

A STUDY ON RETAIL SERVICE QUALITY AND Its IMPACT OF CUSTOMER LOYALTY IN FMCG'S IN RETAIL STORES AT TRICHY

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Abstract: The advent of latest ways that of searching, like on-line transactions, mastercard payments, and client cards, has prompted retailers to think about the worth of client loyalty within the face of world competition. As a result, analysis should think about the retail sector's evolving position and its competitive international market. The underlying model of a 5 dimensional retail service quality scale This study used dimensions to assess the impact of service quality on client loyalty within the retail sector in Trichy, with client satisfaction serving as a negotiant between these variables. client satisfaction may be improved by up service quality, in line with the results. Physical issue, efficiency, personal interaction, and different service quality dimensions play a big role during this equation.

Keywords: service quality, customer loyalty, customer satisfaction.

I. INTRODUCTION

Retailing business is that the utmost conspicuous part of promoting wherever the retailers meet the definitive would like of client UN agency exchanges price for the merchandise and therefore authorizes the presence of all business. Retail has really become a thoughtful business in Republic of India. As retail outlet is targeted by holding customers, a merchant has to keep an in depth watch on vogue among all the people folks as they're the trend setters. client cash energies the Indian economy and retail sector is that the place wherever the customers pay sizable cash. Now-a-days, with the dynamical style and increasing awareness of products/services, Indian customers are getting a lot of exigent for quality product and services within the attire sector. client preference towards completely different retail stores depends on varied factors like price for cash, location and repair

Retail Industry

Global Scenario The retail sector has performed a remarkable role throughout the world in mounting productivity of consumer goods and services. It is the second major industry in United States in terms of figures of employees and establishments. It could not be repudiated that, most of the developed economies are very much trusting on their retail sector as a locomotive of growth. Retail sector is one of the most fascinating industries being controlled by a handful of powerful corporations worldwide, mainly in the United States and Europe namely Wal-Mart, Tesco, Carrefour and Metrol. Despite these, there are several other MNC retailers, who have been saturated in their home countries, who are

also looking for penetrating emerging markets like India, China and Russia. MNC retailers provide a world class shopping experience to the consumers. Today consumers have become more demanding, desire for world class products as well as experiential shopping. Thus, the swing in consumer behaviour charms world's biggest players in these emerging markets. The saturation in United States retail market and other existing markets in developed Countries are driving them to move in new markets like India and china. Retail has performed a foremost role in mounting their activity worldwide across a wide range of consumer goods and services. The effect can be seen in countries like U.S.A., U.K., Mexico, Thailand and China. Economies of countries like Hong Kong, Sri Lanka Singapore, Malaysia and Dubai are also profoundly aided by the retail sector. Retailing is a big business and its turnover accounts to US \$ 6.6 trillion globally.

Service quality

Service quality may be a combination of 2 words: service and quality. Juran throughout 1974, outlined quality as 'fitness for use'. in a very broadest sense, quality is that the degree of excellence. within the slim sense, quality is outlined as correspondence with demand, faraway from defects, or simply a degree of client satisfaction. David (1988) in his book known 5 approaches for quality definition. Quality is viewed as 'making it right the primary time' in manufacturing-based approach. it's ascertained as 'quantifiable and measurable variable' in product-based approach and variances in quality mirror changes within the amount of thusme characteristic so higher quality will solely be earned at higher value. it's well-defined in terms of 'cost and price' in worth based mostly approach. Quality of the merchandise is said with the 'customer satisfaction' in user-based/customer approach. in line with transcendent based mostly approach, quality is AN 'innate excellence' that can't be outlined exactly, however it's intuitively understood, you recognize what it's. the best quality means that the best satisfaction of buyers' preferences. It energies the enlargement of all promoting ways.

