

A THEORETICAL REVIEW OF RETAIL SERVICE QUALITY SCALE (RSQS) AS A SERVICE QUALITY MEASUREMENT TOOL

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ABSTRACT: Retail industry is one of the most attractive and growth oriented industry. This sector is also unique as compared to other sectors as it is greatly dependant on services. Retail sector is thus a service oriented sector. Customers' perception about the level of services greatly impacts the success or failure of the business. Retail businesses are continuously trying to find ways to influence customers through a variety of services and also by increasing the levels of these services which will ultimately lead to customer satisfaction. Assessment of service quality this becomes imperative for these retail businesses. A large number of researchers and practitioners have researched on the topic of service quality. A number of service quality measurement framework have also been developed. This research paper is a theoretical review of Retail Service Quality Scale (RSQS) as a service quality measurement tool for retail sector.

Key words – Service quality, retail sector, Retail service quality measurement

I. INTRODUCTION

Retail sector at present is undergoing tremendous change which has been boosted by high growth rates. Retail businesses are now facing biggest challenge of ensuring customer satisfaction amid cut throat competition. Customer satisfaction in turn is dependent on level of service quality provided. Service quality can be used as a differentiation strategy to gain competitive advantage over competitors. As the market place becomes more and more competitive, consumers become more and more demanding with respect to level of service quality. Service firms not catering to the customers' expectations of service quality, risk not only the loss of customers but also the loss of profits.

II. SERVICE QUALITY

Lehtinen and Lehtinen (1982) have defined service quality in terms of physical quality, interactive quality and corporate (image) quality. Service quality has been defined as "A Global Judgement, or Attitude, relating to the superiority of the service" by Parasuraman, Zeithaml & Berry (1988). Das *et. al* (2008) stated that service quality is an important concept that is discussed and debated in marketing literature. Quality of service can become a toll for increasing value of customers and ensuring fulfilment of customer satisfaction (Sivadas and Baker-Prewitt, 2000). A number of practitioners, researchers and managers are now focusing on factors determining quality of service which impacts business on many parameters. Vast numbers of researchers are now attempting to measure, analyse and conclude about service quality. Delivering high level service quality can become a retailing strategy to attain competitive advantage according to Berry (Reichheld 2003). Ensuring higher customer service through superior service is necessary in competitive business environment (Reichheld 2003). Service quality in retail setting is very different as compared to that of product oriented settings. Retail store design and the level of service by the staff have great impact on service quality judgement of customers. These factors have become indispensable for retail business success. This is due to the fact that services unlike products cannot be assessed on physical qualities due to inherent unique characteristics of intangibility, perishability, inseparability and heterogeneity. Selling point (place) that is the store where service is sold acts as the packaging for these intangible products (services) (Zeithaml *et.al.* 2006). Gronroos (1984) stated that the quality of a service is dependent on two variables namely – expected service and perceived service. Any previous experience with a service influences the expectations of a consumer whereas the perceived service results from consumers' perception of service itself. According to Berry *et.al.* (1988), service quality has become a significant differentiator and a powerful competitive tool. Leading service organisations strive to maintain superior quality of service in order to gain customer loyalty (Zeithaml, 1996). Service in retail industry comprises the ability of employees in service, giving comfort, ease of location, pricing, knowledge of employees about the product (Darshan, 2005). Thus retail businesses are focusing on understanding service quality and techniques to measure service quality that will ultimately lead to customer satisfaction through delivery of higher level of service quality. Improving service quality and maintaining the level of service is imperative to retail organisations aiming for profitability. Researchers are attempting to design a framework or a measurement tool for appropriate assessment of service quality.

III. SERVICE QUALITY MEASUREMENT MODELS

Numerous researches have been conducted to develop service quality measurement tool. One of the first service quality models was developed by Gronroos (1984) measuring perceived service quality based on qualitative methods. Dimensions of this model were technical quality, functional quality and corporate image.

