2 CONCEPTUAL FRAMEWORK AND LITERATURE REVIEWS

2.1 INTRODUCTION
This chapter looks at the literature review. Specifically it reviews the literature on consumer behaviour, concepts of customer satisfaction, the SERVPERF model and the empirical studies in the Retail sector using SERFPERF.

2.2 CONSUMER BEHAVIOUR
Hartl, 2006 posit that behaviour of consumers is not predictable since their preferences are becoming more complex and differentiated. Their demand for sensory, health, process and convenience qualities have become more heterogeneous. Individuals differ from one another and even perceive the same thing differently, (Smith, 2009). Many organisations of late have adopted a strategy of opening avenues for consumers to lodge their complaints. It is believed that knowing the types of complaints will give a clue to companies to have an in-depth knowledge about customers’ satisfaction, thus indirectly knowing the quality of services or products offered, (Fornell, 2007). As indicated by Best and Andreasen, and Day et al and Hupperts cited in Lerman (2006:92), not all customers will see it as prudent to lodge complains. They will either cease dealing with the organisations or continue the relationship with the organisations though they will be suffering. According to Assael (1995), consumers’ perceptions have triggered consumer packaged goods companies to put clear goods on the market. Kim et al (2002) intimate that consumers opt for certain products or particular brands not due to the fact they offer intended functional or performance benefits only but also products can be used to exhibit consumers’ personality, social status, affiliation or to fulfil their internal or inner psychological needs like the desire for change or newness.
There are myriad of factors that influence consumers’ behaviour but the most important ones will be discussed. Wilson et al (1992) have classified these factors into four; cultural, social, personal and psychological

**Cultural Factors:** Culture has a great impact on a person’s consumption behaviour. The cultural factors are divided into two; sub-culture and social class, (Engel et al 1993 and Kotler et al 1999). Engel et al (1993) and Solomon et al (1999) indicate that culture is the values, ideas and symbols that enable people to communicate, interpret and evaluate as members of society. According to Kotler et al (1999), culture influences a person’s wants and behaviour since it is learnt. They believe that in societies in which children find themselves, they learn from the various institutions’ values, perceptions, wants and behaviours. Thus, a culture has subcultures or groups of people like nationalities, religions, racial groups and geographical regions with values which hold them together. These subcultures are the main tools shaping consumers behaviour. This has been alluded to by Imrie et al, 2002. Corroborating this, Wilson et al (1992) are of the view that variations in ethnic taste, cultural preferences, taboos, attitudes and lifestyles arise out of sub-cultures. Assael (1995) accentuates that social class is the divisions among people in society. Kotler et al (1999) also opine that social class is the divisions in society whereby members are tied with similar values, interests and behaviours. Wilson et al (1992) and Solomon et al (1999) submit that factors that determine social class include power, prestige, occupation, income, education, family background and wealth. In addition members of a particular social class are more similar than others. Assael (1995) indicates that the social class one belongs to influences his consumption behaviour indirectly. However, Kotler et al 1999 have a dissenting view. They believe that social class has a direct
influence on the purchasing behaviour of people. The perceptions, needs and wants and the entire behaviour may differ from one social class to another.

• **Social Factors:** reference groups, family and roles and status constitute the social factors that influence consumers’ buying behaviour (Wilson, 1992). Reference groups according to Kotler cited in Wilson et al (1992:105) are the groups that have direct and indirect influence on the behaviour of their members. These groups are of four types; primary membership groups, secondary membership groups, Aspirational groups and dissociative groups (Wilson et al, 1992). Primary membership groups are the ones members interact and are of the informal types. These include family, neighbours, colleagues and friends. Secondary groups are the formal ones which members interact less often. Among them are trade unions, religious groups and professional associations. Aspirational groups are those who wish to come together as a group whilst dissociative groups are the ones people reject their values and behaviour.

The most significant group that exerts much pressure on the individual, according to (Kotler et al 1999) is the family. They note that there are two types of families; family of orientation and family of procreation. The family of orientation comprises the buyer’s parents which in him about religion, politics, economics, a sense of personal ambition, self-worth and love. The family of procreation is made up of the consumer’s spouse and children. Kotler et al (1999) contend that, the family of procreation has influence on everyday behaviour. Couples with no children or those who have small families may spend luxuriously for instance on entertainment. The pattern of expenditure changes as the size of the family begins to increase, the children become older or the couples begin to age. Someone from a rich family may spend lavishly as compared to his colleague from a
poor one. Assael (1995) points out that, apart from the fact that family members influence themselves in buying decisions, they also undertake collective decisions. The father and the mother usually make most of the purchasing decisions. However, with constant changing of the society, children also influence family consumption decisions very much. Apart from this, parents also tutor their children to make consumptions choices. A family’s collective decisions emanate when the risk involved in the purchasing is high. Therefore all members decide to at least reduce the risk to the barest minimum or take risky decisions since all will bear the consequence. Other factors for making collective decision are when the decisions are of utmost importance and when there is much time at their disposal. Roles individuals play as well as their status in society influence their purchasing behaviour. According to Kotler et al (1999), roles are the activities individuals are expected to carry out whilst a status is the general esteem attached to it by the society. They intimate further that the position an individual occupies be it in the family, organisation and society go with roles and status.

- **Personal Factors:** to a large extent an individual decision to buy is influenced by the characteristics he possesses. These characteristics include his age and life-cycle, occupation, economic situation, lifestyle and personality and self-concept, (Kotler et al 1999). Kotler et al (1999) submit that aging correlates with a person’s buying behaviour. For example, the demand for food, clothes, and furniture and recreation changes as a person is aging. In the same vein, the buying behaviour of a person is determined by the family life-cycle. For instance, the buying behaviour of spinster is different from a married woman with family. Economic situation like the income of a person determines his purchasing behaviour Engel et al (1993). A person who earns more is likely to lead a
luxurious life and vice versa. For example, blue-collar workers are likely
to buy more clothes whilst white-collar workers purchase more suits and
ties, (Kotler et al, 1999). In the same vein, personality and lifestyle have
an impact on ones consumption behaviour. Kotler et al (1999) note that
lifestyle is the way a person lives. This is exhibited in his activities,
interests and opinions. To them, personality is the unique psychological
characteristic that is responsive to someone’s own environment.
Personality is seen in terms of traits like self- adaptability, dominance,
sociability, autonomy and defensive. Both personality and lifestyle
influences a person decision-making.

- **Psychological Factors:** these factors include motivation, perception,
  learning and beliefs and attitudes. Motivation is the force that drives a
  person to search for satisfaction, (Kotler et al, 1999). Wilson et al
  (1992) distinguished between two types of needs that motive a person to
  crave for satisfaction. Biogenic needs are physiological such as hunger,
thirst and discomfort. Psychogenic needs are also psychological which
include recognition, esteem and belonging. Perception according to
Wilson et al (1992) is how a motivated person sees a given situation and
how he will behave. Kotler et al (1999) on the hand think it is the
process through which people select, selective attention organise
selective distortion and interpret selective retention information to a
meaningful picture about the universe. According them because of these
three perceptual processes, individuals can see the same object in
different ways. Selective attention is where the individual shifts
numerous information that comes across in his way. Selective distortion
is whereby people interpret or distort information to fit into what they
have already conceived. That means, they will accept information that
conforms to what they have preconceived. Selective retention is when
people remember or retain information that is in accordance with their beliefs, attitudes, values and interests. Learning is the changes in an individual’s behaviour as a result of an experience (Schewe and Hiam, 1998). Wilson et al (1992) are of the view that when the learning experience is positive, there may be a repeat purchase and vice versa. On the other hand, a person is likely to extend the negative learning experience to other products of the manufacturer and even to the country of origin. Beliefs and attitudes also affect the buying behaviour of people. Kotler et al (1999) indicate that a belief is the notion that someone has. The belief may be based on real knowledge, opinion and faith. Attitude on the other hand is the evaluation, feelings and tendencies of a person regarding something.

- **Situational**: Schewe and Hiam (1998) and Engel et al (1993) intimate that consumers’ behaviour is situational. A person’s behaviour depends on the conditions of the person or the environment he finds himself (Solomon et al 1999). Engel et al (1993) assert that situations are one of the most pervasive influences on consumers’ behaviour because behaviour always happens within some situational context. Situational factors are grouped into four; communication, purchase, usage and time. Communication situations also influence the purchasing behaviour of consumers. There are two types of communication situations; personal and non-personal. Personal communication is the conversations between the consumer and the salesmen or with other consumers. Non-personal communication pertains to stimuli such as advertising, consumer-oriented programmes and publications. Both situations entice consumers to make purchasing choices. In addition, purchase/usage situations have an effect on the behaviour of buyers (Assael 1995). Purchase/usage situation is the place where goods are obtained or where the transactions
take place. These are the physical properties of the place (such as layout, lights and painting) and the locations of the place in general and information flow which is mainly data of products or services for example (prices, products types and products attributes) and music (Assael1995). Generally, a conducive purchasing environment entices the consumer to make purchases and vice versa. Time influences ones consumption behaviour. It is the resources of the individual that he apportions to his activities. The priorities of the individual determine his time style, (Solomon et al 1999). Time is also seen in terms of seasons or occasions, (Assael 1995). For example, consumers travel or buy more during occasions like Christmas and Easter. Also, they buy different types of products depending on the season. Wilson (2000) has explained the consumer purchasing behaviour with a matrix and this is shown in figure 2.1. He indicates that the buying behaviour can be professional. When purchasing is done on a regular basis, then it is professional. Things that are bought on a regular basis include (groceries, petrol and lunch). Exceptional buying covers such things as (schooling, accommodation and medication) whilst leisurely buying entails causal browsing, impulse buying and therapeutic shopping. The writer however points out that it is not easy to distinguish between these types of buying behaviour because there is not clear borderline.
The above discussions have given us a profound about consumer behaviour. Consumers act by themselves or are induced by environmental forces which include groups or individuals. Some actions of individuals are situational. It is left to the individual to use his discretion to shift through the information available and make informed choices. Having captured the essentials of consumer behaviour, the stage is set to look at the concepts of customer satisfaction.

2.3 CONCEPTS OF CUSTOMER SATISFACTION
Both customers and stores attach much importance to satisfaction. Frantic efforts are being made by stores to offer high quality products and services to their customers. Customers also want the best value for their money and
are sparing no efforts in selecting the best products and services, (Strategic Direction, 2007). Once customers are satisfied and have a positive image or intentions about a particular firm, it will take some time for competitors to snatch or convince them to switch to them. Benefits derived by companies from customer satisfaction include loyalty, repurchasing to increase sales or profit, speak well about the products or services to others to purchase, (He and Song, 2009 and Sit et al., 2009). As pointed out by Assael (1995), the economic viability of firms lies in the hands of consumers. According to Solomom et al (1999), there are various types of customers or consumers. They may be individuals, groups, organisations, communities or nations. The retail industry like any other industry has intensified its efforts to satisfy consumers through the provision of quality services. This stem from that fact that competition has been stiff and every store is trying to retain old customers and woo new ones. Quality, satisfaction and value are the concepts that featured prominently in the customer satisfaction literature. Explaining these concepts will be very useful.

2.3.1 SERVICE QUALITY
ISO 9000 (2005) intimates that quality is the extent to which a bunch of inbuilt features relating to a product, a process or a system meet requirements. The inbuilt features can be physical, sensory, behavioural, temporal, ergonomic or functional whilst requirements are the stated need or expectation be it implied or obligatory.