Customer Loyalty

Acquiring a brand new client prices over retentive AN existing one. Loyalty is outlined and evaluated supported many promoting options like whole loyalty, product loyalty, service loyalty, and chain or store loyalty. Retail firms gain a competitive advantage by having a high rate of loyal customers, WHO ar willing to pay higher costs and ar less value sensitive (Zineldin 2006). firms began to manage client relationship management practices so as to make semipermanent investment and gain through higher understanding of the thought of loyalty. To retain the organization's existing customers and convert them as loyal could be a essential task for a corporation to achieve success within the competitive world. therefore the most vital task for promoting managers is to spot and distinguish between totally different classes of shoppers so as to border and adapt strategy that suits best for all kind customers

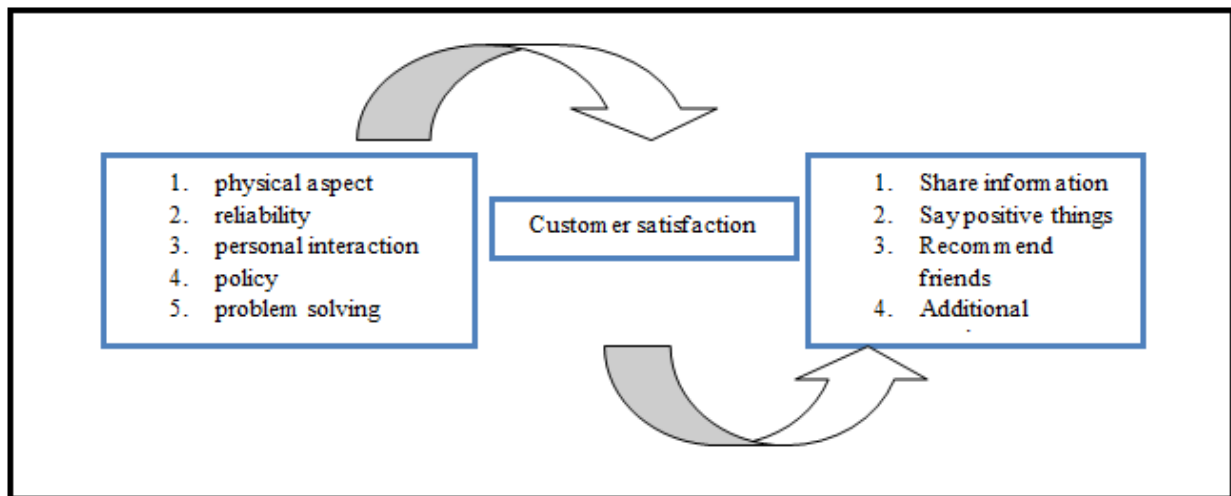
Objectives

1. To study the demographic factors of retail customer in retail store
2. To study the important factors of retail service quality in retail store
3. To study the service quality and its impact of customer loyalty in retail store

SCOPE OF STUDY:

In the gift state of affairs, service quality become a key instrument for merchandising to make competitive advantage and to spice up the looking expertise of the shoppers. Most of the researchers have known that service quality dimensions had vital result on client satisfaction and loyalty (Berry 1986 & Reichheld & Sasser 1990) that results in enhance the corporate revenues and cross commercialism (Hummel & Savit 1988).

The Indian retail trade shows higher growth, that makes all retailers to host a daily challenges within the competitive market. This competitive surroundings makes the retailers to deliver top quality services to their customers, that become the fundamental merchandising strategy. The study gift the impact of retail service quality on client loyalty and additionally known the mediating role of store image & client satisfaction between retail service quality and client loyalty.

FRAMEWORK:**II. LITERATURE REVIEW**

1. Sohal, A. (2003). This study tries to seem at the impact of service quality dimensions on shopper loyalty, on two levels of retail relationships: person - to - person (salesperson level) and person - to - firm (store level). The results showed that service quality is totally associated with shopper loyalty, that the association between the two is stronger at the company level, rather than at the social level.

2. Parvez, N. (2009). This analysis has projected a abstract framework to analysis the results of customers' perceived service quality, trust, and consumer satisfaction on consumer loyalty. The results of the study indicate that trust and consumer satisfaction square measure significantly and utterly related to consumer loyalty. consumer satisfaction has found to be a awfully vital mediator between perceived service quality and consumer loyalty.

3. Ramayah, T. (2010). Therefore, studies have to be compelled to be compelled to specialise in the can-do role of the industry and its dynamic market. The underlying model of SERVQUAL (Parasuraman et al., 1988) with 5dimensions was used by this analysis to guage the impact of service quality on consumer loyalty among bank customers in Penang, The findings indicate that the respondents assess the bank fully, but still there square measure rooms for enhancements.

