PREFACE

Service quality and customer satisfaction are very important concepts that companies must understand in order to remain competitive in business and hence grow. It is very important for companies to know how to measure these constructs from the customers’ perspective in order to better understand their needs and hence satisfy them. Service quality is considered very important because it leads to higher customer satisfaction, profitability, reduced cost, customer loyalty and retention. Quality is critical to corporate success as it plays a vital role in improving organisational productivity. It can be defined as ‘the totality of inherent characteristics of a product or service that bear on its ability to increase the demand for that product or service at a fixed price’ and can best be measured by capturing customer perceptions of the performance of those characteristics. During the past few decades service quality has become a major area of attention to practitioners, managers, and researchers. It has strong impact on business performance, lower costs, customer satisfaction, customer loyalty and profitability. This study aimed at analysis of retail service quality dimensions.

In the midst of stiff and fierce competition and increased number of retail outlets providing a variety of products, customers have become accustomed to patronizing multiple outlets. Retailers have recognized this trend and are of the view that customer satisfaction plays a role in the success of business strategies. Therefore it has become important for retail stores to try and manage customer satisfaction. The study examined the importance of overall dimensions and specific elements of customer satisfaction towards the measurement of satisfaction levels. In addition, comparative analysis was conducted between the three countries that is India, Hungary, and Slovakia.

The review of literature indicated that, most of the research work in the field undertaken till now has been done in the developed countries like United States, UK and fast developing countries. But research is still lacking in case of developing countries like India. So there is need to conduct such type of research in India.
The main purpose of this study theoretically is finding out how applicable the SERVQUAL model is in the context of retail stores and empirically, describe how customers perceive service quality and whether they are satisfied with services offered by these stores in India, Hungary, and Slovakia. A self-completion questionnaire was developed from the SERVQUAL instrument and distributed using a simple random sampling technique to customers in India, Hungary, and Slovakia to determine their perceptions of service quality in retail stores. This study contributes to the already existing studies examining service quality in retail stores using the SERVQUAL model and also provides empirical results that could guide management dealing with retail activities to take corrective actions that lead to growth in the company.

The facts remain that every comprehensive research must have well defined objectives. Hence, this study has four broad objectives on which it was based. The first objective was to explore the services and products offered by the retailers to individual customers. Second to understand the expectation of customers with respect to services offered by retailers. Third to understand the perception of customers with respect to services offered by the retailers and companies. Fourth to analyze whether there is a gap between customer expectations and perceptions about the services offered by the retailers.

Summarily, in this research work, the SERVQUAL model is discussed and how it can be applied in the context of retail stores in assessing service quality. Data was collected from the customers in India, Hungary, and Slovak in order to assess their expectations and perceptions of services received. After an extensive literature review, the SERVQUAL model was modified by adding an additional dimension (products) to the five dimensions because products form a core dimension for customers shopping in retail stores in order to assess service quality customer satisfaction. The discrepancy between expectations and perceptions (Perception – Expectation) formed the gap scores that were used to assess service quality and customer satisfaction. Negative gap scores show that service quality is perceived poor and hence no customer
satisfaction while positive gap scores show that higher service quality and hence customer satisfaction.

The objectives of the study required the study of buying behaviour of customers of India, Hungary, and Slovakia and the retail outlets of these three countries. In the present study, database of both primary and secondary sources have been used. The data and information regarding the growth of retail industry and retail outlets in these countries was collected from secondary source which included periodicals, published annual reports, journals, research papers, websites and various reliable sources. The data for expectation and perception of customers towards the retailers was collected using well structured and pre tested questionnaire from India, Hungary, and Slovakia. The sample size from India was 433 and from Hungary and Slovak it is 30 each. The analysis was done using statistical techniques. The GAPS model score which measures the gap between the customer expectation and perception about the services offered by the retailers calculated for the identified attributes. Having obtained the GAPS score the attributes are tested for dimension reduction using factor analysis. The attributes based on the factor loadings grouped into some variables. The variables obtained became the independent variables in the regression equation. The score for dependent variable of the regression model was obtained by the difference in overall score of customers’ expectation and perception. The beta coefficients of the regression equation helped to diagnose the variables which may cause major satisfaction/dissatisfaction among the customers.

The findings of the study are presented chapter wise, policy recommendations, scope for further research are given in the thesis.

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(Manish Madan)