Definition of service quality
According to Lewis and Booms (1983) service quality is a measure of how well a delivered service matches the customer’s expectations.
(Source :www.thesportjournal.org)
Crosby and Juran cited in Fox (1993:4) define service quality as conformance to requirements or specifications and fitness for the purpose or use respectively. Dale and Bunney (1999) explain that Crosby is of the view that quality cannot be compared and adjectives such high, low, excellent and good cannot be used to describe quality. Parasuraman et al (1991) note that quality is the meeting the needs and the expectations of customers. Therefore, the yardstick for determining service quality is the expectations of customers and not the policy of the store. This view has been corroborated by Ting (2004) and Jamali (2007). Bitner and Hubbert and Rust and Oliver cited in Nguyen and LeBlanc (1998:53) put forward that the quality of service is the view of customers about how superior or excellent the service received or used is. Metawa and Almossawi (1998) submit that the quality of service is a function of the experience of customers since services must be used first. According to Zeithaml et al (1988) the interaction or the relationship between customers and service organisations induce perceptions of customers’ quality. The attitude of service providers can also serve as a quality indicator for customer. Alluding to this, Owusu-Frimpong (1999) claims a receptive attitude of workers is a key ingredient for giving customers a good impression about a store and its services. The physical environment in terms of the infrastructure, the design and the general atmosphere are also considered by consumers in assessing the quality of services of stores. Likewise, the duration of the service delivery gives a positive or a negative impression to customers. A short waiting time may give a good impression about the store that its services are of high quality and vice versa. Bowen and Schneider cited in Ennew and Binks (1996:6) on the other hand think that the quality of the service will partially be based on the customer interactions with the organization rendering the service. They further indicate that customers who are willing to participate actively in the
delivery of service are likely to expect to receive a better quality of service. The reasons are that, the service provider will understand their needs and circumstances. Also customers involved in the service delivery process will have an insight into the impediments on the way of the service organisation and therefore be sympathetic in their quality expectations. According to Burke et al (2005) service purchase is different from a product. There is no contact with the organisation selling the product and the consumer and therefore the perceptions of the quality of the product are not induced by the people in the organisation. The consumer forms his judgments about the quality of the product based on advertisements, recommendations by individuals who have used the product before or the experienced he has had after using the product in the past. On the other hand consumers are moved either positively or negatively by the service provider and therefore the provision of service is both a personal and a psychological thing, (Schneider and Bowen, 1985). Athanassopoulos et al (2001) have given a summary of the literature about the criteria customers used to measure the quality of services. The general conclusion is that the criteria used are complex and difficult to determine exactly due to the factors listed below:

- Services are intangible
- Services are inseparable
- Services are perishable
- Services are heterogeneous indicating that their performance often varies from provider to provider, from customer to customer, and from context to context services cannot be placed in a time capsule and thus be tested and retested over time production of services is likely to be inseparable from their consumption. Gronroos and Kotler cited in Athanassopoulos et al (2001) intimate that customers generally evaluate service quality by its outcome, the process of the service delivery and the context. According to Zeithaml et al. (1993) consumers assess services and
products through three processes. These are pre-purchase or search qualities, experience qualities and credence qualities. Search qualities are features that consumers look out for before buying and are those they can see, feel or touch. On the other hand experience qualities are post-purchase features that customers assess whilst credence features are those not easy for consumers to assess during the post-purchase period. Stores services are of the experience and credence types and therefore difficult to assess by customers. Customers cannot evaluate these types because they do not have the required skills, expertise and knowledge to carry out the evaluation. As results of that, customers place a high premium on the image and reputation of the store before purchasing. Owusu-Frimpong (1999) contends that because services of stores are of the credence type, friends and fellow customers constitute the main source of information for customers. This has been confirmed by the results of a study of Tan and Chua in Ting (2006:99). Burke et al (2005) claim that there are two ways service organisations can improve upon service quality. First, a good human resources management policy must be adopted to ensure employees’ satisfaction. It is be levied that with the necessary support from management, employees strive hard to provide high quality service to customers. Also, the organisation has to implement its organisational values, policies and procedures to leverage the delivery of high service quality to customers.

Parasuraman, Zeithaml and Berry (1985) identified ten determinants of service quality that may relate to any service:

- **Competence** (Possession of the required skills and knowledge to perform the service: knowledge and skill of the contact personnel, knowledge and skill of the operational support personnel, research capability of the organization)
• **Courteousy** (Politeness, respect, consideration and friendliness of the contact personnel: consideration for the customer's property, clean and neat appearance of public contact personnel)

• **Credibility** (Trustworthiness, believability and honesty. It involves having the customer's best interest at heart: company name, company reputation, personal characteristics of the contact personnel)

• **Security** (Freedom from danger, risk or doubt: physical safety, financial security, confidentiality)

• **Access** (Approachability and ease of contact: Service is easily accessible, waiting time to receive service is not extensive, convenient hours of operation, convenient location of service facility)

• **Communication** (Informing the customers in a language they can understand and listening to them. It may mean that the company has to adjust its language for different consumers: explaining the service itself, explaining how much the service will cost, explaining the trade-offs between service and cost, assuring the consumer that the problem will be handled)

• **Understanding/ knowing the customer** (Making the effort to understand the customer's needs: understanding customer's specific needs, providing individualized attention, recognizing the customer)

• **Tangibles** (Physical evidence of the service: appearance of physical facilities, tools and equipments used to provide the service, appearance of personnel and communication materials, other customers in the service facility)

• **Reliability** (The ability to perform the promised service dependably and accurately: service is performed right at the first time, the company keeps its promises in accuracy in billing, in keeping
records correctly and in performing the services at the designated time

- **Responsiveness** (The willingness and/or readiness of employees to help customers and to provide prompt service, timeliness of service: mailing a transaction slip immediately, setting up appointments quickly) Later they were reduced to five by Parasuraman, Zeithaml and Berry (1988):

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tangibles</strong></td>
<td>Physical evidence of the service: appearance of physical facilities, tools and equipments used to provide the service, appearance of personnel and communication materials</td>
</tr>
<tr>
<td><strong>Reliability</strong></td>
<td>The ability to perform the promised service dependably and accurately: consistency of performance and dependability, service is performed right at the first time, the company keeps its promises in accuracy in billing and keeping records correctly, performing the services at the designated time.</td>
</tr>
<tr>
<td><strong>Responsiveness</strong></td>
<td>The willingness and/or readiness of employees to help customers and to provide prompt service, timeliness of service: mailing a transaction slip immediately, setting up appointments quickly.</td>
</tr>
<tr>
<td><strong>Assurance</strong></td>
<td>The knowledge and courtesy of employees and their ability to convey trust and confidence: competence (possession of the required skills and knowledge to perform the service), courtesy</td>
</tr>
</tbody>
</table>
Assurance | (consideration for the customer's property, clean and neat appearance of public contact personnel), trustworthiness, security( safety and confidentiality).

Empathy | The provision of caring, individualized attention to customers: informing the customers in a language they can understand, Understanding customer's specific needs, Providing individualized attention.


### 2.3.2 SATISFACTION

The ISO 1002 (2004) indicates that satisfaction is the extent to which the requirements of the customers have been met where (ISO 9000 2005) requirements means stated needs or expectations whether implied or obligatory. According to Oliva et al (1992) satisfaction is whereby the service provider meets the expectations and norms of customers. This view is shared by Anderson et al (1994). Westbrook and Oliver, (1991) postulate that satisfaction is when a consumer cognitively compares actual performance with expected performance. Kotler (1991) opines that satisfaction is the post- purchase evaluation of products or services taking into consideration the expectations. Summarising the literature on the definition of satisfaction, Fecikova (2004), indicates that satisfaction is the feeling which emanates from the process of evaluating what was obtained against what was expected, the purchase decision itself and or the fulfilment of needs or wants. Abdullah and Rozario (2009) accentuate that the level of customer satisfaction may be influenced by various internal and external factors. This suggests that the determination of satisfaction is very difficult. Veloutsou et al (2005) indicate that overall customer satisfaction
is not a static process but keeps on changing when the customer get an experience with the service provider. In the same vein, Communities Scotland cited in the European Institute of Public Administration (2008:15) has listed the following as the difficulties associated with the

**Concept of customer satisfaction:**

It is not static, but changes over time; new experiences and levels of awareness will alter the potential levels of satisfaction that could be achieved. Is likely to be complex and the result of a mix of experiences before, during and after the point at which it is measured. It occurs in social contexts which are varied and changing and may be unpredictable or inexpressible to the service user.

- It may be difficult to express the reasons for satisfaction; particularly where less tangible aspects of services are being considered.
- It may be easier to express the reasons for dissatisfaction, particularly if this is the exceptional state.

Without understanding the causes of satisfaction, there is a danger that we might treat a “good result” as a reason not to change anything, seeing it largely as a personal relation tool.

**Definition of satisfaction:**

*Customer satisfaction is defined as “the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals.”*

(Source: Marketing book by Philip Kotler)

Jamal and Nazer (2002) contend that customer satisfaction is not linked with only the view of customers regarding the reliability of the service delivered but also based on the experience of the customer with the service delivery process. Kotler (2003) posit that high customer retention is an
indicator for customer satisfaction. Reichheld (1993) opines that customer satisfaction alone is not enough and cannot guarantee loyalty to organisations as between 65 to 85 percent of customers who switch to other organisations are satisfied customers.

What is needed is a full customer satisfaction to ensure customer loyalty and improvement in performance of organisations, (Jones and Sasser, 1995). The Kano model specifies three types of attributes that give different satisfaction to customers; ‘must-be’, one dimension all and attractive needs. (Baki et al 2009, Wang and Ji 2010). According to them, the ‘must-be’ is whereby customers are not satisfied if the service or product quality fail to meet their expectation. There is no corresponding increase in satisfaction when the service or product attribute is above expectation. Another attribute is the one-dimensional or performance needs. In this case, when the customer perceives the service or product of a high quality, satisfaction is also high and vice versa. Finally, the attractive or the excitement needs is whereby there is a corresponding increase in satisfaction when the service or the product performance increases but a decrease in performance does not lead to a decrease in customer satisfaction.

2.3.3 VALUE
Value according to Zeithaml (1988) is the importance attached to services based on their usage and the amount paid in exchange. All including to this, Woodruff (1997) indicates that value is what customers derive from the transactions made e.g. Quality, benefits, worth and utilities and what he used for the exchange (price or the sacrifice made). He again intimates that value emanates from learnt perceptions, preferences and the overall assessment made by customers. He accentuated that perceived value is higher than quality.
Definition of customer value:

*Value means Difference between customer realization and sacrifice.*

Realization is what the customer receives, which includes product features, quality, and service. This takes into account the customer's cost to use, maintain, and dispose of the product or service. Sacrifice is what a customer gives up, which includes the amount the customer pays for the product plus the time and effort spent acquiring the product and learning how to use it. Maximizing customer value means maximizing the difference between realization and sacrifice.

(Source: Book on Understanding Service Management by William J. Glynn.)

Also value can be defined in four ways; value is low price, value is want satisfaction, value is the quality of the price paid for and what is received in exchanged for what is given out. It is also argued that value judgments are based on both financial and non-financial costs. That is, the sacrifices made in using the service and the gains made in exchange for the service, (Hauser and Urban, 1986). Corroborating this, Lam et al (2004) point out that, customers assign value to a product or service based on perceived price and perceived quality. Based on this, Zeithml (1988) intimates that value is situational and personal than quality. It varies in accordance with the consumption process. Lam et al (2004) contend that when perceived value is more than perceived cost, the value of customers is high and vice versa. Rust and Oliver (1994) cited in Nguyen and LeBlanc (1998:54) suggest that there must be a rise in value when quality rises and price falls. Treacy and Wiersema cited in Bick et al (2004:301) contend that customers buy different types of value. Since values are different, corporate bodies should select their customers and scale down their value focus. Value standard shores up in connection with customer expectations. Woodruff (1997)
claims that there are two types of customers’ value. The first is the value or the expected value that customers get from the organisation. The second is how the organisation also values its customers. Treacy and Wiersema cited in Bick et al (2004:301) have come out with three value concepts that business organisations should bear in mind. These are value proposition, value driven operating model and value disciplines. Value proposition is the suppose assurance which is not verbally stated. It is given to customers by management of organisations that they will render particular values like price, quality, performance, selection or convenience. The value driven operating model is the auxiliary supporting systems in delivering value (value proposition) to customers. These include; management systems, operating processes, business structure and culture. The last one, values disciples are how management of organisations can integrate both the value proposition and the value driven operating model to beat all competitors in their markets and provide the highest value to customers. According to them, there are three value disciplines; operational excellence, product leadership and customer intimacy. Operating excellence is the provision of a combination of low price and services which is devoid of problems to customers. Product leadership on the other hand, refers to the delivering of the highest quality and best performing products in the market. This is possible when organisations keep on innovating to improve products quality. Customer intimacy concerns the establishment of relationship with customers; supporting and providing what they want in order to enable them get the needed value from the product or service.
2.4 KANO MODEL

FIGURE 2-2 KANO MODEL

Source: “integrating servqual and kano’s model into QFD for service excellence development” http://www.emeraldinsight.com

Wang and Ji (2010:175) it is also believed that there is a correlation between satisfaction of employees and customer satisfaction. The results of the study of Schneider (1980) suggest that frontline employees handled customers well if they thought they have been treated well by management. Customers were glad and satisfied with the service provided when they see store employees also in a good mood. The results of the study of Levesques and McDougall (1996) on the determinants of customer satisfaction in retail store in Canada, showed that service quality dimensions (core and relational performance, problem encountered and satisfaction with problem recovery), the store’s features (e.g. location), the competitiveness of the store’s service, the customers’ judgment about the store employees’ skills
and whether the customer was a borrower influenced satisfaction. In a related development, service problems and the store’s service recovery ability impacted on customer satisfaction and intentions to switch very much. Customers who encountered service problems were likely to switch to other stores and inform others to follow suite since they were not satisfied. Similarly, resolving problem does not necessarily improve customer satisfaction. Light has been thrown on the three concepts that are most often used to refer to customer satisfaction. A cursory glance at the relationship between these concepts will be desirable.

2.5 CUSTOMER SATISFACTION AND SERVICE QUALITY
Oliver cited in Ting (2004:408) have enumerated the differences between service quality and satisfaction. They indicated that the dimensions of service quality are specifically or directly connected with the rendering of the service whilst satisfaction is based on many factors, both directly and indirectly relating to the delivery of the service. Customers do not base their perceptions of the quality of service on experiences/encounters with both the service provider and the service environment. On the other hand, past experiences form the basis for evaluation of satisfaction. In addition, quality is supposed to be ascertained by external cues such as price and reputation whilst satisfaction is prompted by conceptual cues like equity and regret. Also ideals and excellence in connection with the service delivery are the clues to service quality. In the same vein, satisfaction perceptions are based on predictions or norms for the service delivery. Oliver however indicated that it is very difficult to draw a line between satisfaction and quality of service. Parasuraman et al (1988) postulate that satisfaction can be experienced and happened during or at the transactional level whilst quality is seen to be taking place at the global level. Oliver (1997) believes that quality judgments are more specific and that of
satisfaction are holistic. Quality judgments have a connection with cognitive judgments whilst that of satisfaction relates to affective judgments.

