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Retailer behavior as determinant of service quality in Indian retailing

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ABSTRACT In the service sector, customers and the employees are pivotal actors in service interactions. The performance and quality parameters of any service are dependent on customer expectations and how efficiently the service firm is able to serve its customers. The service quality aspects are imperative to enhance customer service interactions and loyalty among customers. This study employs the SERVQUAL construct to study service quality aspects of retail stores in Northern India. It is assumed that the role of employee or retailer is important in building relationships with customers. The traditional quality dimensions for assessing the service quality have to be modified to assess the customers' service needs and satisfaction in the retail sector. The service quality expectations and satisfaction of customers would be dependent on service personnel's interactions with customers. In retailing services, customer satisfaction would be dependent on the relationships retailers build with their customers through interactions. The interactions were determined by using the traditional SERVQUAL scale and adapting it for retail. The results showed that a high positive correlation existed between various service dimensions, and that customer evaluation of service quality was similar across different age groups.

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INTRODUCTION

Service quality has implications for both marketing and operations (Kellogg and Chase, 1995; Fitzsimmons and Fitzsimmons, 2004; Olorunniwo and Hsu, 2006) of a company and plays a crucial role in defining the service delivery. Service quality is directly related to the performance of the organizations (Baker and Crompton, 2000) and affects customer loyalty. Zeithaml *et al* (1996) propose that behavioral aspects in services play a significant role in service evaluations. The service quality affects the overall evaluation of the service entity (Parasuraman *et al*, 1988) and, to a large extent, is based on service personnel behavior (Bowers *et al*, 1994). The quality of service interactions between the service staff/provider and the customer determines the satisfaction toward the service (Grönroos, 2001). The nature of the interactions or service encounters plays a significant role in determining the level of relationship between the interacting parties. The intangible nature of services makes the affective element important in selecting a service provider. The satisfaction is determined in terms of what the customers perceive they get from the service encounter (Roest and Pieters, 1997). Seth *et al* (2005) in their model suggest that service quality is dependent on the interactions between the service provider and receiver. Personal interaction with service personnel can enhance the shopping experience or make it dissatisfying (Fitzsimmons and Fitzsimmons, 2004).

As behavioral attributes of service personnel are important in service encounter and delivery, our research was directed toward developing an understanding about service quality variables with respect to customer perceptions about retail service encounters in India. India is dominated by a mix of unorganized and organized retailing, and for most Indian retailers selling products is a family-owned business. Retailers own small shops, which are referred as ‘mom and pop’ shops, and most families living in the vicinity prefer to do their grocery and household shopping from these shops. The customer and retailer relationship predominates the interactions, as the retailer is well versed in the needs of the local customers and the customer prefers these shops owing to locational convenience. The SERVQUAL scale (Parasuraman *et al*, 1988) was adapted for measuring the satisfaction of the customers about the service encounter in retailing. The constructs scale was adapted and modified from the research conducted by Evans *et al* (2008) on the role of socialization in customer satisfaction in insurance services. The intangible nature of the services makes evaluation of the services difficult. The SERVQUAL is based on the assumption that the level of service quality experienced by the customers is dependent on their perception of gap between expected and actual service (Parasuraman *et al*, 1988). Zeithaml *et al* (1990) have identified five elements that determine service quality: tangibles, reliability, responsiveness, assurance and empathy. Keeping these dimensions in view, we framed a questionnaire to understand customer perceptions toward retail services and the role of service personnel’s behavior in generating customer satisfaction. The first section of this article provides the theoretical framework, followed by methodology, findings and then discussions. The

fifth section deals with marketing implications and the sixth section comprises limitations and future research implications.

