian retail customers with the knowledge about other western markets.

6.5 RESEARCH LIMITATIONS

Though the research was carried out as per the previous studies, there were some limitations to this research. First, the applicability and validity of RSQS in India was under researched and hence the findings of this study were comparable only to findings of other demographic, cultural environment. As this research involved respondents who were in one particular geographic location of a country the findings were not a complete representation of the entire population. The knowledge of retail service quality dimensions by the customers also had limitation to this research.

One of the main limitations of this research was that the service quality was measured in terms of customers’ point of view and the employees’ and the managers’ perspective was not taken into account. The limited research studies on retail service quality scale (RSQS) within the retail sector in India were also a limitation because of difficulty in benchmarking of the results.

6.6 CONCLUSION

The purpose of this chapter was to review the findings and contributions to knowledge that resulted from the outcome of this research. The research issues findings and their relevance to the literature had enriched the knowledge on the replication of retail service quality scale in different
retail settings. The research outcome had served as a stepping stone for future research endeavors.

Beyond the acknowledged areas of research limitations, this research made an important contribution to both retail theory and practice. As the retail sector in South India continued to develop in terms of penetration of retail outlets and building of retail brands, there was a need for understanding the customers’ perception on retail service quality dimensions. This study had examined the critical aspects of retail service quality and its dimensions which have significant impact on developing the retail brands in South India.