As noted by Ting (2004), researchers are divided over the antecedents of service quality and satisfaction. Whilst some believe service quality leads to satisfaction, others think otherwise. Authors like Parasuraman et al (1988) and Bitner (1990) are of the view that satisfaction leads to quality whilst others such as Cronin and Taylor (1992) and Anderson Sullivan (1993) have a contrary view. Empirical studies regarding the above issue support the assertion made by the latter. The studies of Tam (2000), Petrick and Backman (2002) and Cronin and Taylor (1992) suggest that satisfaction leads to quality. Newman (2001) also submits that there is a correlation between the quality of service and customer satisfaction. Enhanced service quality leads to customer satisfaction with its ripple effects such as; customer loyalty and improvement in the existing relationship between the organisation and customers. Others are that customers will bear with the service provider when the organisation is not able to deliver as well as customers canvassing for the organisation to get more customers. It can be gathered from the above that the two concepts are the same and are being used interchangeably. Authors such as DeRuyter et al (1997) Rust and Zahorik (1993) and Boulding et al (1993) think that quality and satisfaction are closely connected and are synonymous and interchangeable. Thus, both concepts are referring to meeting the requirements of customers. Therefore making a clear distinction between them will be a difficult task.

2.6 SERVICE QUALITY, SATISFACTION AND VALUE

According to Zeithaml and Bitner, cited in Kangis and Voukelatos (1997:280), there are four main factors that constitute customers perceptions of service quality, satisfaction and value. These are service
encounters, the evidence of service, image and price. Service encounter refers to both verbal and non-verbal attitudes which form the basis for intangible service quality such as the environment where the service is provided like equipment and layout of the room or building. Evidence of service is whereby customers based their search of the level of service provided on certain proof like employees, process and physical evidence. This is because services are intangible and they are produced and consumed at the same time. Zeithaml and Bitner have furnished three proofs; employees, process and physical evidence. Zeithaml and Bitner are of the view that a high service price is associated with an equal high quality consumer expectation. A low price will prompt customers to be apprehensive about the quality of the service and the capability of the organisation to render quality service. This point is not wholly true. Normally a low price of things in general does not connote inferior or superior quality. Reidenbach (1995) asserts that value is more practicable or is a feasible thing than satisfaction since it includes not only the benefits accrued but the price. According to him, value is dynamic that must be managed. On the other hand, satisfaction is derived from the value proposition offered in specific products/markets. Cronin et al (2000) claim that value precedes satisfaction. They further accentuated that quality affects value. The results of study of Nguyen and LeBlanc (1998) also suggest that there is correlation between service satisfaction and quality and value. It is clear from the literature that value is the worth or the importance attached to or gains and loss derived from purchases or consumption of services. Satisfaction and quality are also seen as the meeting of the requirements of customers. It could therefore be inferred that the requirements are the same as the importance attached to the services. Therefore, the three concepts; quality, satisfaction and value are the same and are being used interchangeably.
2.7 QUALITY OF THE SERVICE VERSUS CUSTOMER SATISFACTION

In analyzing extensive literature about the quality of service, we found it interesting to highlight the conceptual differences between it and the customer satisfaction.

The table below synthesises the main differences between the two kinds of models.

TABLE 2-2 DIFFERENCE BETWEEN SERVICE QUALITY AND CUSTOMER SATISFACTION

<table>
<thead>
<tr>
<th>POINT OF DIFFERENCES</th>
<th>SERVICE QUALITY</th>
<th>CUSTOMER SATISFACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expectation used</td>
<td>Ideal Expectation</td>
<td>Predictive Expectation</td>
</tr>
<tr>
<td>Connection between Expectation (E) and Perception (P)</td>
<td>Quality of the Service derives from a relation between E and P</td>
<td>Customer satisfaction = E-P</td>
</tr>
<tr>
<td>Influenced by</td>
<td>Strictly connected by internal factor; not influenced by external factors</td>
<td>Also by factors external to the service (i.e. the specific situation, emotions) not controlled by the “service”</td>
</tr>
<tr>
<td>Type of event to be evaluated</td>
<td>A general kind of service</td>
<td>A specific defined event</td>
</tr>
<tr>
<td></td>
<td>Both specific event, both the general service</td>
<td></td>
</tr>
</tbody>
</table>

Source: “journal of consumer psychology” http://www.kentgrayson.com

The first difference refers to the type of expectation considered by two models. The customer satisfaction refers to the predictive standard, while the quality of service to the ideal standard.
The common reading key in this macro category is the consideration of the expectation as foreseen by the customer and related to what is probably going to happen in next transactions. Declining a deeper analysis of the concept, we underline that expectations as “predictive standards” are typical of the paradigm “confirm v/s. disconfirm” and they are mostly related to literature about customer satisfaction.

However, expectations as “ideal standard” are mostly used in the literature about quality of service and they refer to expectations as the desired level of performance for the customer (Prakash 1984; Spreng, 1996; Boulding et al., 1993).

Even if both concepts (CUSTOMER SATISFACTION and SERVICE QUALITY) take expectation and perception into consideration, there is a different kind of approach about the type of relation existing between them. Customer Satisfaction models are based on the idea that the final satisfaction derives from subtraction of expectation from the perception. In this sense, CUSTOMER SATISFACTION models have been using a “subtractive” relation. By contrast, SERVICE QUALITY models are based on a general relation among expectation and perception. But to clarify the evolution of the theories, we need to explain the conceptual development of the studies, started with SERVQUAL (Parasuraman, Zeithaml and Berry, 1988-1994), maybe the best known (but not the most recent) model about customer satisfaction.

In SERVQUAL model, satisfaction is the result of expectation less perception. The same survey scale (a Likert scale) was used to measure both expectation and perception, simply subtracting the perception score from the expectation score. A positive result means that expectation is major than perception, consequently the customer is unsatisfied; and when the result is minus, the customer is satisfied.
Among the various critics Customer Satisfaction to SERVQUAL model, one of the most important is represented by the SERVPERF model (Cronin and Taylor, 1994). These authors state that when somebody is called to evaluate the perception, she or he in their own mind has already considered the personal past expectation of the service, thus the evaluation of the perception already contains the expectation. In other words, the subtraction proposed by SERVQUAL becomes double (first, implicitly done by people in their mind, and second, explicitly done by SERVQUAL model).

Another difference between CUSTOMER SATISFACTION and SERVICE QUALITY rests in the influence of external factors. The factors that cannot be controlled by the service provider are considered external by the authors. These factors derive from external causes, i.e. the emotional status of the user, environmental, variables, etc.

Customer satisfaction is mainly a feeling rather than a judgment, such as a temporary status of the mind, and therefore is more influenced by external factors. By contrast, the quality of the service is more an evaluation than an emotion, and so it is not influenced by temporary factors, such as emotions or contextual factors not related to the service.

Lastly, it is correct to consider that, in Oliver’s opinion (1996), SERVICE QUALITY defines a general attitude about a kind of service, while CUSTOMER SATISFACTION is related to a specific service. In this sense, we agree with Teas (1994), who says opposing Oliver that the quality of the service could be both related to a general service and to a specific transaction.

Although until now we have taken into consideration “customer satisfaction” and “quality of the service” as macro areas of literature, next
we are going to tailor the model based on ExPerO aims starting from the following concepts:

- ExPerO model aims to measure the quality of the learning outcome: the analysis of the service in its wider meaning, as well as the training process, is not considered in the evaluation set.

- ExPerO model analyzes the stakeholders’ point of view: the customer approach has not been considered helpful for the school needs, especially in defining a single category of beneficiaries. Stakeholders promote different needs, expectations and perceptions; in this way, they have different kinds of information at their disposition.

- Different stakeholders for different indicators: we propose a different categorization of stakeholders in order to tailor the analysis of learning outcome to their respective interests and points of view. Consequently, they are called to contribute to the evaluation they are interested in and about which they will be informed.

- SERVICE QUALITY Approach for External Stakeholders: to measure the quality of the learning outcome from the external stakeholders’ point of view we use the “quality of the service” approach. It means, with reference to what has been explained above, using an analysis of expectation in the form of “should”, a complex relationship between Expectation and Perception, and not to consider the influence of external factors.

- CUSTOMER SATISFACTION approach for trainees: the trainees are the only category of stakeholders whom we have decided to use in CUSTOMER SATISFACTION approach, instead of SERVICE QUALITY. The reason is stated in Adult learning dynamic
Customer Satisfaction and especially in their own motivation. Satisfaction is closely related to motivation to learn. Trainees are the only kind of stakeholders that are both internal and external, because they are at the same time beneficiaries and partakers in the process; so we need to evaluate their level of satisfaction in order to consider their active role in the learning process. To measure it, we have accepted SERVPERF model (expectations are already taken into account in the perception process).

2.8 THE SERVQUAL AND THE SERVPERF MODELS:

The most widely used models in measuring quality in the service industry in general and in the retail sector in particular are the SERVQUAL and the SERVPERF models. Since the SERVPERF was curved out of the SERVQUAL, the literature on both models are reviewed.

2.8.1 THE SERVQUAL MODEL

SERVQUAL is one of the tools used in measuring the quality of services. According to Buttle (1996), SERVQUAL is for the measuring and managing the quality of service. Asubonteng et al (1996) also intimate that the model is used to measure the quality of services from the customer’s point of view. The originators of the model are Parasuraman, Zeithaml and Berry. It was developed in 1985 but was polished in their subsequent articles (Parasuraman et al 1988). The main aim of SERVQUAL is to have a standard and a reliable tool that can be used to measure the quality of services in different service sectors, (Curry and Sinclair, 2002). Originally, those who developed SERVQUAL introduced ten service quality dimensions or attributes. These are: tangibles, reliability, responsiveness, competency, courtesy, communication, credibility, security, access and understanding the customer. However in the 1988 article, these were pruned to five (Parasuraman et al 1988). These are: tangibles, reliability, responsiveness, assurance and empathy. Tangibility refers to the physical
environment in which the service provider operates. It comprises the physical facilities available, workers, and equipment and communication materials. Reliability concerns the ability with which the service organisation can deliver the service dependably and accurately. Empathy on the other hand, is about the special care and attention given to individual customers when being served. Responsiveness is also the preparedness of the service provider to assist customers and render as quick or prompt service as possible. Assurance too is in connection with the knowledge and the courteous attitude of staff and their ability to instil trust and confidence in customers.

Based on the five service quality dimensions, two sets of twenty-two statements or questionnaire are developed, (Donnelly et al 1995 and Iwaarden et al, 2003). The questionnaires are a seven-point likert scale. Robinson (1999) also explains that one set is about customers expectations (expectation of service quality before using the service) and the other set measures customer perceptions (perceptions of quality after using the service). The difference between the two; perceptions (P) and expectations (E) constitute the service quality gap. The quality gaps according to Parasuraman (2004) and and Tahir and Bakar (2007) are five. These are:

**Gap 1:** The difference between what customers really (actually) expect and what management think (perceptions) of customers expectations. Donnelly et al (1995) are of the view that the gap occurs because management did not undertake in-depth studies about customers’ needs. Also there are poor internal communication and insufficient management structures. This gap is referred to as the understanding or knowledge gap.
**Gap 2:** Is what is called the standard gap. It is the difference between management perceptions of customer service quality expectations and service quality specifications.

**Gap 3:** This gap is also known as the delivery gap. The difference between service quality specifications and the actual service quality delivered. This means the failure to ensure that service performance conforms to specifications. Donnelly et al (1995) contend that the failure emanates from absence of commitment and motivation, insufficient quality control systems and insufficient staff training.

**Gap 4:** This gap too is termed as the communication gap. It is the difference between the delivery of service and the external information (communication) regarding promises made to customers or implied. Examples of medium used for the external communication are media and customer contracts, (Donnelly et al 1995)

**Gap 5:** Is the difference between customer’s expectation of service quality and the actual service received.
Many criticisms have been levelled against the SERVQUAL model. One of the major shortcomings of the model is that the five service quality dimensions are not universal and cannot be applied in all service industries, (Ladhari 2009, Saurina Canals 1997, Buttle 1996 and Robbinson 1999). They contended that it depends on the context in which the dimensions are applied since the definitions and the number differ. For instance, the results
of the study of Babakus and Boller (1992) on an electric and gas utility company using SERVQUAL suggest that the dimension of this industry is one and not five. This has been confirmed by the study of Mels et al (1997). In their case only two dimensions were found. In the same vein, Cronin and Taylor cited in Jun and Cai (2001:278) conducted an investigation into the retail, pest control and dry cleaning and fast food industries and found that, there was no evidence of the five dimensions. Also, the study of, Johnston (1995) and Joseph et al (1999) in the retail industry did not support the five dimensions. The study of the former unveiled 18 service quality attributes whilst that of the latter found six dimensions. Buttle (1996) opines that there is but a little proof that customers evaluate the quality of service on the basis of the different between perceptions and expectations. Alluding to this, Ladhari (2009) intimates that researcher’s advance that the difference scores do not give any additional information beyond that already existed in the perceptions’ items. This has been supported by the study of Babakus and Boller (1992). The results showed that the perceptions’ score was the dominant contributor to the gap scores. Buttle (1996) further posit that the model dwells on the process delivery but not on the outcome of the service encounter. Buttle again punched holes in the likert-scale. He contended that, it is defective or flaw whilst the use of the two sets of questionnaire are tired-some and confusing. Though the model has been credited with the fact that it furnishes information concerning the gaps between perceptions and expectations of the quality of service, it fails to provide clues to the closure of these gaps, (Tan and Pawitra, 2001). Gilmore cited in Kumar et al (2009: 213) put forward that, the five service quality dimensions are highly inter-correlated or related. Ladhari (2009) accentuate that the factor-loading pattern of the model unearths some weaknesses in the convergent validity in some studies. Thus, most of the SERVQUAL’s 22 items have higher loadings on dimensions that are different from those suggested by
those who developed the model. For example, the study of Engelland et al (2000) show that there was an excessive cross-loading as three items belonging to the assurance dimension loaded on the empathy dimension. In the same vein, only one item from the tangibles dimension loaded on the tangibles dimension. The results of the research of Lam (1997) also reveal that items belonging to the assurance, responsiveness and empathy dimensions tended to load in an unstable manner. In spite of the numerous criticisms, SERVQUAL has been adopted for conducting many studies. It is therefore held in high esteem (Buttle 1996). Other points in favour of SERVQUAL as enumerated by Tan and Pawitra (2001) are given below.