THEORETICAL FRAMEWORK

Service quality refers to the overall attitude toward delivering a service and meeting customer expectations (Parasuraman *et al*, 1988). The SERVQUAL scale has been applied across various service sectors, and it measures the customer expectations about a service (Bolton and Drew, 1991; Babakus and Boller, 1992). Gronroos (1982) states that measuring quality is difficult, as customers' assessments are dependent on suppliers' ability to meet their needs (Dwyer *et al*, 1987). Lehtinen and Lehtinen (1982) posit that service quality may be defined in terms of physical quality, interactive quality and corporate quality of the organization. The tangible elements of services influence in developing customer perceptions toward the service personnel's behavior and play a significant role in customer perceptions toward service quality (Lovelock, 1983). The appearance of the service provider, the equipments and product displays are important in service settings. Research suggests that servicescapes/tangible appearances have a strong influence on customers' loyalty intentions (Foxall and Greenley, 1999; Cronin, 2003; Harris and Ezech, 2008). Bitner (1992) defines servicescape as the design of the physical environment and service staff qualities that characterize the context that houses the service encounter, which elicits internal reactions from customers leading to the display of approach or avoidance behaviors. In case of services, it also includes the service staff's appearance and behavior.

Hoffman and Turley (2002) posit that both tangible and intangible elements constitute the service package and are important for creating a service experience. Tombs and McColl-Kennedy (2003) in their research state that social interactions are also an integral part of servicescape, and that it does not include only the tangible elements. The customers' retailer experiences are based on the availability of the products and interactions with the service staff (Westbrook, 1981). Finn and Lamb (1991) in their research on retail services found that the service quality dimensions developed by Parasuraman *et al* (1988) may not be applicable in all retail services.

The behavior of the service staff is important because of the intangible elements of services, and emphasizes the dependence customers feel on the service staff to solve their problems (Berry and Parasuraman, 1991; Sharma and Stafford, 2000). The physical attractiveness of the staff is vital in creating a favorable impression in the minds of the customers and enhancing the service experience (Baker, 1987). Darian *et al* (2001) had conducted a research on service personnel behavior in retail; they established that customers gave importance to greetings by the salespersons and not being pressured to purchase products. Research on fashion stores in Hong Kong, by Sum and Hui (2009), showed that empathy was an important consideration for customer loyalty behavior. Thus, the social interaction of retail staff may be considered an important determinant in eliciting a positive response from the customers. The expectations of customers regarding the 'appropriate' behavior would

vary according to the type of stores and retailing. Familiarity with the staff may persuade customers to visit the stores frequently and lead to loyalty.

Customers' expectations about a service and what they will gain from the subsequent contacts with the service firm will depend not only on the information obtained from the service contact, but also on the prior expectations held (Boulding *et al*, 1993). Research suggests that service personnel's behavior in retail services with customers would affect their satisfaction (Bitner *et al*, 1990; Luthans and Davis, 1990; Boulding *et al*, 1993; Bowers *et al*, 1994; Winsted, 2000). Bitner *et al* (1990) in their research have identified behaviors that serve as critical incidents leading to very satisfactory or very unsatisfactory service encounters. Finn and Lamb (1991) postulated that perceived service quality in retailing is not a function of the five quality dimensions identified by Parasuraman *et al* (1988), and that customers use diverse criteria for appraising different categories of services. Mass retail services like banking and retailing face a challenge of making their services appear warm and responsive toward customer needs (Olorunniwo and Hsu, 2006) and reducing procedural wastes in billing and documentation (Schmenner, 1986).

Carman (1990) posits that SERVQUAL was not a generic instrument for all services, and that it should be modified according to different services. In certain services, customers expect more interaction with the service personnel (like medical services, schools, hospitals, insurance services, accounting services), and their satisfaction is governed by the behavior of the employees. Research states that behavior of the sales personnel shapes customer perceptions about the service encounter (Bitner *et al*, 1990; Spiro and Weitz, 1990; van Dolen *et al*, 2002). Reichheld (1994) is of the opinion that customers develop trust through interaction with the service employees, which goes a long way in creating loyalty. The employee–customer relationships evolve and change over time, thus leading to dependence (Czepiel, 1990).