Later on, SERVQUAL model was developed by Parasuraman *et. al.* (1988) to assess service quality. Parasuraman, Berry and Zeithaml (1985) were the best researchers on service quality. This model till date is one of the most popular service quality measurement tools. However application of this model for retail setting has not yet been proven successful (Dabholkar *et. al.*, 1996, Mehta *et. al.*, 2000). The reason being retail stores' dependence on suppliers of goods sold by them and quality of goods sold by these suppliers. They described service quality by means of ten factors – dependability, willingness, competence, availability, courtesy, communication, trustworthiness, assurance, empathy and tangibility. Later on, these factors were reduced to five (Parasuraman *et. al.*, 1988) namely tangibility, dependability, willingness, readiness and empathy. The SERVQUAL instrument compares customers' experience and customers'

perception of actual service performance. This is based on disconfirmation paradigm. The scale consisted of 22 items (statements) describing services which were presented on five point likert scale. However the SERVQUAL Model failed to be adopted and validated in a retail setting (Dabholkar *et. al.*, 1996).

Another well recognised model – SERVPERF, which is a performance only model for measuring service quality was developed by Cronin and Taylor (1992). This model considered only actual performance or the experience related customers’ ratings of 22 items proposed by SERVQUAL scale. SERVPERF outperformed SERVQUAL as it reduced the number of variables and also eased the work of conducting customer survey and reduced the biasness in responses.

Further studies on Service quality measurement tools lead to development of a new model Retail Service Quality Scale (RSQS) considering retail dimensions by Dabholkar, Thorpe and Rentz (1996).

Brady and Cronin (2001) developed a model – Service Quality Model with dimensions – Personal interaction, Physical Service, Environment Quality and Outcome Quality.

IV. RSQS MODEL

This model proposed five dimensions – physical aspects, reliability, personal interaction, problem solving and policy with sub dimensions of each dimension using only performance based measures. The five dimensions can be better explained as below:

SR.NO.	DIMENSIONS	SUB-DIMENSIONS/ FACTORS
1	Physical Aspect	Store appearance, Convenience of store layout
2	Reliability	Retailer keeps its promises and “does things right”
3	Personal Interaction	Associates are courteous and helpful and inspire confidence and trust
4	Problem Solving	Associates are trained to handle potential problems namely customer complaints, returns and exchange
5	Policy	Operating hours, Payment options, Store charge cards, parking and so forth

Table 1 – Retail Service Quality Scale Dimensions

Source – Dabholkar *et.al.* (1996)

1. DIMENSION – PHYSICAL ASPECT

Intangibility aspect of service has huge impact on perceived service quality. Physical aspects include furniture, fixtures, equipment, layout etc., Physical settings influence the consumers’ perception. Bitner (1992) noted that physical environment acts as cues of a firm’s competences and quality by consumers before a purchase. The sub dimensions of this dimension are appearance and convenience.

2. DIMENSION – RELIABILITY

Dabholkar *et.al.* (1996) stated that keeping promises and doing right were important sub dimensions. Reliability comprises of these sub dimensions. Higher the customers’ appreciation on reliability, higher is the overall evaluation of service quality.

3. DIMENSION – PERSONAL INTERACTION

Oderkerken – Schroder *et. al.* (2001) defined interpersonal relationship as, “the opportunity for customers to affiliate with other individuals during retail encounter”. This dimension comprises of two sub dimensions - inspiring confidence of customers by store personnel and courteousness/ helpfulness of store personnel.

4. DIMENSION – PROBLEM SOLVING

Dabholkar *et.al.* (1996) proposed new dimension “problem solving” which was not included in SEVQUAL. This dimension includes: willingness of retailers to handle returns and exchanges, sincere interest in solving problem and handling customer complaints.

5. DIMENSION – POLICY

This includes all the factors related to store policies which influence service quality. There are no sub dimensions for this dimension, it includes policies related to high quality merchandise, convenient operating hours, parking facility, acceptance of credit cards, store’s own cards.

Ratings for these dimensions help in ascertaining the service quality judgements made by customers. This model is 28 items scale consisting of 17 items from SERVQUAL and 11 items developed from their literature review and qualitative research. This scale exhibited high construct reliability and validity in service quality measurement for retail sector. RSQS model was viewed as a general model of measure service quality specifically in department and specialty stores. RSQS model unlike SERVQUAL is not based on disconfirmation paradigm. Dabholkar *et. al.* (1996) believe that their service measurement instrument serves as a diagnostic tool to determine service areas that need to improved, ultimately leading to better service quality.