The model in general lays bare the strengths and weaknesses of the quality of service provided by organisations. In this way, areas of weaknesses can be prioritised by the organisation. Another important merit of the model is that it serves as the standard for organisations to measure the quality of service in the same industry. Apart from this, it serves as a signal to management to take into consideration the perceptions of both management and customers. It also helps management to know customers’ impressions about the service purchased. The analysis of the quality gaps assist management immensely to draw their strategies to meet customers’ expectations. Having discussed the SERVQUAL model, the next section dwells on the studies conducted into the retail industry using the SERVQUAL model.

2.8.2 THE SERVPERF MODEL

The SERVPERF model was carved out of SERVQUAL by Cronin and Taylor in 1992. SERVPERF measures service quality by using the perceptions of customers. Cronin and Taylor argued that only perception was sufficient for measuring service quality and therefore expectations should not be included as suggested by SERVQUAL (Baumann et al,
2007). Studies conducted by researchers like Babakus and Boller, Brady et al., Brown et al., and Zhou cited in Carrillat et al (2007:473) have supported that of Cronin and Taylor. Therefore, advocates of SERVPERF hold the view that it is a better alternative to SERVQUAL. SERVPERF however has suffered a setback. According to Gilmore and McMullan (2009), Taylor and Cronin’s examined the psychometric properties of the SERVPERF scale and the results of a multi-industry study in 1994 suggested that SERVPERF lacks consistency and a generalised factor structure. As a result of that, the following recommendations were made: practitioners should adapt the factor structure of the service quality data for specific or different settings.

Academic researchers should revisit their research objectives so that a reliable and valid multidimensional scale of service quality that could be generalised across service settings should be applied. Sight must not be lost on the fact that, whilst SERVQUAL measures the quality of service via the difference between the perceptions and expectations (P-E) of customers, SERVPERF only uses perceptions. Again, SERVPERF adopts the five dimensions of SERVQUAL and the 22-item scale in measuring the service quality. Based on the above, Cronin and Taylor cannot claim to have developed a new model (SERVPERF). In fact it was more or less a suggestion they made.
2.9 STUDY CONDUCTED ACROSS GLOBAL

Fogarty, G., Catts, R., & Forlin, C. (2000) the research aim of the first part of this study was to explore the psychometric properties of the 22-item version of SERVPERF. This led to the formation of a 15-item version named SERVPERF-M and much of the early part of this paper concentrated on examine the features of this shortened scale in a sample of 113 respondents drawn from small businesses. There is no doubt that the shortened form had acceptable psychometric properties and measured the same underlying traits as the longer version. In fact, LISREL analysis suggested that it provided a better fit than the 22-item version. Aside from the question of fit, it was apparent that the factors extracted from the 22-item and 15-item versions of the scale were identical. Loadings for the items on their respective factors were very similar in both forms. The result of reducing the scale appears to have been a reduction in the size of the factor inter-correlations, rather than any change in the loadings per se. Very high factor inter-correlations are a worrisome feature of test instruments, so this change favours the use of the short version. The higher internal consistency estimates obtained with the short version also favour its use.

The second part of the study was basically a validation of the 15-item scale and an extension of the work undertaken in the first part. The three datasets analysed here revealed some interesting aspects of the SERVPERF-M scale. The first was that the five-factor structure was not validated in any of these datasets. The Tangibles factor did emerge in all three sets and there was some tendency for the Reliability factor to emerge but Responsiveness, Assurance, and Empathy could not be separated. When these factors were separated using confirmatory analysis, the resulting fit was poor. In order to achieve good fit, items had to be allowed to load on other factors with the result that the factors were highly correlated. Parasuraman et al. (1991) made this same observation when noting that SERVPERF has a “diffused”
factor pattern and high factor inter-correlations. They argued that the overlap among the dimensions is a function of a tendency for respondents to rate a particular company highly on all dimensions (Parasuraman et al., 1991, p.443). That is certainly what happened in this study with the means for all SERVPERF subscales towards the upper limit. This comment, however, still implies some criticism of the scale itself because it means that the items lack discriminability.

It is difficult to pinpoint the source of these problems using conventional item and test validation techniques. The internal consistency estimates do not tell us anything much about the dimensionality of a scale. As pointed out earlier, if a one-dimensional scale were split into two subscales, both subscales should have good internal consistency but it would be wrong to regard them as representing separate dimensions. Exploratory factor analysis is commonly used to help resolve issues of dimensionality but it has serious limitations in the present situation. Thus, it may be possible to force a five-factor exploratory solution that yields a loading pattern approximating the hypothesised structure of SERVPERF-M but that is rather meaningless if the solution does not approach simple structure and if the factors themselves are highly correlated. Confirmatory factor analysis can prove very useful in this situation in that it allows researchers to describe an exact model and test its fit. The technique was employed here for that purpose and indicated that a five-factor model fitted the first dataset but not the other three. What the confirmatory approach cannot do is help determine why factors separate in one dataset but not in others. One possible reason is that the dimensions themselves vary from industry to industry. In some industries, for example, it may not make sense to distinguish among the dimensions of Assurance, Responsiveness, and Empathy. This suggestion, however, runs contrary to the basic purpose of SERVPERF which is claimed to measure core aspects of service quality. A
second reason is suggested by the Rasch analyses conducted in this study. One very important aspect of a Rasch analysis is that it locates items on a linear continuum that has a fixed zero point and equal units of measurement (logits) extending in either direction from this point. The location estimates are sample free, or nearly so in the present case, and give an indication of the “ease of endorsement” of an item. It can be seen from that the subscales of SERVPERF-M, if arranged in the order shown in these figures, form a progression. When viewed in this light, service quality can be treated as a construct that has a number of more or less distinct stages. Empathy and Assurance are the first encountered; businesses should find it rather easy to achieve standards in this area. Responsiveness and Reliability are somewhat harder to achieve and Tangibles is the hardest area in which to be rated a success. This analysis puts the question of dimensionality in a somewhat different light: rather than emphasising qualitative aspects of the scale, such as the nature of the constructs tapped, it focuses concern on the continuum that is service quality and where businesses might be located on this continuum. This is surely a more fundamental concern. One of the other purposes of Rasch analysis is to indicate the sections of the continuum that are not being tapped by existing items. This can be particularly useful for deciding where items need to be developed. In this study, the Rasch analysis confirms the rather narrow range of the continuum tapped by the 15 items in this scale. All items have affectivity values between -1 and 1. It would certainly be desirable to extend the range of the scale somewhat. This would overcome the problem of negative skewness and lead to a better distribution of responses with the possibility of better discrimination among the supposed five latent traits. This is certainly one of the recommendations of the study. It will always be difficult to determine the factor structure of SERVPERF or SERVPERF-M whilst scores are clustered so tightly at the upper end of the distribution.
There is a need for items that respondents will find more difficult to rate highly. It should be noted that none of the items discarded for the shortened version of SERVPERF had this quality. Although not reported, a Rasch analysis was conducted on the full 22-item scale. Six out of the seven discarded items had location values very close to zero. The remaining items did not extend the scale beyond the bounds covered by the shortened version.

In conclusion, the study set out to validate the 22-item version of SERVPERF in an Australian setting but, in the process, derived a shortened 15-item version of the scale. The shortened version performed as well as, if not better than, the longer 22-item version. The internal consistency estimates for the scale were actually better than those for the longer scale and, in the first dataset at least, the factorial structure of SERVPERF was more clearly distinguishable in the shorter version. Some concerns emerged, however, during the analysis of further datasets where it became apparent that there was a great deal of overlap among some of the factors of SERVPERF-M. This tendency has already been noted in the literature (Parasuraman et al., 1991). Two explanations were considered, both of them already discussed by these same authors. One possibility is that perceptions of service quality are not determined by five core dimensions but perhaps by two or three dimensions. Against this, a number of studies have reported a five-factor structure (see Parasuraman et al., 1991) and this model was supported by the exploratory (but not the confirmatory) factor analysis of the first dataset in this study. There is also the evidence provided by the Rasch analysis where the items, when grouped under subscale headings, appear to represent different areas of the affectivity continuum with Empathy at one end and Tangibles at the other.

A second possibility is that the items do not discriminate well among the dimensions. That is, there is a tendency for respondents to rate businesses
highly on all dimensions and this makes it difficult to separate the dimensions in structural analyses. The high means for all subscales and the somewhat narrow range of the location estimates provided by the Rasch analysis indicates that this explanation is probably the correct one. According to Parasuraman et al. (1991), the SERVPERF scale is particularly susceptible to this response tendency. In the Present study, this tendency might have been exacerbated by soliciting responses only from those who had actually made a purchase. It is possible that customers who were dissatisfied with the service left without making a purchase. In this case, the response bias could be a function of the sampling technique, something that may disappear if a different sampling strategy is used. Against this, the location estimates provided by Rasch analysis - as with all other item response models (IRT) - are meant to be sample-free, so this explanation may not hold the key to the skewness observed in item responses. It is also possible that the fault lies with the items themselves. The solution to this lies in the development of new items that do discriminate at the upper end of the service quality continuum. If this is not done, we would argue that it is more sensible to treat the SERVPERF scale as one-dimensional and to talk about achieving stages of quality rather than separate qualitative states.

**Soyoung Kim and Byoungho Jin (2001)** the U.S. respondents perceived service quality in discount stores more favourably than did the Korean respondents. They also expressed more favourable behavioural intentions toward discount stores and greater satisfaction than their counterparts. These results probably suggest that Korean consumers have not yet established their trust and patronage toward discount stores, which makes sense considering the relatively recent introduction of this sector in this country. We also observed that, overall, the Korean respondents tend to
shop at a discount store less often than the U.S. respondents. This finding can be misleading, falsely suggesting that there is not much potential for discount stores in Korea. According to a recent survey, Korean consumers tend to go to large discount stores less often than the two major traditional distribution channels in Korea, supermarkets and small neighborhood stores; however, on average, consumers spend the same amount of money at large discounters as at the other two distribution channels. In other words, Korean consumers make fewer trips to discount stores but make larger purchases per trip (*Korea Herald* 1999). It would be interesting to investigate the amount of purchases both U.S. and Korean consumers make at discount stores as well as their purchasing patterns.

*Luca Petruzzeiis (2001)* the article on satisfaction gives constant effort of managers to stimulate customer loyalty involves customer integration in the firm value chain as a result of personalised marketing (Vesanen, 2007) aiming at intensifying the relationship between the supplier and its customers and increasing customer loyalty. Customer loyalty can be seen as a result of switching costs, opportunity costs and sunk costs based on technological, contractual and psychological obligations faced by a customer (Jackson, 1985; Riemer and Totz, 2003). All sources of these costs are based on the interaction with a customer during the course of integration. Switching costs increase due to the established trust towards the supplier and its capability to meet promised quality levels. If customers can be persuaded to invest significantly in a specific relationship, then sunk costs increase. Additionally, if customer satisfaction is positively influenced by customisation, then a customer’s opportunity costs increase as a defecting customer risks losing the net benefits of the current relationship (Riemer and Totz, 2003). However, not all companies will be able to draw profits from these saving potentials to a similar extent,
regardless of whether they have already realised the existence of these effects.

The degree of customer interaction is influenced by the characteristics of the good being individualised, such as its complexity, the expenditures and the risks of its utilisation and customisation. The paper contributes to the literature in identify new strength and weakness areas concerning the actual range of services offered by retail banks, the re-purchase intentions, the state of relationships with customers, and the competitors’ image positioning. The findings of this research suggest several implications also for marketing practitioners, as they validate the concept that relationship marketing orientation is critical for business performance. Firstly, since only when the satisfaction with the core service and relationship is high, the commitment will be higher, banks have to ensure that utmost importance is given to attributes like quality, product features, product availability etc. Moreover, the staff role is critical in understanding the customer needs and in satisfying them: the higher satisfaction will then increase customer retention. Secondly, relational switching costs can be increased only by investing in the soft or the relational assets (Nielsen, 1996), in terms of various adaptations to favour the customer and also the investments in other soft assets like training for the working staff of the customers etc. Since the interaction is mostly interpersonal in nature, these outcomes hold major lessons for them. Finally, the moderating effect establishes that the investment in the relationship with the customer will raise the relational switching costs. This will help in customer retention, as the customer will not terminate the relationships even if the satisfaction is lower. It makes the entry of any other competitor difficult as he has had no investments in relationship so far. The findings of this study highlighted the strong role of social network in influencing consumer behaviour. Therefore, customers are more willing to participate and interact in the creation of the offer, since
they feel a sense of belonging. Practitioners should encourage social network in order to minimise the switching behaviour (see for example the credit cards industry), upgrading their relationship perspective from customer relationship management to vendor relationship management (Berkman Center for Internet and Society). Minimisation of switching behaviour will lead to better customer retention, which will eventually lead to better bottom lines.