Dabholkar *et al* (1996) in their research on retail service quality identified variables (in addition to SERVQUAL dimensions) like physical aspects, reliability, personal interaction, problem solving and policy to measure service quality. They believed that retailers could improve their services by understanding the problem areas through this tool. In their research on retail services, Darian *et al* (2001) identified five dimensions of salesperson attributes or behavior for assessing salespersons' service quality: salesperson's respect for customers, their knowledge, responsiveness, friendliness and their availability. In retail services, the customers' interaction with the retailer would be of significant importance in determining their loyalty toward the store. Oliver (1981) argued that customers' attitude comprises affective components that are based on evaluation about the store characteristics, product availability and the process of interaction. It is thus based on what customers expect and what they get from the encounter (Roest and Pieters, 1997). Cummings (1977) had postulated that for measuring the effectiveness of the services, the analysis of structured external factors was important. However, in the retailing sector, customer interactions cannot be

structured (Schneider *et al*, 1980), and thus it is difficult to comprehend the efficiency factors.

Gurry *et al* (1992) had modified the SERVQUAL scale to a 51-item instrument for measuring service attributes in retail stores. Their analysis reveals seven factors: personal service, merchandise variety, store transaction reliability, tangibles, store service reliability and pricing policy. Siu and Cheung (2001) used the scale developed by Dabholkar *et al* (1996) to measure retail service quality of a multinational retail chain in Hong Kong. Their results indicate that physical aspect and policy have the greatest impact on service quality. We assumed that service personnel interaction and socialization was an important attribute in defining service quality in retail, and thus the SERVQUAL scale used by Evans *et al* (2008) was modified for retail services. The grocery retail sector was selected as retailers personally know their customers and maintain a relationship with them.

- Hypothesis 1:** The five SERVQUAL dimensions to measure service personnel's interaction with customers would have a relationship with each other.
- Hypothesis 2:** There would be a difference in the customers' evaluation of retail service quality based on the age of the respondents.
- Hypothesis 3:** There will be a difference in the customers' evaluation of retail service quality based on the gender of the respondents.

Most companies want to serve their customers well, but are not able to understand their expectations because of the intangible nature of services (Kandampully, 1997). Developing an insight into customer expectations would help retailers meet customer needs efficiently and maintain relationships effectively (Svensson, 2002, 2004). Svensson (2001) posits that service quality helps strengthen interpersonal relationships and is dependent on the service interactions between the service provider and the customers (Czepiel, 1990; Heskett *et al*, 1990; Brown *et al*, 1994; Grönroos, 2000). Duffy (2003) states that customer service accounts for service success, and also that the role of salespersons could not be underestimated in creating satisfactory service quality perceptions (Beatty *et al*, 1996).

RESEARCH METHODOLOGY

The research adapted the questionnaire used by Evans *et al* (2008) for understanding the sales personnel behavior in determining customer perception of service quality in the Indian retail sector. The sample constituted customers (who had to fill the questionnaire) with reference to only retailers selling grocery and household products. We did not include services like repair, banking, restaurants, cleaning and retailers selling consumer durables. The reason for selecting the grocery retailers was that as the customers regularly interacted with these retailers (in course of

their daily purchases of grocery items), the service quality would be dependent on behavioral attributes.

The scale was modified for the purpose of the study, as the scale developed by Evans *et al* (2008) was for insurance services. The five SERVQUAL dimensions were customized to comprehend the effect of service personnel's behavior in determining customer perception about service quality (*See Appendix for the Questionnaire*). The questionnaire consisted of 16 constructs (three items for tangibles, four items for reliability, three items for assurance, four items for responsiveness and two items for empathy). The research design was exploratory in nature, as there has been no prior research on examining service quality dimensions in the Indian small retail sector.

Random sampling technique was used for data collection. Retail intercept method was used to collect the data in four cities of Northern India. Post-graduate management students handled the fieldwork, and data were collected in the months February–April by personally visiting the outlets and contacting the customers. The customers were asked to fill in a structured questionnaire by indicating their agreement on a five-point Likert type scale (1 – strongly agree, 5 – strongly disagree). As most Indians are conversant with English, the questionnaire was administered in English. The students had to explain the purpose of the research to solicit their support. The sample size was kept at 200; however, we could use only 196 questionnaires for the final analysis. The remaining four questionnaires were incomplete, and thus could not be used for analysis.