4. Pandian, S. (2011). This paper investigates the importance of antecedents of consumer loyalty like consumer satisfaction and repair quality dimensions. It addresses whether or not or not the size of service quality impacts consumer satisfaction eventually leading to consumer loyalty. Therefore, the bank managers need to focus their resources on rising consumer care and reassuring the services provided to the bank shoppers will eventually turn out client loyalty towards their banks.

5. Matern, V. (2013). The main aim of this study is to seem at the results of service quality dimensions on consumer loyalty to the suppliers of retail banking services. It investigates the link between service quality dimensions and consumer loyalty. This finding reinforces the need for bank managers to place a stress on the underlying dimensions of service quality therefore on create and maintain consumer loyalty.

6. Khan, (2014). this study is to visualize the satisfaction level of banking customers regarding quality of varied services provided by their bank and their loyalty with the individual bank. this study has been specifically conducted to look into this development and find empirical justification throughout this regard by considering service quality as a result of the most conducive issue towards consumer satisfaction and consumer loyalty.

7. Ivanauskiene, N. (2014). The study findings indicate that the dimensions of retail service quality throughout a particular sector pf the trade unit of measurement whole completely different in rising markets compared to people who unit of measurement at intervals interaction ,policy and merchandise quality have a positive impact on consumer loyalty across unit retail markets at intervals the three researched countries

8. Suh, M., Greene, (2015) Marketers attempt to build compelling and property value propositions for his or her customers. one in each of the important factors acknowledged among the literature but not wholly tested is shopper education. throughout this text we've got an inclination to look at the importance of shopper education as a result of it contributes to enhancing shopper loyalty through perceived service quality exploitation empirical data. All hypotheses were confirmed, supporting the thought that shopper education can play a significant role in building and enhancing shopper loyalty.

9. Kajenthiran, K. (2018). This Study presents a brand new model of RSQ & CL and examines the impact of retail service quality on client loyalty. causative analysis approach below the conclusive analysis vogue was utilized during this study by the quantitative because of confirm the influence of Retail service quality on shopper loyalty.

10. Prakash, N. (2018). The aim of this study is to seem at the assorted dimensions of retail service quality (RSQ) among the apparel outlet and its impact on consumer loyalty. regarding 250 retail apparel store customers in Tirupur were surveyed by implementing the shape technique. Structural equation model (SEM) was accustomed examine the impact of varied dimensions of retail service quality factors on consumer satisfaction and consumer loyalty. Therefore, the article recommends that the management of apparel retail stores have to be compelled to vogue effective policy to retain customers

III. METHODOLOGY

Research Design

The research design is the method and process for the conducting particular study, broadly speaking; it can be grouped in the three main categories – Exploratory, Descriptive and Causal. The type which is proposed in this research design is descriptive study.

Type of study

Descriptive

A Descriptive Study - Descriptive research aims to accurately and systematically describe a population, situation or phenomenon. A descriptive research design can use a wide variety of research methods to investigate one or more variables.

This research conducted is a descriptive research. This is descriptive in nature because the study is focused on fact finding investigation in a well-structured form and is based on primary data. Primary data has been used in the form of a questionnaire in order to collect data.

Sampling Design

In this study non probability sampling technique has been used and 120 customers were selected.

Sampling size

Sample size of this survey would be 120customers in trichy district.

Method of Data Collection

a) Source of Data

Both primary and secondary data were collected for this study.

b) Primary Data

The objective of the study has been accomplished with the help of primary data collected from customers of retail store in trichy district

c) Secondary Data

The various secondary information sources used for the present research include the journals, magazines and websites.

d) Survey Tools

A Structured questionnaire was used as tool of data collection.

Statistical Tools And Techniques

The collected data have been analyzed with the help of tools like simple percentage method.

a) Simple Percentage Method

Simple percentage analysis refers to a ratio. With the help of absolute figures it will be difficult to interpret any meaning from the collected data, but when percentages are found out then it becomes easy to find the relative difference between two or more attributes.

b) Chi-Square Method

Chi-Square Test is an important test among the several test of significance. Chi-Square symbolically written as c^2 (pronounced as Ki Square).

Chi square test enables to explain whether or not two attributes are associated. Chi- square is calculated as follows,

O_{ij} = observed frequency of the cell in the i^{th} row and j^{th} column.