Certainly, the analysis has some limitations, such as the sample size, the variables and the area considered; future research will be focused especially on the multiplicative variable that was eliminated from the model probably due to the variables considered, in order to assess the joint effect of the three macro variables on customer loyalty.

**Michael K. Brady (2002)** in the replication of Cronin and Taylor’s (1992) article was undertaken with three objectives in mind: (1) to justify the identification of performance-based measures as the dominant exemplar relative to the measurement of service quality, (2) to clarify the nature of the service quality–satisfaction relationship identified in Cronin and Taylor (1992), and (3) to extend the Cronin and Taylor (1992) research with regard to the effects of service quality and satisfaction on consumers’ purchase intentions. All three research objectives were ‘‘satisfied.’’ The examination of the recursive models confirmed Cronin and Taylor’s (1992) assertions as to the superiority of the performance-only approach to the measurement of service quality. The examination of the recursive models also failed to produce any of the abnormal SMC estimates found in the original study. Moreover, the replication of the recursive model in the five industries represented in the two new data sets (Studies 2 and 3) adds further evidence of the veracity of Cronin and Taylor’s (1992) study and ensured the successful completion of the second objective of the research. The
replication of the recursive model in the new data sets also confirmed the super ordinate role of consumer satisfaction hypothesized in Cronin and Taylor (1992). In conclusion, it seems apparent that the importance of replication-based research has been under appreciated by marketing researchers. The effort reported lends credibility to the conclusions reached in prior research relative to the measurement of service quality. That, credibility benefits both academics and practitioners by reducing the risk inherent in adopting new positions, strategies, or in this case — a new approach to the measurement of service quality. Replication has a long tradition in the hard sciences. It is a tradition marketing researchers would be wise to embrace.

**Mohammad Rafiqul Islam(2005)** The paper outline the elements, which influence, restrict, and enhance customer satisfaction. The elements identified in the theoretical foundation will be reviewed and compared to the findings of the empirical research. First the issues relating to the internal operations will be outlined. These issues contribute to the external performance of service companies. Secondly, the external value for service customers and their satisfaction will be reviewed from a strategic point of view. Finally, the relation to customer loyalty and profitability will be illuminated. I have identified internal services as the crucial element which influences the external performance of service companies. By internal services we interpret the various operations, professes, and activities which influence the behaviour of service employees. The relevance of optimizing the internal services is founded in the service marketing and management proposition. This proposition argues that external success is rooted in a well functioning organization. It has been shown that the following issues are of importance for the optimization of internal services: Internal marketing, management and decision making.
styles, motivation and rewards systems. The main ideas behind each issue will be revised both from the theoretical and the empirical perspective.

The concept of internal marketing prescribes that the employees regard their colleagues as internal customers. This implies that every employee strives to satisfy their co-workers. One prerequisite is that the management facilities internal customers. This implies that every employee strives to satisfy their co-workers. One prerequisite is that the management facilities internal marketing by expressing their strong interest in their subordinates. The purpose is to create a working environment, which supports the close cooperation between all members of an organization. It has been argued that a favourable working environment has positive effect on employee’s job satisfaction. Consequently, their satisfaction stimulates employees to perform well in their service task.

In practice it appears that almost every manager in our sample of six service branches seems to fulfil the prerequisite of successful internal marketing. The manager’s interest in their subordinate provides valuable indications concerning their preferences for a favourable environment. As the managers evaluate the level of job satisfaction very high it is concluded that an effective internal marketing is prevailing. Another issue which affects the internal services was recognized as the applied management style. The following distinctions appeared as useful. First there is the authority decision making style which is characterized by the manager’s preference to make decision on his own without consulting other members of the organization. This decision making style which implies that the economic bottom-line is in focus without paying attention to the employees welfare.
Secondly, there is the consultative decision making style which implies that the managers take their subordinates opinion into account when making decisions. This kind of decision making style regards employee’s inputs and feedback as a source of inspiration which can be used to enhance the service delivery process, but in the end of the day the manager makes the final decision.

Finally, there is the group decision making style which is characterized by the manager’s preference to delegate tasks to subordinates who are actively involved in the actual decision making process. The final decision is made upon a group consensus. Both the consultative and the group decision making styles correspond to a rather process oriented management style. This style requires that the manager motivate his subordinates to identify themselves an important asset of the organization. This implies that manager empower and integrate their employees by coaching, supporting, and involving them in the delivery of services. Opposed to the result oriented management styles the process oriented style focuses on the softer elements of the organization.

Regarding decision making and management styles in practice, the empirical research shows that all these decision-making styles can be identified among the six selected service branches. In banks there has been identified a tendency to pursue a rather authority decision making style which corresponds to a more result oriented management style. In contrast, the majority of managers in the restaurant and transport branch seems to prefer the consultative management style whereby these managers can be characterized as more process oriented. Finally, significant in the hotel, tour operator, and grocery branches the managers are likely to execute a rather group decision making style which is in line with a process oriented management approach.
The final element which influences internal service is the relation between motivation and employee’s performance. In theory it has been argued that managers have to recognize employee’s needs and expectations in order to stimulate them the best possible manner. Several different ways to motivate employees have been outlined. Special attention should be paid to respect employees and strengthen their self-esteem. The key of employee motivation is to create an environment, which provides employees with the freedom to develop personal and professional skills. Both have been considered to increase the overall job satisfaction and performance.

This theoretical assumption has been proven in the empirical research. It has been shown that there is a positive correlation between job performance, motivation, and employee satisfaction. However, the empirical survey did not provide any proofs concerning the relation between the degree of employee satisfaction and the applied management approach.

In addition to internal services the external value has been identified as crucial for influencing customer satisfaction. When designing services a distinction between three levels of services has been done. Core services relate to the basic customer benefit from the service transaction. The delivery of core services is supported by secondary and delighting services. As the core service is easy imitate the provision of secondary and delighting services is necessary in order to create and maintain a competitive advantage. When developing that service various sources of inspiration can be considered: Front-line employees, customers, and competitions.

In practice it has been shown that only a minority of manages is able to recognize their core and secondary service attributes, only hotel manages succeeded in making this distinction. The research reveals that all branches
make use of all three sources of inspiration. The transport branch seems to focus on competitor’s service package whereas the remaining service branches receives equally inputs from employees, customers, and competitors when developing new service offers. It is believed that the company’s ability to meet customer needs and expectations has a direct influence on the overall customer satisfaction. It is questionable whether those companies in the transport branch which emphasize their competitor’s service attributes are able to design their service package in accordance with customer’s requirements.

In the theoretical foundation the Conceptual Model of service Quality has been discussed. This model provides comprehensive insights to potential reasons for customer being dissatisfied with a service performance. By minimizing the various gaps it is possible to increase the probability of meeting customer expectations and thereby increasing the level of customer satisfaction.

The difference between management’s perception of customer needs and customers expectations represents gap. The empirical research that the service managers in general are convinced about their ability to meet customer’s needs and expectations and thereby satisfying the customers. From the management’s point of view it is estimated that the gap is of limited size. This reinforces the overall impression that managers in all service branches are sure about having the appropriate sources to develop high quality service.

Having presented the Conceptual Model of Service Quality which outlines various reasons for potential service failures in an overall manner it is valuable to examine the criteria behind. It has been argued that service quality can be made more operational by introducing five service
dimensions: Tangibles, Reliability, responsiveness, Assurance, and Empathy. Based on these dimensions the customers are able to evaluate the service encounter.

The empirical research reveals that managers have different opinions about their strengths and weaknesses concerning each service quality dimension. All hotels stress to have their strengths in their tangibles, assurance and empathy which refer to the appropriate physical surrounding and inventory, the extraordinary competence and the courtesy of the hotel employees. In contrast some hotel managers see their weaknesses concerning responsiveness which refers to the problems founded in the cultural differences of hotel guests.

Restaurant managers estimated to have their strengths concerning tangibles, responsiveness, and assurance. These strengths relate to the decorative interior, accessibility, and the employees’ service-minded attitude. On the other hand many restaurant managers are aware of that some of their employees lack professional competence which is regarded as a weakness.

In the transport business all managers perceived their vehicles as an extraordinary strength concerning tangibles. In addition, some taxi managers see their responsiveness as strength due to their 24-hors accessibility. In contrast, the main weaknesses are found in the assurance and empathy. These weaknesses relate to a lack of qualification and service attitude among employees.

All tour operators evaluate their main strengths along with their reliability. They spend effort in building up trust to their customers, which results in an increased creditability and an improved reputation.

In the bank sector all manages see their tangibles, reliability, and empathy as their main strengths. Tangibles in banks relate to a luxurious interior,
which creates a trustworthy atmosphere. The strength concerning reliability is seen in their trustworthiness, accuracy, and consistency in the delivery of service. The strength in relation to empathy refers to their friendly and polite front-line employees and to their ability to understand customer needs and expectations. Concerning responsiveness and assurance the weaknesses in the bank sector are seen in restrictive opening hours which is evaluated as a barrier when serving customers. Moreover, some bank managers claim that the skills of employees are a weakness, which is mainly due to the complexity of bank businesses. This complexity makes it difficult for all bank employees to develop a specialized expertise. Delivering services is a complex process, despite the strive for “zero defection” it is impossible for the service providers to avoid service failures to happen. In the theoretical part of this thesis is has been outlined that service recovery is a valuable tool to achieve customer satisfaction. Service recovery aims to compensate a service failure and thereby turning dissatisfied customers into satisfied ones.

A prerequisite for effective service recovery is that the service provider gets feedback from the customer about the reason behind his dissatisfaction. In order for the service companies to receive these information it is necessary to posses complaint procedures which motive the customers to complain. In cases where dissatisfied customers defect without complaining, the companies need to implement mechanisms which monitor customer defection. These mechanisms enable the service companies to detect the reasons behind defection, and thereby provide them with the opportunity to recovery potential service failures. The empirical survey shows that the vast majority of the service managers treat customer complaints seriously. The managers point out that the complaints can be used in two distinctive ways. First of all a direct reaction to a service failure takes place, and
hereby turning one specific dissatisfied customer into a satisfied one. Secondary, managers see complaints as sources of information and use them to enhance further service delivers.

Moreover, the research reveals that service branches which have a low customer contact and provide a low involvement service, such as restaurants, transport companies and grocery chains, have fewer possibilities to register customer defections. The lack of registration implies that the service companies do not receive the reasons behind the dissatisfaction from the tacit customers. In the remaining branches in our sample, hotels, banks and tour operators, there seems to be a clear tendency to register customer defections. Due to the close interaction between the companies and their customers, these service managers have access to information about their customers; these service managers have access to information about their customers. The general reason behind the companies intense focus on customer satisfaction is that customer satisfaction leads to customer retention. It has been denoted that loyal customers provides the largest revenue to the service companies, as the costs of serving regular customers are lower than the ones of attracting and serving new customers. The long term relationship between the service provider and their customers is considered in the concept of relationship marketing, which focuses on customer keeping instead of customer catching. The empirical research discloses that banks and tour operators have a tendency to emphasize building of long term relationships to their customers, hence, it is concluded that service companies in these branches tend to pursue relationship marketing. This conclusion is founded in the overall impression that bank and tour operators managers puts a lot of efforts in stimulating customers to repeat their service purchase, by providing them with special care and attention.
In the grocery and transport branch, it is concluded that the companies show a minor tendency to pursue relationship marketing, thus these companies seem to be more transaction orientated. The low involvement and the relatively low degree of contact to and interaction with the customers seem, in general terms, to restrict the companies’ possibilities to build-up close relations to their customers. Concerning the two remaining branches, hotels and restaurants, the research displays that on consistent marketing approach seems to be preferred. The managers indicate contradicting responses concerning their readiness to accept short-term losses when satisfying the customers and their provision of special care and attention to loyal customers. Hence it is difficult to recognize a clear tendency in the choice of a specific marketing approach. However, the research disclose that some hotels and restaurants try to achieve satisfied customers and profitability by building long term relations to their customers, whereas other companies take a more transaction based route when satisfying the customers.

Marshall L. Fisher (2006) the research results of analysis should be used with caution because they are limited to the particular retailer that we studied. For example, the impact that employee knowledge has on customers’ perception of product availability will probably differ between grocery and electronics retailers. By extension, the relative importance of the sales and the factory functions will differ from retailer to retailer as well. However, we do believe that the methodology we propose is quite general and can be applied by other retailers that conduct surveys of customer satisfaction and track operational metrics within the store. Although we focused on explaining month-to-month variations in sales, satisfaction and product availability, we might pose a different question: What explains the average and standard deviation of sales at different stores
(the cross-sectional study)? We suspect that the main factors in such a study will be customer demographics, the presence of competition, physical store characteristics, advertising, and the characteristics of store employees and managers, among others. The only previous study that focuses on explaining cross-sectional variations in retail store performance, at least that we are aware of, is Hise et al. (1983), who find that the number of employees, inventory, store size, fixed assets and employee tenure with the company are associated with sales, to a statistically significant degree.