FINDINGS

The original scale developed by Evans *et al* (2008) had been modified, and therefore the reliability of the scale was computed by running the Chronbach alpha test of reliability. Chronbach's (1951) coefficient alpha measures the extent to which the scale items cohere with each other. We ascertained the reliability of the items by computing the Chronbach alpha, and the score for the same was 0.694. According to Nunnally (1978), reliability coefficients of 0.70 or more are considered as a criterion for an internally consistent scale constructs; however, the use of a minimum alpha value of 0.60 is also considered appropriate for initial research instrument validation.

Table 1 shows the age breakup of the respondents. A large section of the population comprised the young generation. A total of 42.3 per cent of the respondents were in the age group of 30–40 years doing their regular grocery shopping from the neighborhood stores. The age bracket

Table 1: Age breakup of respondents

Age of respondents (years)	Number of respondents	Percentage (%)
20–30	56	28.6
30–40	83	42.3
40–50	42	21.4
50 and above	15	7.7
Total	196	100.0

Table 2: Descriptive statistics of SERVQUAL dimensions in retailing services

	<i>N</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Mean</i>	<i>Standard deviation</i>
Tangible	196	3	14	5.11	1.568
Reliability	196	4	14	7.24	1.879
Assurance	196	3	13	5.82	1.818
Responsiveness	196	4	14	7.50	1.996
Empathy	196	2	8	3.55	1.195

between 40–50 years comprised 21.4 per cent of the data, and the 50 years and above age group was only 7.7 per cent.

The total male respondents were 120 (61.2 per cent of the sample) and female respondents were 76 (38.8 per cent of the population).

The descriptive statistics results are shown in Table 2. The Responsiveness and Reliability dimensions of service quality had the highest mean score of 7.50 and 7.24, respectively, whereas Empathy had the lowest score of 3.55. The results suggest that there is further scope of improvement in the service quality dimensions. The customers gave importance to interaction with the retailers.

To understand the relationship between the SERVQUAL dimensions, a correlation test was run on the sample. The results are shown in Table 3.

The results show a positive correlation between the five SERVQUAL dimensions.

The *Tangible* dimension had a strong positive correlation with *Assurance* and *Empathy* ($r=0.183$, $P=0.010$ for Assurance and $r=0.172$, $P=0.016$ for Empathy). The results are significant at 0.05 levels. The *Reliability* dimension had a strong positive correlation with *Assurance* ($r=0.298$, $P=0.000$, which is significant at 0.01 levels), *Responsiveness* ($r=0.268$, $P=0.000$, significant at 0.01 levels) and *Empathy* ($r=0.185$, $P=0.010$ significant at 0.01 levels). Reliability does not have any positive correlation with Tangibles. *Assurance* had a positive correlation with all the four dimensions; with Reliability, Responsiveness and Empathy, the results are significant at 0.01 levels ($r=0.298$ with reliability, $r=0.276$ with responsiveness and $r=0.243$ with empathy dimension). The *Responsiveness* dimension demonstrated a positive correlation with Reliability, Assurance and Empathy (all were significant at 0.01 levels). The Empathy dimension showed a positive correlation with Reliability, Assurance and Responsiveness, which was significant at 0.01 levels ($r=0.185$ for Reliability; $r=0.243$ for Assurance; and $r=0.429$ for Responsiveness). There was positive correlation between *Tangible* dimension and Empathy; $r=0.172$ and $P=0.016$ which is significant at 0.05 levels.

The appearance of the retail sales personnel was considered to be a tangible part of the service transaction. Positive correlation with SERVQUAL dimensions of Assurance and Empathy demonstrate that the clean and professional appearance of the retailer reassured the customer about their capability to fulfill promises, knowledge and experience about the products, handling complaints if any, building long-term relationship with customers, solving problems and offering guidance. As purchasing