E_{ij} = expected frequency of the cell in the i^{th} row and j^{th} column.

As a non parametric test it can be used to determine a categorical data. It is used to make comparison between theoretical population and actual data.

Degree of freedom plays an important part in using the chi-square distribution and tests are based on it. The degree of freedom is worked out as follows

$$d.f = (c-1) (r-1)$$

Where ‘c’ means number of columns and ‘r’ means number of rows.

IV. DATA ANALYSIS AND INTERPRETATION

Table No. 4.1

Table Name: Gender

S.No.	Marital status	No. of respondents	Percentage
1	Male	68	59.7
2	Female	52	42.3
	Total	120	100

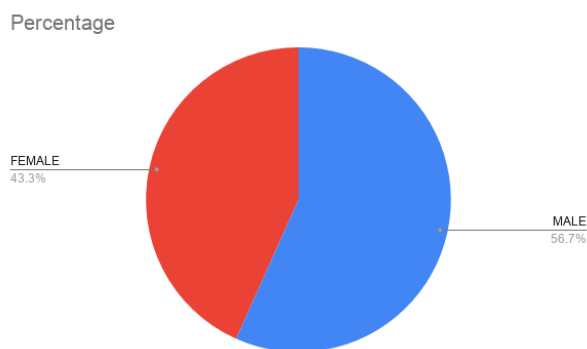


Figure 4.1

Interpretation

From the above table it is inferred that, 57% of the respondents are in the group of male and 43% of the respondents are in the group of female.

Inference

Majority 59.4% respondents are strongly agreed for Organization Implementation of Effective disciplinary procedure.

Table No. 4.2

Table Name: buying behaviour

S.No.	Particulars	No. of respondents	Percentage
1	Departmental	29	24
2	Corporate Store	35	29
3	Super Market	48	40.0
4	Others	8	7
5	Total	120	100.0

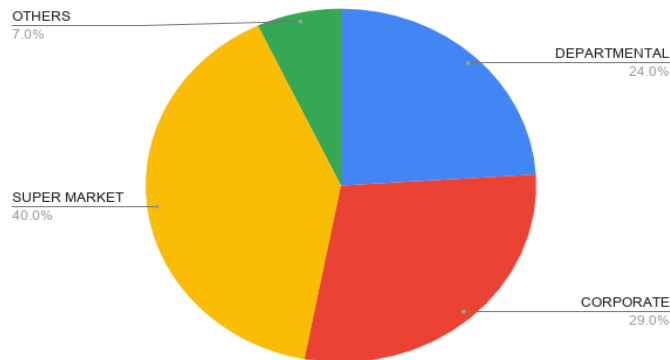


Figure 4.2

Interpretation

From the above table it is inferred that 24% of the respondents are in departmental . 29% of the respondents are in corporate.40% of the respondents are in super market and 7 % of the respondents are in others

Inference

Majority 40% of people buy in supermarket

Table No. 4.3

Table Name: family type

S.No.	Particulars	No. of respondents	Percentage
1	Nuclear Family	48	40.0
2	Join Family	72	60.0
3	Total	120	100.0

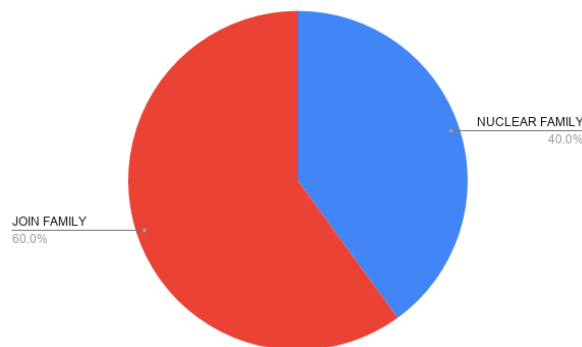


Figure 4.3

Interpretation

From the above table it is inferred that, 40% of the respondents are nuclear and 60%of the respondents are join family.