Panle Jia (2006) had examined the competition effect of chain stores on small firms and the role of the chain effect in firms’ entry decisions. The results support the anecdotal evidence that “big drives out small.” On average, entry by either a K-mart or a Wal-Mart store displaces forty to fifty percent of the small discount firms. Wal-Mart’s expansion from the late 1980s to the late 1990s explains fifty to seventy percent of the net change in the number of small discount firms. Failure to address the endogeneity of firms’ entry decisions would result in underestimating this impact by fifty to sixty percent. Furthermore, direct subsidies to either chains or small firms are not likely to be effective in creating jobs and should be used with caution. These results reinforce the concerns raised by many policy observers regarding the subsidies directed to big retail corporations. Perhaps less obvious is the conclusion that subsidies toward small retailers should also be designed carefully. Like Holmes (2005), I find that scale economies, as captured by the chain effect, generate substantial benefits. Studying these scale economies in more detail is useful for helping firms exploit such advantages and for guiding merger policies or other regulations that affect chains. A better understanding of the mechanism underlying these spillover effects will also help us to gain insight in the productivity gains in the retail industry over the past several
decades. Finally, the algorithm used in this paper can be applied to many industries where scale economies are important. One application is the airline industry, where the network of flight routes exhibits a type of spillover effect similar to the one described here. For example, adding a route from New York to Boston directly affects profits of flights that either originate from or end in Boston and New York. The tools proposed in this paper can be deployed to extend current models of strategic interaction among airlines to incorporate such network effects. Another possible application is to industries with cost complimentarily among different products. The algorithm here is particularly suitable for modelling firms’ product choices when the product space is large.

Rakesh Niraj (2006) in the results of a longitudinal study of a beverage distribution company starting with the inception of its formal customer satisfaction program. We use ABC methodology to calculate two measures of customer profits, GP and NP. We also developed a broad-based measure of customer satisfaction tailored to the company's operations fulfilling the needs of retailers it served, and measured both satisfaction and profitability before and after the inception of the distribution company’s formal customer satisfaction program. The results we report highlight the complex relation between CS and CP in a channel context. While there is an evidence of a positive effect of the customer satisfaction initiative in increased satisfaction as well as increase in gross profit, this effect varies by retailer size and the retailer’s current level of satisfaction. In addition, we found that the cost of improving customer satisfaction could far outweigh the revenue increase from most retailers. There are three broad implications from our study. First, the results highlight that the cost of increasing satisfaction should be accounted for in any economic evaluation of satisfaction programs. While we cannot rule out that our field site may have
used resources ineffectively, it is nonetheless quite clear that the positive relationship posited by most of the customer satisfaction literature could reach its limit much sooner than generally believed. Therefore, firms should focus not just on the revenue impact of CS programs but also on the increase in service costs. Second, to get an accurate account of where such improvements are warranted, firms should allocate costs to customers carefully based on activities in serving the customers, and not merely on revenues (as is done for SG&A costs traditionally). If NP is calculated by a simple revenue based allocation, the GP and NP regressions will have almost identical parameters in our analysis, except the intercept. When costs are allocated based on activities, different profitability profiles might emerge, as we described on our sample. The third implication is on the decision to allocate resources. The complexities and non-linearities in the CS-CP link that we documented in this study imply that from a return on investment standpoint, not all customers are equal. In particular, improvement efforts (and dollars) should be directed towards larger customers and customers who are already relatively highly satisfied.

**Rosa colome and Daniel serra (2006)** the real case where a new food retailing company wishes to enter a market with a fixed number of shops to maximize its market share given that another food retailing company is already operating with a determined number of shops. The computation of the new optimal locations for the entering firm will be the result of the resolution of this new MAXCAP model that takes into account the consumers’ behavior in choosing supermarkets.

**Mridula S. Mishra(2006)** in the hypermarket/mall/supermarket is the preferred kind of store by consumers, even though the consumers buy in several establishments and not exclusively in the organized retail outlet,
which indicates that there is no "single loyalty". While in organized outlets, consumers buy essentially convenience goods with low level of risk; in traditional retail, they buy essentially products of more involvement, which requires a more complex buying behavior. The results also show that consumers evoke price and convenience for not buying certain goods in traditional retail, which reveals an attempt to optimize their time and money.

Isabel b. Cerchario and eduardo a. T. Ayrosa (2006) The study on finding of this research was in the factor analysis. The UK sample corroborated findings from other studies, which used SERVQUAL scale to measure service quality (Carman, 1990, Babakus and Boller, 1992, Babakus and Mangold, 1992, Schneider et al, 1992, Cronin and Taylor, 1992, Gagliano and Hathcote, 1994, and Boshoff et al, 1995) and showed that SERVQUAL dimensions could not be replicated. However, the Brazilian sample confirmed the original dimensions even if not with the same variables loading in each one. The British sample aggregated three dimensions of the original scale: reliability, responsiveness and assurance into one factor. Two other factors were extracted, each containing three variables. Another important finding is that service quality, future purchase intentions and customer satisfaction are related. Customer satisfaction and overall evaluation of service quality are related to the same factors in both samples. If customer satisfaction is transaction based and service quality is a global attitude (Parasuraman et alii 1988), there should be differences in the weighting of these in the multiple regression equations. On the UK sample, customer satisfaction and service quality are more closely related by dependability of the service. On the Brazilian sample, service quality is more related to assurance and customer satisfaction equally on assurance and empathy. This seems to indicate that the Brazilian sample was closer to
the original study, as customer satisfaction being transaction-specific it should also consider the service rendered by the service provider. As this study stands, the differences found between the two samples cannot yet be attributed to cultural differences between UK and Brazil. These differences may be related to the service provided by the banks since only two banks were used. Nevertheless, the results can be comparable due to the choice of banks and of cities of similar size. This study is important in terms that SERVQUAL five dimensions were replicated in one of the samples. More important, the model used seems to be reliable and valid although not always presenting the same characteristics across countries.

NGUYEN DANG DUY NHAT, LE NGUYEN HAW (2007) IN the service Quality Model (RSQS). According to the scale, reveals how well respondents’ ratings of each of the five RSQS factors - physical aspects, reliability, personal interaction, problem solving and policy - explain customers’ judgments of overall service quality. There are also evidences shows that consumers in some cases tend to not be satisfied with the service quality because of some customers satisfaction and as a result not building consumer loyalty. Therefore, well awareness and analysis of the consumer’s perception.

CHENG, SOO MAY (2007) in study was undertaken to test the CRSQS model as an instrument for measuring this study has demonstrated the actual measurement of retail Service quality in Vietnamese supermarkets and considered the impact of retail service quality on customer’s overall evaluation of retail service quality. In this respect, this paper suggests certain managerial implications for supermarkets and their managers in Vietnam.
Firstly, service personnel are the key factor impacting customer’s perception of service quality in supermarkets. By improving the performance of employees, supermarkets can increase customer’s satisfaction. In addition, other factors that customers are concerned at supermarkets are policy and physical aspects. Existing supermarkets and new/potential entrants to Vietnam must specify the weight of each factor impacting customer’s perception of service quality. Based on these weights and the average score for each factor, supermarkets can propose appropriate action plans. Secondly, international retailers especially supermarkets which are about to come to do business in Vietnam should be attentive when studying on retail service quality in Vietnam so that they can focus on major dimensions and plan to meet the customers’ expectations. Other factors impacting customer’s overall evaluation of retail service quality should be taken into account in future research.

**Dr. T. Vanniarajan and B. Anbazhagan(2007)** the result of study express highly contentious issue examined in this paper relates to the SERVPERF scores of service quality construct. The highly perceived service quality of retail banking in public sector banks are feeling safe in bank transactions, up to date equipment and neatness of employees whereas in private sector banks, these are services at promised time, up to date equipments and physicals. In the co-operative banks, these are neatness of employees and telling customer exactly what they have done. The important service quality factors in retail banking are reliability, responsiveness, assurance and tangibles. There is a significant difference among the customer belonging to three groups of banks regarding their SERVPERF scores on reliability and responsiveness. The significantly influencing perception on service quality variables on the overall attitude towards the retail banking are reliability and assurance. Regarding the service quality factors, the
important discriminant factors among the private and public sector banks are responsiveness and reliability whereas among the public sector and co-operate banks, these are tangibles and assurance. In the case of private sector and co-operative banks, these important discriminant factors are reliability and responsiveness. Hence, the study leads to some managerial implications. The results indicate service quality of retail banking as critical to customer’s satisfaction and these key areas provide important directions for bank marketers to implement relationship marketing programmes. The perceived service quality components namely reliability and responsiveness have the most impact on customer’s satisfaction in retail banking. Therefore, while maintaining service quality, the reliability and responsiveness are still important. Banks must be aware these potential impacts and design appropriate strategy to satisfy its customers.

**Hollis Landrum(2009)** this study suggest that the five dimensions of SERVPERF, which is a subset of SERVQUAL, are both dichotomous and hierarchical, and subject to conditioning based on user perceptions of stress and urgency. In other words, SERVQUAL the instrument is not homogeneous, and some dimensions potentially matter more to users than others. It is possible that such differences are a function of the user’s state of mind. The results suggest that the performance dimension of reliability, which refers to the ability of a firm to perform promised service dependably and accurately, and the dimension of responsiveness, which is the ability to provide prompt service, consistently rank highly in both respondent groups, while the more emotive dimensions of tangibility, assurance, and empathy vary in importance depending on the user’s state of mind and the circumstances. When experiencing job related pressure, users may well demand speed and reliability because this is what their deadline requires. Stress melts some of the veneer of collegiality and with it the need for
tangibility, assurance, and empathy, which may become relegated to a relatively less important role in the workplace. Our results are consistent with Nitecki and Hernon (2000), who also used SERVQUAL to assess library services at Yale University, where respondents ranked reliability the most important of the five SERVPERF dimensions, and ranked empathy, one of the relationship dimensions, to be the least important. The main difference between our study and Nitecki and Hernon’s is that our data analysis provides additional insights into service measurement issues, where we examine differences between the polar means of two groups of users. In some circumstances, polar means analysis can reveal differences in the data that are not as evident as with other techniques, such as regression analysis or discriminant analysis, where the data are split equally.

This research has raised some important new questions not addressed by earlier studies on service quality. Namely, is there a missing moderating variable or variables (e.g., user mental state, stress level, or perceived job security), and how do they interact with gender and/or occupation in the dimensions of service quality? We believe this question is applicable to all service quality areas, including IT service areas, because most jobs are subject to conditions of stress and most jobs are populated by a mix of males and females. What we may in fact be studying is two levels or planes of service quality: nice-to-have services and essential services. These findings suggest that, in high-stress environments, the more objective performance characteristics of reliability and responsiveness rule.

If our findings are correct, individuals who research service levels with SERVQUAL and SERVPERF have new limitations to consider. 1) If they accept our findings and also accept that SERVQUAL accurately measures service quality, the findings suggest that companies should focus relatively more of their service quality efforts on the reliability and responsiveness
dimensions. Given limited resources and economic pressures, a company that recognizes the relative importance of each dimension can more efficiently allocate resources and focus service priorities. 2) If they accept our findings, but adjust their data analysis of SERVQUAL results to account for ranked dimensions whose outcomes are affected by the user’s state of mind, then their choices are not as clear. They are faced with calibrating SERVQUAL to account for the moderating effect of user mental state or they can choose another service quality instrument. 3) Finally, they can simply ignore these findings and proceed as before. As service industries and service jobs continue to expand in importance throughout the global economy, measuring service quality quickly, reliably, and accurately will mature as an increasingly important task for service providers. If SERVQUAL and its performance subset SERVPERF are to be relied upon by services companies for their survival, then understanding the nuances of what these instruments are measuring has significant financial implications.

Jing Xiao and Julia Chernetskaya (2010) in the study practical contribution of our study is to measure retail service quality on sport stores environment on Scandinavian market by applying and in the end testing the RSQS model. Firstly, the data from the survey was collected using the RSQS model which is shown in the analysis. By finding out the reliability and validly results of the RSQS scale we can make a conclusion that model is valid for our study and consequently for the retail sport environment. This means the RSQS’s validity and reliability issues which are found in our study via factor and correlation analysis are aligned with the original study carried out by Parasuraman et al. (1988). Thus, from the quality criteria findings, it is clear that the RSQS model is a good instrument to measure retail service quality in sport stores. Also, we can conclude from the analysis that the RSQS model shows an overall perceived level of retail
service quality in the stores is equal that is less than expected level represented by number. This means that customers are not fully satisfied with the retail service quality provided in the Stadium sport outlets. From the gap score analysis carried out, it was found that, the overall service quality is low as perceived by consumers in sport stores and hence no customer satisfaction. Consumers receive less than expected experience from the sport stores even though the difference is not wide.