Table 3: Correlations-SERVQUAL dimensions in retailing services

SERVQUAL dimensions	Tangible	Reliability	Assurance	Responsiveness	Empathy
<i>Tangible</i>					
Pearson Correlation	1	-0.004	0.183*	0.120	0.172*
Sig. (2-tailed)	—	0.954	0.010	0.095	0.016
N	196	196	196	196	196
<i>Reliability</i>					
Pearson Correlation	-0.004	1	0.298**	0.268**	0.185**
Sig. (2-tailed)	0.954	—	0.000	0.000	0.010
N	196	196	196	196	196
<i>Assurance</i>					
Pearson Correlation	0.183*	0.298**	1	0.276**	0.243**
Sig. (2-tailed)	0.010	0.000	—	0.000	0.001
N	196	196	196	196	196
<i>Responsiveness</i>					
Pearson Correlation	0.120	0.268**	0.276**	1	0.429**
Sig. (2-tailed)	0.095	0.000	0.000	—	0.000
N	196	196	196	196	196
<i>Empathy</i>					
Pearson Correlation	0.172*	0.185**	0.243**	0.429**	1
Sig. (2-tailed)	0.016	0.010	0.001	0.000	—
N	196	196	196	196	196

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

groceries is a routine activity, customers do not give much thought to the store specifications. However, the behavior of the retailer instills confidence in them and makes them feel that the retailer knows their 'unique and specific' needs.

The Reliability dimension was related to assurance, responsiveness and empathy of behavioral attributes of the retailers. If the retailer was responsive toward customer needs, had a clear idea about their product preferences, provided clear answers, explained clearly the policies and made concessions that he could handle, the customers could be confident of the service quality of the retail store. In the Empathy dimension, the scale included the construct of considering customers as individuals with different needs. This construct was similar to the 'personal attention' attribute used by Dabholkar *et al* (1996). Thus, Hypothesis 1 gets accepted as positive relationships exist between the service quality dimensions.

In a similar study carried out on Korean customer perception of quality of discount retailers, Kim and Jin (2001) found that *Tangibles* were most important for Korean customers. In our study, we found the Responsiveness dimension to have a strong relationship with the retailers' knowledge about products, commitment to fulfill promises, the friendly attitude, convincing style and ability to meet schedules (as reflected through constructs used for Empathy, reliability and assurance). The results of the study conducted on Hong Kong customers by Siu and Cheung (2001) had shown that the policy of the company had the greatest impact on the customer evaluation of service quality.

Table 4: ANOVA – differences in customer age groups' perceptions of SERVQUAL in retailing

SERVQUAL dimensions	Sum of squares	df	Mean square	F	Sig.
<i>Tangible</i>					
Between Groups	20.551	3	6.850	2.866	0.038*
Within Groups	458.979	192	2.391	—	—
Total	479.531	195	—	—	—
<i>Reliability</i>					
Between Groups	17.874	3	5.958	1.706	0.167
Within Groups	670.371	192	3.492	—	—
Total	688.245	195	—	—	—
<i>Assurance</i>					
Between Groups	10.433	3	3.478	1.053	0.370
Within Groups	634.317	192	3.304	—	—
Total	644.750	195	—	—	—
<i>Responsiveness</i>					
Between Groups	12.110	3	4.037	1.013	0.388
Within Groups	764.890	192	3.984	—	—
Total	777.000	195	—	—	—
<i>Empathy</i>					
Between Groups	8.246	3	2.749	1.952	0.123
Within Groups	270.341	192	1.408	—	—
Total	278.587	195	—	—	—

*Significant at the 0.05 level.

To determine whether any significant differences existed between the different age groups of customers regarding the SERVQUAL dimensions, a one-way ANOVA test was run. The results are shown in Table 4.

There were four different age groups of customers in the research study (as shown in Table 1). The results of ANOVA show that only for the Tangible dimension there is a significant difference between the groups ($P=0.038$, which is significant at 0.05 levels). For the other SERVQUAL dimensions, no significant differences between the groups were apparent. The results thus show that all the age groups had similar perceptions about the service quality attributes in retailing services. The behavioral constructs of the retailers evoked similar expectations across various age segments. Hypothesis 2 gets rejected as service quality attributes are rated similarly by customers of different age groups.

The one-way ANOVA test was administered to determine whether the gender of the customers played any role in their evaluation of service quality dimensions. The results shown in Table 5 suggest that there was no difference on any of the SERVQUAL dimensions. The male and female respondents gave equal emphasis to the quality dimensions; thus, H3 gets rejected.