Inference: majority 60% of them belongs to joint family

Table No. 4.4

Frequency distribution of Respondents satisfied about modern equipment and fixtures in your retail store

S.No.	Particulars	No. of respondents	Percentage
1	Highly Satisfied	24	20.0
2	Satisfied	69	58
3	Netural	22	18
4	Dissatisfied	4	3
5	Highly Dissatisfied	1	.1
	Total	120	100.0

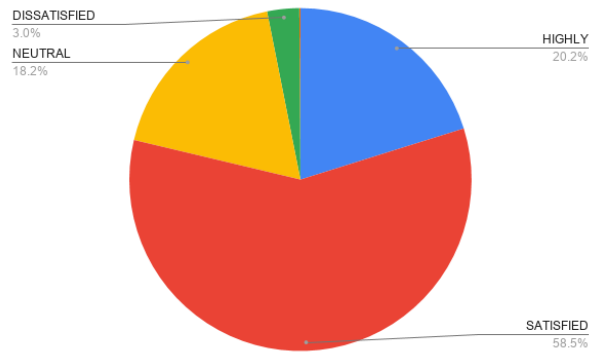


Figure 4.4

Interpretation

From the above table it is inferred that 20% of the respondents are in highly satisfied 58% of the respondents are in satisfied.18% of the respondents are in neutral. 3% of the respondents are in dissatisfied and 1% of the respondents are in highly dissatisfied

Inference: majority 58% of customers agreed that they are satisfied about equipment and fixtures in retail store

Table No. 4.5

Table Name: promises done by retail store

S.No.	Particulars	No. of respondents	Percentage
1	Highly Satisfied	24	20
2	Satisfied	50	42
3	Netural	39	32
4	Dissatisfied	7	6
	Total	120	100.0

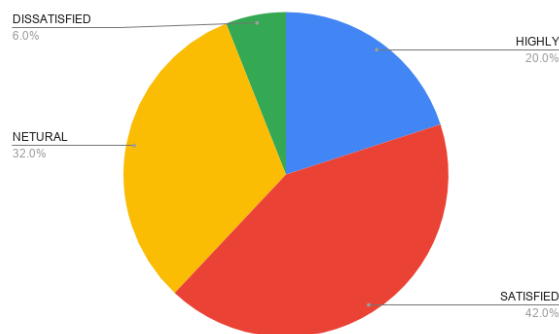


Figure 4.5

Interpretation

From the above table it is inferred that 26% of the respondents are in highly satisfied 53% of the respondents are in satisfied.18% of the respondents are in neutral. 3% of the respondents are in dissatisfied and 1% of the respondents are in highly dissatisfied

Inference: majority 52.5% of customers are satisfied with promises done by retail store

Table No. 4.6

Employee's willingness to help you in this store

S.NO	particulars	Frequency	Percentage
1	Highly Satisfied	26	22
2	Satisfied	61	51
3	Netural	30	25
4	Dissatisfied	2	2
5	Highly Dissatisfied	1	1
	Total	120	100.0

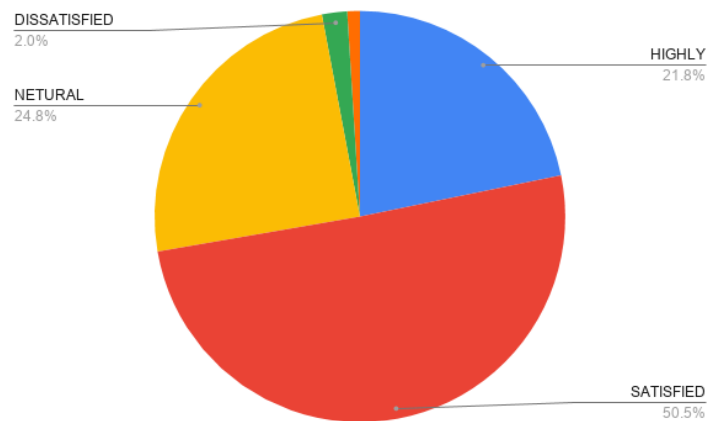


Figure 4.6

INTERPRETATION:

From the above table it is inferred that 22% of the respondents are in highly satisfied 51% of the respondents are in satisfied.25% of the respondents are in neutral. 1% of the respondents are in dissatisfied and 1% of the respondents are in highly dissatisfied

Inference: majority 50.5% of customers are satisfied with employees willingness to help them

Chi-square analysis:

Chi square test for **testing goodness of fit** is used to decide whether there is any difference between the observed (experimental) value and the expected (theoretical) value.