To answer our research questions which are: how consumers perceive service quality and are consumers satisfied with service offered by sport stores, the gap scores analysis carried out provided answers to these questions. The overall perceived service quality is low as expected level meaning that consumers would desire more than what was offered to them. As a result of this gap, it is clear that consumers are not totally satisfied with the retail service quality in the Stadium stores. Evaluating the consumers’ perceptions comparing with the expected level, it can be seen that no dimension of service quality brings customer satisfaction. Evidence from the study show that, sport stores have to improve performance on all the dimensions of service quality in order to increase customer satisfaction since consumers are not satisfied with what is been offered by these stores. This will enable them maintain high level of competitiveness. We can conclude from the discussion part that consumers in general are not satisfied with retail service quality in Stadium stores. Consumer’s perception of service quality is identified as less than average for all five dimensions comparing with the expected level of delivering the service, which means that their perceptions are lower than expected level and what makes their experience in retail stores less enjoyable. Therefore, the retail stores need to make improvements in all dimensions in order to close gaps that could lead to increasing customer satisfaction.
Lau Pei Mey and Badaruddin Mohamed (2010) The study is to explore the service quality attributes for evaluating perceived service quality of museums in serving visitors. It is also to develop a tool to assess the perceived service quality, satisfaction levels, and behavioural intentions towards Malaysia’s museums, from the visitors’ perspective, by applying the modified version of the SERVPERF model (Cronin & Taylor, 1992). Through the visitations to museums, discussions with museums operators and researchers as well as the feedbacks from visitors through the pilot study, 35 attributes that influencing visitors perceived service quality towards the museum visited had been identified. These includes the service dimensions starts from museum’s accessibility, information sources, quality of displays/exhibitions, customer services, amenities and facilities, and ended with pricing of souvenirs, food and beverages sold in a museum (four items from pricing have been excluded after the pilot study). Besides that, items to examine visitors’ overall rating of the service quality, satisfaction levels, as well as recommends the museum to others and their intention to revisit a museum were indentified. In this article, the questionnaire developed was tested with relatively small sample size and respondents were all visited the same museum, and very limited test and analysis was done on the data collected. To confirm the usefulness of this research tool, further study will be replicated in other museums with larger sample size and more statistical analysis like t-test, multiple linear regressions, and path analysis will be performed.

Dr Mass Hareeza Ali and Dr Noor Azman Ali & Dr Alias Radam (2010) the author study concern whether SERVQUAL only explains more variance in overall service. The result of this study supports the hypothesis that the SERVQUAL-based measures of service quality
capture more of the variation in service quality. This result implies that agency should place emphasis on the difference between perceived performance and prior expectation. It means that they may have to concern about customer expectations. A main purpose of concern about the customer expectations is to provide information on service quality gap. However, there are two different kinds of expectations: normative expectations and predictive expectation. The expectation in SERVPERF was conceptualized as predictive expectations while expectation in SEVQUAL was conceptualized as normative expectations. SERVQUAL is difference-based measures that differentiate the actual performance and expected performance. Some literature has suggested that satisfaction is an antecedent of service quality (e.g. Bitner, 1990; Bolton and Drew, 1991). The result of this study has support that the perceived service quality in fact has lead to customer satisfaction. SERVQUAL has five dimensions and each dimension is important factor in the people-based industries. The results of this study support the hypothesis that make in this study. The results suggest that people-based service company must focus on all the dimensions in SERVQUAL to improve customer’s perceptions on service quality. Therefore, companies should check and renovate their facilities and equipments. Besides that, training provided to the employees to increase their skills and attitude when communicate to the customers.

Hong Qin (2010) the current study develops a ffr success model in the fast food industry in China. First of all, it posits an instrument to evaluate the perceived service quality. And then, this instrument is empirically tested using the data from a survey of college students who dine at fast food restaurants in China. Meanwhile, the relationship between the perceived service quality and its dimensions is examined. In order to do these, both exploratory factor analysis and confirmatory factor analysis are employed.
The findings indicate that the modification of the SERVPERF instrument in a specific setting in different cultures is necessary. The significance of recoverability in this study supports our primary modification of the SERVPERF instrument in the fast food industry. Assurance and empathy were removed according to the results of exploratory factor analysis in this study. This, however, doesn’t mean these two dimensions are not important in China; instead, it indicates that the minor modification of the SERVPERF scale when applied in a different country such as China is not appropriate; Chinese consumers may have unique characteristics which are not captured by the SERVPERF scale. Therefore, when applied to a particular industry in any country other than the United States, the SERVPERF should be modified. Reliability, recoverability, tangibles and responsiveness are all significant dimensions of perceived service quality in fast food restaurants in China. This result suggests some managerial implications for fast food restaurant managers. First of all, it is critical to provide reliable and responsive services for fast food restaurants. Customer relationship management is important in China because reliability and trust are prerequisite for the successful business. In addition, the appealing physical facilities have a significant effect on customers’ perceptions of the service quality in fast food restaurants. Western style fast food franchises were famous and attractive by virtue of their uniform image and facilities when they first entered into the Chinese market in 80’s. Finally, the recovery strategies in fast food restaurants play a more and more important role on the perceptions of service quality which might influence customer satisfaction and behavioural intentions, even company financial performance. Therefore, it is critical for fast food restaurants to track down customer’s feedback and complaints over time.
Huam Hon Tat (2011) in the study, the findings showed that empathy dimension contributed the highest perception level in service quality and this is consistent with the study of Chow and Luk (2005,) where it claimed that “customers regarded ‘empathy’ as the highest priority in assessing service quality of a “fast-food” restaurant. It is apparent that it is important for a restaurant to provide a caring and personalized service to customers.” The findings also revealed that among the five SERVPERF dimensions, namely tangibility, reliability, responsiveness, assurance and empathy, assurance was found to have the strongest positive influence on customer satisfaction towards FFRs. The fact that assurance has the strongest positive significance influence is somewhat parallel with a prior study by Zhou (2004). However, the finding did not corroborate with some studies such as Festus et al. (2006), and Landrum, Prybutok, and Zhang (2006) who stated that other dimensions were more dominant in predicting the customer satisfaction. These differing results could be due to the different models used, industries or sampling applied and conducted. These results also provided some useful practical implications. In this respect, because employee expertise is an important component of overall service quality (Tsai & Huang, 2002), it is a paramount importance for the service providers of FFRs to improve their assurance by becoming more welcoming, courteous, knowledgeable and trustworthiness during the servings or transactions. It is also important to improve employee performance during their person-to-person encounters with customers, and this area merits the attention of FFR managers because the service encounter between customers and employees is an important factor of customer satisfaction (Johns & Howard, 1998; Seidman, 2001). This promised behaviour will ensure the purchasers (students) of FFRs would have a high level of assurance, which consequently would enhance their satisfaction. One of the efficient ways to build up high level of assurance is
to responsively provide customers with timely, accurate, and knowledgeable information about the food and beverages (Qin & Prybutok, 2008). Therefore, responsiveness of FFRs’ employees can be increased through increased employee motivations, improved selling skills, positive training attitude, clearer role perceptions, high service knowledge and high awareness of organizational policies. As such, service quality and organizational effectiveness (for example high sales volume and new customer attraction) can be improved simultaneously (Bush, Bush, Ortinau, & Hair Jr, 1990). Thus, FFRs’ top management must improve service improvement programs continuously in order to motivate employees and increase customer satisfaction more effectively and efficiently (Lee, Lee, & Yoo, 2000). Furthermore, there is a positive relationship between customer satisfaction and purchase intentions as reported in the current study. This result is congruent with the findings of Cronin and Taylor (1992), Oliver (1993), Spreng and MacKoy (1996), and Woodside, Frey, and Daly (1989). The result suggested that service quality is an antecedent of customer satisfaction and that customer satisfaction can influence more on purchase intentions than service quality.

In addition, Spreng, Harrell, and MacKoy (1995) pointed out that prior research had consistently found that there was a significant relationship between satisfaction and repurchase intentions; therefore an important consequence of customer satisfaction was increased repurchase intentions. For example, Liu and Jang (2008) stated “friendly and helpful employees can also please customers and enhance their satisfaction level. Thus, it is necessary for restaurants’ top management to try their best on delivery the promised service more accurately, dependably and friendly in order to enhance customer satisfaction as well as encourage the repeat patronage.” Therefore, it is reasonable to state that in order to better capture and maintain new or current customers; restaurants’ top management must
continuously maintain their customers’ satisfaction at a favourable level. However, in the view of how safety and correctly is the food provided by FFRs’ staff, FFRs’ top management must ensure that their staff prepare the food based on the specific standards. Apart from enhancing customer satisfaction, FFRs should also guarantee quality assurance with the hope to attract more buyers through the creation of consumer confidence, a reputation as a preferred restaurant, or a marketing edge with a registered restaurant status (Hooker & Caswell, 1999).

In addition, service quality and satisfaction could affect consumers’ likelihood to recommend the store to others. This is known as word of mouth advertising. The store can benefit from the word of mouth in terms of repurchase intentions from customers. Thus managers should design programs that increase consumer likelihood of recommending the restaurant to others. Incentive programs (free coupons or special discounts) or advertising that encourages consumers to recommend the restaurant to their friends is essential (Eugene & Jamie, 2000). Managing customer satisfaction levels is a critical strategy for FFRs to retain their current customers and also enable them to attract more potential customers via word of mouth (Qin & Prybutok, 2008).

**Dr. Wathek S Ramez (2011)** The researcher finds that the study support the hypothesis that performance scores can offer better measurement results than gap scores. The SERQUAL scale explains 61.002% of the cumulative variance in the overall service quality, compared with 65.166% by the SERVPERF scale. On the other hand, factor analysis for SERVQUAL construct produces five factors, but after dropping the cross loading items over more than one factor, three clean factors that include thirteen items remained. Although, the SERVPERF construct results in a three factor solution, one factor covers three dimensions: reliability, responsiveness and
assurance. The totals of twenty items were valid. The study findings demonstrate that the overall service quality of banking industry may not be a function of the five dimensions as originally suggested by Parasuraman et al. studies. Regarding the importance of service quality dimensions, it appears that Bahraini customers rated the reliability dimension the most important of all with average points .238, followed by responsiveness (.208) and tangible dimension (.204), whereas Empathy dimension rated at the least important. Meanwhile, the results of linear regression show that the SERVPERF dimensions explains 54.5% of the variation in the overall service quality. Reliability is the most important influencer of overall service quality with a coefficient score .378, followed by the responsiveness dimension (.363), while assurance is third. The findings of this study reflect the following managerial implications: First, systematic assessment of customers' perceived service quality is a vital element to formulate the service marketing strategy over time. Such processes will enable the managers of a given bank to identify the points of strength and weakness, relative to competitors, and consequently investing the available resources in the dimensions that consolidate a bank's competitive position. Second, managers and staff of Bahraini commercial banks should work together to provide customers with reliable services, prompt responses and assured procedures. By doing so, a bank will enhance their customers' perceptions of the overall service quality. Third, bank managers should consider their customers' socio- demographic characteristics to redesign the operational system and recruit qualified people to offer a better and consistent level of service quality. Regardless of the contribution to the topic of service quality, the present study suffers two points of limitation. First, convenience sampling technique was mainly used to select the study respondents. Customers of Bahraini commercial banks were only intercepted, while customers of Islamic banks and other financial
institutions were not considered. Such procedure restricts the representation of all customers of banking industry in Bahrain, and thus will affect the generalization of the study findings. Second, the study investigated customers' expectations and perceptions toward the service quality of the banking sector, while other service sectors, such as airlines and hotels in Bahrain, were not covered. Therefore, further empirical researches are needed to measure the overall service quality and its relationship with customers' satisfaction and behavioural intentions in different sectors of the service industry.

2.10 STUDY CONDUCTED IN INDIA
Subhash Mehta Ashok Lalwani and Soon Li Han (2000) the study explored the usefulness of SERVPERF, the perception component of SERVQUAL and retail service quality scale (the DTR scale) in measuring the service quality of different product-service retail environment. Specially, investigation the relative performance of two scales measuring the service quality of retailers where goods purchase is the primary focus, against another where both goods and services are equalled important.

Result show that the DTR scale was superior within the context of a “more goods and less service” environment, i.e. a supermarket, while SERVPERF was better for a retailing context where the service elements become more important i.e. an electronic good retailer. This modified scale may show the service quality of electronic goods retailer more effectively than either the DTR scale or The SERVPERF.

Gani and Bhatt (2003) the study on their paper, comparative study, studied service quality in commercial bank within the view to make it better. The result concluded that service quality of foreign banks is much
better than that of Indian bank and suggested heavy investment by Indian banks in tangibility dimension to improve the quality of service.

**Bhatt (2005)** the paper made a comparative study in service quality perception in respect of bank, i.e. with the perception of their respective customers regarding the quality of service offered by banks, and to offered suggestion to keep the overall banking service more effective and efficient. This study has been conduct in some states of northern India which J&K state, Punjab state, Haryana, and Delhi. The study is further limited to five banks in northern India, namely SBI, PNB, in the public sector banks being then largest and oldest bank in India, JKB which is the largest private sector bank in the country and city bank and standard charted grind lays bank having the maximum operation in India among the foreign banks. Data has collected using the ‘personal contact approach’ i.e. the respondents were approach personally. He concluded that Indian banks, under reference, fall much below the perception of their customers on all dimensions of service quality.