DISCUSSIONS

Malhotra *et al* (1994), cited in Kim and Jin (2001), have postulated that as countries become developed, the customers give greater priority to intangible attributes of service quality than the tangible ones. The results of our study indicate that behavior of the retailers is considered an important determinant of service quality. It is not only about purchasing

Table 5: ANOVA – gender differences in perceptions of SERVQUAL in retailing

SERVQUAL dimensions	Sum of Squares	df	Mean Square	F	Sig.
<i>Tangible</i>					
Between Groups	3.342	1	3.342	1.361	0.245
Within Groups	476.189	194	2.455	—	—
Total	479.531	195	—	—	—
<i>Reliability</i>					
Between Groups	1.245	1	1.245	0.352	0.554
Within Groups	687.000	194	3.541	—	—
Total	688.245	195	—	—	—
<i>Assurance</i>					
Between Groups	8.969	1	8.969	2.737	0.100
Within Groups	635.781	194	3.277	—	—
Total	644.750	195	—	—	—
<i>Responsiveness</i>					
Between Groups	0.086	1	0.086	0.021	0.884
Within Groups	776.914	194	4.005	—	—
Total	777.000	195	—	—	—
<i>Empathy</i>					
Between Groups	1.944	1	1.944	1.363	0.244
Within Groups	276.643	194	1.426	—	—
Total	278.587	195	—	—	—

products from a particular store, it is also based on interactions with the retailer. The correlation results show that all the dimensions of service quality had a positive relationship. The performance of one dimension of service quality was dependent on the other. Winsted (1997) suggested that different cultures evaluated service quality dimensions differently, and that environmental factors affect customers' perception about service quality (Malhotra *et al*, 1994). Indian culture is more collectivist in nature and people prefer to form long-term relationships in their interactions. Social acceptability, relationships and group norms are given priority (Banerjee, 2008), and this may be reflected in their evaluation of service quality in retailing. In India, customers prefer to establish a rapport and relationship with the retailers, as most of the interactions have a long-term orientation. This may be in tandem with the assertion of Tombs and McColl-Kennedy (2003) that interactions are an important constituent of service quality. The local retailer not only knows the customer individually, but is familiar with their families and household woes. The retailer is a friend to the customers and advises them about the latest product launches, discounts, services and return and refund policies of the company. Customers prefer to consult the retailers regarding product purchases ensured of their sound advice and clarity about their needs. The retailer is supposed to be aware of the preferences of the household and believes in giving attention to each customer. In the research carried out by Kim and Jin (2001), personal attention was considered the most important quality dimension in retailing service for American customers, whereas tangibles were more important for Korean customers. The results show that relationship is an integral part of service quality evaluation by Indian customers, and support Berry and Gresham's (1986) assumption

that 'relationship retailing' is relevant for maintaining store loyalty. The difficulty in understanding these relationships arises from the complex nature of customer evaluations and relationships (Crosby and Stephens, 1987). Socialization factor has been considered important in forming long-term relationships. Dwyer *et al* (1987) have spoken of 'socialization' in the service encounter, stating that in relational exchanges, people derive satisfaction through personal interactions.

Our results corroborate with earlier studies (Brown *et al*, 1991; Beatty *et al*, 1996; Macintosh and Lockshin, 1997; Darian *et al*, 2001; Kim and Jin, 2001) that sales personnel behavior affected customers' evaluation of the retailing service. The results indicate that customers gave importance to retailers' clarity over company policies as an important determinant of service quality. This is similar to the study done by Mazursky and Jacoby (1985), who suggest that customers' evaluation of a retail store is based on the credit and refund policies. For Indian customers' flexibility in credit, discount and refund policies are considered an integral part of the long-term relationship they share with the retailers. They expect to be provided with these concessions and benefits, as they are part of service package. Personal attention to customers and socialization in the service encounter plays an important role in the development and management of relationships between service personnel and customers (Hollander, 1985; Rexha *et al*, 2003).