CHISQUARE TABLE 1:

1. Gender and retail store equipment and fixtures

Hypothesis 1

H(0): there is no signification different between the gender and retail store equipment and fixtures

H(1): there is signification different between the gender and retail store equipment and fixtures

1. Crosstabulation gender * equipment and fixtures in your retail store

Count

		Are you satisfied about modern equipment and fixtures in your retail store					Total
		HIGHLY SATISFIED	SATISFIED	NETURAL	DISSATISFIED	HIGHLY DISSATISFIED	
Gender	MALE	15	40	13	0	0	68
	FEMALE	9	29	9	4	1	52
Total		24	69	22	4	1	120

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	6.972 ^a	4	.137
Likelihood Ratio	8.800	4	.066
Linear-by-Linear Association	2.895	1	.089
N of Valid Cases	120		

a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is .43.

Tabulated value (T.V)(0.05,4)=9.488

Chi square value: 6.972

C.V < T.V

Result : Hence ,H₀ is accepted. So there is no significant difference between the age of the respondents retail store equipment and fixtures.

CHISQUARE TABLE 2:

1. Buying regularly and promises done by retail store

Hypothesis 2

H(0): there is no signification different between the Buying regularly and promises done by retail store

H(1): there is signification different between the Buying regularly and promises done by retail store

State the types of retail store in which you are buying regularly * Are you satisfied with the promises done by retail store to do something by a certain time Crosstabulation

Count

		Are you satisfied with the promises done by retail store to do something by a certain time					Total
		HIGHLY SATISFIED	SATISFIED	NETURAL	DISSATISFIED	HIGHLY DISSATISFIED	
State the types of retail store in which you are buying regularly	Departmental	8	16	5	0	0	29
	corporate store	9	17	7	1	1	35
	super market	11	26	9	2	0	48
	Others	3	4	1	0	0	8
Total		31	63	22	3	1	120

Chi-Square Tests

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	4.921 ^a	12	.961
Likelihood Ratio	5.764	12	.928
Linear-by-Linear Association	.016	1	.898
N of Valid Cases	120		

a. 11 cells (55.0%) have expected count less than 5. The minimum expected count is .07.

Tabulated value (T.V)(0.05,12)=21.026

Chi square value: 4.921

C.V < T.V

Result : Hence ,Ho is accepted. So there is no significant difference between the Buying regularly and promises done by retail store.

CHISQUARE TABLE 3:

1. Family types and employees willingness

Hypothesis 3

H(0):there is no significant between the family types and employees willingness

H(1): there is significant between the family types and employees willingness

Types of family * Are you satisfied with employee's willingness to help you in this store Crosstabulation

Count

		Are you satisfied with employee's willingness to help you in this store				Total	
		HIGHLY SATISFIED	SATISFIED	NETURAL	DISSATISFIED		HIGHLY DISSATISFIED
Types of family	NUCLEAR FAMILY	5	29	13	1	0	48
	JOIN FAMILY	21	32	17	1	1	72
Total		26	61	30	2	1	120

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	7.007 ^a	4	.136
Likelihood Ratio	7.823	4	.098
Linear-by-Linear Association	1.800	1	.180
N of Valid Cases	120		

a. 4 cells (40.0%) have expected count less than 5. The minimum expected count is .40.

Tabulated value (T.V)(0.05,4)=9.488

Chi square value: 7.823

C.V < T.V

Result : Hence ,Ho is accepted. So there is no significant difference between the Family types and employees willingness

V. SUGGESTIONS

From this study we have understood that the service quality of retail store can be improved by various factors, and the main variable is the to improve the store image and to speed positive among young customer. the quality of goods can be improve that the factor make customer to share are refer their friends and relatives, then the sales of the store may increase . giving some offers and discount coupon to the regular customer with make them to buy again and again so the reputation of customer will be maintained .finally in offering good customer service in must for improving the customer satisfaction and customer loyalty in retail store

VI. CONCLUSION

This study identify the model which helps to understand the linkage of retail service quality dimensions and customer loyalty (attitudinal and behavioural) through mediating variables in Indian context. The success of any retail business depend on how it embrace change and react to challenges created by the competitors in the market. The study would help the retail store management to ascertain the priorities of the customers and their expectations.

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