**C.N. Krishna Naik (2006)** the study on Customers have highest expectations on the promptness of service, accuracy of transactions, security issues and concerns; the customer’s lowest expectations are cleanliness, ambience, etc. It must however be noted here that this rating is a comparative assessment and therefore this dimension of service quality scores lower in comparison to promptness, security and other security related issues. The dimension ‘Staff performance’ in our informal interviews was reported to be satisfactory by the respondents and therefore did not expect substantial improvements in their performance. Customers reported highest satisfaction for promptness and speed of service along with accuracy of transactions at cash counters. They were also satisfied with the processing of transactions and efforts to expedite processing whenever the
traffic at the counters increased. The lowest satisfaction levels were reported at the willingness of staff to assist customers in accessing facilities, assortments, information on products, stock positions etc. It is very obvious from the results that Pantaloons Future Group is doing very well in the retail segment and has been able to deliver quality service in their retail outlets. Dimensions like attention to details, promptness in addressing complaints; initiation of corrective action on faulty transactions and goods is sought by the respondents. These issues could be prioritized as the most important ones for offering better and improved service quality to customers and to make shopping a pleasurable experience. Improvements that can be done by management are: Improving communication amongst staff members, using updated systems to process complaints, and ensuring error-free transactions. Training of staff to enable them in assisting customers and provide them with relevant and timely information. Courtesy, etiquette and communication skills could be honed through continuous training of the staff. Improvements in the ambience of the outlet, better shelves and space management, clear electronic sigh posts, clean walkways and aisles, lighting, promotional islands, etc should improve overall shopping experience for customers. iv. Provision for children’s area, food courts, and adequate parking space, security, and ATM facilities could provide hassle free shopping experience for customers.

**Shashank Mehra(2006)** In the case of Grocery store (Reliance Fresh and Big Bazaar). Reliance fresh has chance to improve on its parking facility. On the other hand Big Bazaar has to improve on three dimension as mention early in the presentation. They can do this by by giving training to their staff people. Also do with upgrading their associated material. By
doing this instilling confidence in customer to show that transaction with
them are safe.

**Vijay kumar and velu(2007)** their study on critical determinants of
customers satisfaction in retail banking in India collected data from 325
customers of various retail banks of identify the determinants of customers
satisfaction in term of service quality, service feature, service problems,
service recovery and product used and the interaction of switch over to
other banks. He found that in retail banking, core and relational features
ought to be equally weighted when managers are interested in improving
customer satisfaction. In contrast, when focus is on reducing switching
intentions, considerable emphasis should fall on core items, insuring
successful problem recovery. In this case, the influence of relational
features is far less important.

**Chowdhary and prakash(2007)** the study investigated if any
generalization in impotence of service quality dimension is possible.
Service providers are often not sure of the amount of tangible necessary and
the right mix of other service quality dimension – reliability, assurance,
empathy, responsiveness and the role of price-added by researcher.

Their methodology was a two stage analysis deployment. First free listing
of important service quality concerns for sixteen services across the four
services types (as suggested by loveluck) was done to see if any rank
correlation was possible. This was followed by two step cluster analysis
two reveal natural grouping (or cluster) within a data set for each service
quality dimension that would otherwise not be apparent.

Their finding suggested that generalization of quality dimension was not
possible among all type of service taken to gather, however important
insides were available pertaining to each service type. Their paper emphasis
that considering the two important dimensions tangibility of service act and whether such an action targeted at the customer of their possessions, the paper detail the service quality issues are important which service type. They concluded his research as follow;

- Tangibility is more important for service with more tangible actions. Further, the importance reduces as one shift from services targeted at people to service targeted as possessions.

- Need for reliability is more for services with intangible nature of service act.

- Service targeted at possessions of the customers will also require more reliability

- Service targeted at the customer requires more assurance than those targeted at their possessions. Further, more assurance will be need for services with intangibility act.

- Responses did not allow for any kind of clustering. Customer ranks it last on priority across different service type. Perhaps, they are less expectant for this service dimensions.

Information and people- processing service require more empathy as compared two other two types. Price was considered relatively more important by consumers of possessions and mental- stimuli processing services.

They also analyse rank to all dimension of service quality as follow Relative ranks of service quality dimension.
<table>
<thead>
<tr>
<th>Service quality dimension</th>
<th>People processing</th>
<th>Possession processing</th>
<th>Mental-stimuli processing rank</th>
<th>Information processing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangibility</td>
<td>1</td>
<td>2</td>
<td>5.5</td>
<td>5</td>
</tr>
<tr>
<td>Reliability</td>
<td>6</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>5</td>
<td>6</td>
<td>5.5</td>
<td>4</td>
</tr>
<tr>
<td>Assurance</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Empathy</td>
<td>3</td>
<td>5</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Fees</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>6</td>
</tr>
</tbody>
</table>

**Mohanty (2008)** in their study on hunting customer satisfaction in banks observed that there are wide gaps exist between the expectation and views of customers on one hand and products and service delivery by banks on the other hands. Also, there exist many socio-cultural aspects quite specific and relevant from the view point of customers as well as bank. Many of this issue are either not addressed so far or to a little extent. Customer’s satisfaction is not only applicable to external customers; but also equally applicable to internal customers (i.e. employees)
2.11 EMPIRICAL STUDIES IN THE RETAIL SECTOR USING THE SERVQUAL AND SERVPERF MODEL

Numerous studies have been done in the retail industry using the SERVQUAL model. However, the most relevant ones are summarised in table 2.3.

**TABLE 2-3 EMPIRICAL STUDIES IN THE RETAIL SECTOR USING THE SERVQUAL AND SERVPERF MODEL**

<table>
<thead>
<tr>
<th>Author</th>
<th>Research setting(S)</th>
<th>Study samples</th>
<th>Instruments</th>
<th>Analysis</th>
<th>Factor structure of other key findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dayang Nailul</td>
<td>Malaysia</td>
<td>Customer for hotel Industry</td>
<td>SERVQUAL, SERVPERF (Cronin &amp; Taylor, 1992)</td>
<td>Descriptive and inferential statistics</td>
<td>Three attributes have significant relation on customer’s satisfaction. It explain service quality have positive relation.</td>
</tr>
<tr>
<td></td>
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<td></td>
</tr>
<tr>
<td>Mass hareezah ali</td>
<td>Malaysia</td>
<td>Tax collector Government agencies</td>
<td>SERVPERF (Cronin &amp; Taylor, 1992)</td>
<td>Reliability, correlation, regression and factor analysis</td>
<td>The company should check and renovate their facilities and equipment. They also provide training increase skills</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Author(s)</td>
<td>Location</td>
<td>Study Population</td>
<td>Measuring Instrument</td>
<td>Methodology</td>
<td>Findings</td>
</tr>
<tr>
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</tr>
<tr>
<td>Fogarty, Catts &amp; Forlin</td>
<td>Southern Queensland</td>
<td>Customer of small retail business</td>
<td>SERVPERF (Cronin &amp; Taylor, 1992)</td>
<td>LISREL analysis</td>
<td>The study suggests that it is more sensible to treat the SERVPERF scale as one-dimensional and to talk about achieving stage of quality rather than separate qualitative states.</td>
</tr>
<tr>
<td>Hollis and Victor</td>
<td>USA</td>
<td>Library System Users</td>
<td>SERVQUAL (Parasuraman, Zeithaml &amp; Berry, 1988) and SERVPERF (Cronin &amp; Taylor, 1992)</td>
<td>Polar extremes and regression analysis</td>
<td>The study suggests examining the difference between polar means of two groups.</td>
</tr>
<tr>
<td>Lau Pie Mey</td>
<td>Malaysia</td>
<td>Visitors of museum in Malaysia</td>
<td>SERVQUAL (Parasuraman, Zeithaml &amp; Berry, 1988) and</td>
<td>Cross sectional Comparison</td>
<td>Overall satisfaction with visitor and provided to better satisfaction to visitor</td>
</tr>
<tr>
<td>Author</td>
<td>Country</td>
<td>Industry/Position</td>
<td>Measurement</td>
<td>Analysis Type</td>
<td>Description</td>
</tr>
<tr>
<td>-----------------</td>
<td>---------</td>
<td>-------------------------------------------------------</td>
<td>--------------------</td>
<td>--------------------------------------</td>
<td>----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Cronin &amp; Brand</td>
<td>USA</td>
<td>Customer of various service industry</td>
<td>SERVPERF (Cronin &amp; Taylor, 1992)</td>
<td>Confirmatory factor analysis</td>
<td>The value of service, the physical environment in which the service provision is occur and such uncontrollable factors of customers</td>
</tr>
<tr>
<td>Paulo A. Cauchick Miguel</td>
<td>USA</td>
<td>Customer and Manager of vehicle repair service chain</td>
<td>SERVQUAL (Parasurama, Zeithama l &amp; Berry, 1988)</td>
<td>Descriptive and inferential statistics</td>
<td>The key value for customers are credibility and competence while for manager reliability, tangible and courtesy.</td>
</tr>
<tr>
<td>Oksana Mont</td>
<td>Japan</td>
<td>Car service and rental customer and business</td>
<td>SERVQUAL (Parasurama, Zeithama l &amp; Berry, 1988)</td>
<td>Descriptive, comparative analysis</td>
<td>The result explain that to develop sustainable production and consumption system designed</td>
</tr>
<tr>
<td>Luca petruzze lis</td>
<td>Italy</td>
<td>Responde nts are bank customer s of south Italy</td>
<td>SERVQUA L (Parasurama na, Zeithama l &amp; Berry, 1988)</td>
<td>Principal factor analysis</td>
<td>The result analyzed that switching cost of customers and encourage relation ship with Customer relationship management and vendor relationship management</td>
</tr>
<tr>
<td>---------------------------</td>
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<td>-----------------------------------------------</td>
<td>--------------------------------------------------</td>
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<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Sanjay Gupta</td>
<td>India</td>
<td>Consumers of food resturent</td>
<td>SERVQUA L (Parasurama na, Zeithama l &amp; Berry, 1988) and SERVPERF (Cronin &amp; Taylor, 1992))</td>
<td>ANOVA and regression analysis</td>
<td>The confined that the SERQUAL scale stands to provide more pragmatic diagnostic of service quality provision than SERVPERF.</td>
</tr>
<tr>
<td>J. mark Munoz</td>
<td>Philippines</td>
<td>Retail store employees</td>
<td>SERVQUAL (Parasurama, Zeithaml &amp; Berry, 1988)</td>
<td>Principal component analysis</td>
<td>The findings the shopping experience influence the service quality perception and expectation in Philippines</td>
</tr>
<tr>
<td>Soyoun g Kim</td>
<td>U.S.A</td>
<td>U.S. and Korea college students</td>
<td>SERVQUAL (Parasurama, Zeithaml &amp; Berry, 1988)</td>
<td>Factor analysis</td>
<td>They also expressed more favorable behavioral intentions toward discount stores and greater satisfaction than their counterparts</td>
</tr>
<tr>
<td>Shash an k Mehra</td>
<td>India</td>
<td>Customers of pantaloons and big bazar</td>
<td>SERVQUAL (Parasurama, Zeithaml &amp; Berry, 1988)</td>
<td>Independent sample t-test,</td>
<td>In the case of Apparel store Pantaloon and big bazar both the store have performed equally well on the Service Quality Scale i.e. they don’t have any</td>
</tr>
<tr>
<td>Isabel B. Cerchiairo</td>
<td>Brazil</td>
<td>Retail Bank Customer</td>
<td>SERVQUAL (Parasuraman, Zeithaml &amp; Berry, 1988) and SERVPERF (Cronin &amp; Taylor, 1992)</td>
<td>regression and factor analysis</td>
<td>The service quality, future purchase and customer satisfaction are related.</td>
</tr>
</tbody>
</table>
2.12 GAPS IN THE LITERATURE

It is evident from the literature that few studies have been conducted on customer satisfaction in the retail industry. However, only a handful of them compared two or more stores. The literature study gives idea that the customer satisfaction and service quality had direct relation. The most of literature focus on country, the change in country culture also affects on service quality and satisfaction. The study focuses on the South Gujarat to understand better customer satisfaction in retail industry. If customer satisfaction is transaction based and service quality is a global attitude, there should be differences in the weightage. The literature also found gap in the main factors in such as customer demographics, the presence of competition, physical store characteristics, advertising, and the characteristics of store employees and managers, among others. The only previous study that focuses on explaining cross-sectional variations in retail store performance, at least that we are aware, who find that the number of employees, inventory, store size, fixed assets and employee tenure with the company are associated with sales, to a statistically significant degree. The studies give scope to develop importance of responsiveness and reliability in store. The results to account for ranked dimensions whose outcomes are affected by the user’s state of mind, and then their choices are not as clear. The SERVQUAL has five dimensions and each dimension is important factor in the service based industries. Some study gives focus on size of store. So the study focuses on all kinds of stores in south Gujarat. The gap study about to various dimension of SERVPERF model like responsiveness, reliably, assurance and other. The dimension for service industry varies as per the literature. The banking industry gives importance to assurance and reliability while IT industry focus on reliability and responsiveness dimension. The study also explain that the customer never be loyalty to single store as the price and conveyance play crucial role for
satisfaction of customer. The previous study focused on employee’s satisfaction because the relation between customer satisfaction and employee’s satisfaction had direct. The demographic variables were gender and occupation taken for study on customer satisfaction. The study also focuses on gender, occupation and other demographic variables. Therefore, the retail stores need to make improvements in all dimensions in order to close gaps that could lead to increasing customer satisfaction. The previous study explains that SERVERF model give better result i.e. the same model taken for study.