MARKETING IMPLICATIONS

Retailers face a challenge of positioning themselves through the service attributes. Many services like free home delivery, taking orders through telephone, assisting the elderly to shop and making friendly overtures to customers are being followed by a majority of retailers in India. The stiff competition in grocery retailing is accentuated because of proliferation of small retail outlets in every nook and corner of the country. These stores are as successful as the bigger retail outlets, the impelling force being the convenience and relationship attribute of these stores.

The research findings indicate that service quality attributes in totality play a vital role in customers' evaluation of retail stores. The behavioral components are important in the selection of the retail outlets, and the customer gives more importance to the intangible attributes of service quality than the tangibles. This may be attributed to the fact that many of the retailers are shabby in their appearance and conduct. As many of the retail outlets (especially in grocery and household items) are family run in India, the management is unprofessional. If bigger retail stores, like discount and departmental stores, give importance to service personnel's behavior and conduct with the customers, they may be able to attract customers of the small retailers. The customers frequent the neighborhood stores because of the 'personal relationship' they share with the local retailers. This relationship or interaction is the factor affecting service quality. Even though the retailers may not stock all the popular brands, they are still evaluated positively because of the interpersonal relationship. We believe that this interpersonal relationship or interaction approach should be followed by bigger retailers as well. Even though no comparative analysis was done between SERVQUAL

dimensions of big and small retailers, we feel that customer satisfaction and loyalty can be cultivated by focusing on the behavioral attributes. The service personnel should be trained to provide correct information about company policies, discounts and refunds to the customers.

The customers expect the service staff to be sympathetic to their needs and have the information to solve their queries and handle complaints. These areas should be worked upon as they form a part of the service quality expectation. The retailing companies should not commit the mistake of handling customer complaints and questions only in a professional way, but also give importance to the relationship aspect. The customer expects 'personal attention' to be given to him during the store visit, and this should be understood and translated into appropriate behavior.

LIMITATIONS AND FUTURE RESEARCH IMPLICATIONS

The sample size in the research was only 196; we feel that a large sample may have been able to capture the differences more vividly. The sample size disparity between age groups was also an impediment. A future research can be taken up to study the expectation of younger generation and older generation's perception of service quality. Many customers were not willing to cooperate in filling the questionnaires, and data collection was a tedious process. Even though four cities were targeted for data collection, we feel that we could have considered a few more cities to determine whether any regional variation affected customers' service quality perceptions.

Research may be carried out to understand differences between organized retailers and small unorganized retailers in India. In the present research, no such differentiation was made about the size of the retail outlets. This may be considered as an independent variable for understanding service quality aspects related to the retail size and product assortment. Only the behavioral attributes were considered, and no reference was made to product variety, store appearance, ambience or sales services. We believe that these factors may also be considered as an aspect of understanding quality.

The focus of our research was only on the interaction of service personnel with the customer, and thus the questionnaire did not include other variables such as 'convenience and policy' (Siu and Cheung, 2001) or 'problem solving' (Dabholkar *et al*, 1996) or 'credit card policy' (Kim and Jin, 2001). These may make an interesting research project for the future.

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APPENDIX

Questionnaire

Tangibles

1. The retailer has a well-dressed and professional appearance.
2. The retailer was well mannered and friendly.
3. The retailer presented products in a professional manner.

Reliability

4. The retailer keeps the scheduled time for delivering the products.
5. The retailer did not make promises about concessions and discounts that he could not keep.
6. The retailer was very careful about what he said about product quality, price and features.
7. The retailer made only those promises that he could fulfill.

Assurance

8. The retailer demonstrated extensive knowledge of policies, companies and costs.
9. The retailer was convincing about the company's products.
10. The retailer indicated he would represent my interest with the company if any problem arose.

Responsiveness

11. The retailer gave immediate, direct, non-evasive answers to my questions.
12. The retailer followed-up quickly with answers to questions about products and services.
13. The retailer gave explanations in a language I could understand.
14. The retailer solved problems and responded to my requests quickly and correctly.

Empathy

15. The retailer treated me as an individual with unique needs.
16. The retailer carefully listened to my questions and tried to clarify my doubts.