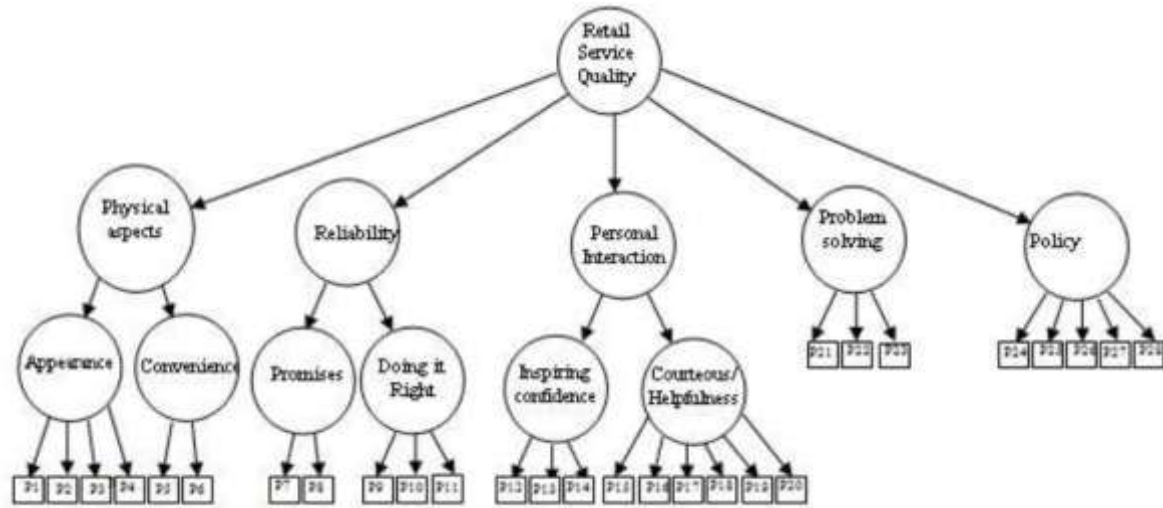


Figure 1 – HIERARCHIAL STRUCTURE OF RETAIL SERVICE QUALITY

Source – Dabholkar et.al. (1996)

V. APPLICATION OF RSQS MODEL

RSQS model was applied to study service quality in U.S.A. by Gagliano and Hathcote (1994). They found that the model was valid for assessment of service quality.

RSQS Model was validated in the context of South African retail setting through a study conducted by Bushoff (1997) on department stores, specialty stores and hypermarkets. This study supported the study conducted by Dabholkar, Thorpe and Rents (1996).

RSQS Model was also applied by Mehta, Lalwani and Han (2000) to supermarkets and electronic goods stores. RSQS model was found valid for supermarket setting and not to electronic stores.

Validity of the model for departmental store setting was confirmed in Hong Kong with some modification according to the study conducted by Siu and Cheung (2001). Their study stated that physical appearance and policy had a great impact on overall service quality.

In another study, policy dimension was found to be unreliable in two countries. Kim and Jin (2001) stated that RSQS model could not be viewed as a reliable and valid measure of cross cultural comparisons.

Siu and Cheung (2001) studied the service quality delivery of a department store chain and its impact on consumption behaviour. The findings showed that the impact of physical appearance and policy were salient on the overall perceived service quality. Among the six service dimensions, the physical appearance and policy had the greatest impact on the overall service quality and on future consumption respectively.

Kim (2002) found that perception of retail service quality is different for US and Korean customers of discount stores. Personal attention was found to be a sub dimension under problem solving and the policy dimension was deleted due to low reliability score. Overall they concluded retail service quality to be a three dimensional factor namely, physical aspects, reliability and problem solving

(Siu and Chow, 2003) conducted a study on Japanese supermarkets in Hong Kong. The finding showed problem solving dimension as a part of personal interaction construct and came up with a new dimension called trustworthiness.

Study by Parikh (2005) stated that reliability dimension of RSQS is very important dimension than other dimension of RSQS model with respect to developing countries. This study brought forth the fact that policies in relation to parking facilities has highest perceived service gap.

Kaul (2007) conducted a study on apparel store in Bangalore, India, which put forth that RSQS is inappropriate for application in Indian retail setting.

Validity of the scale was found inadequate according to study by Das, Kumar and Saha (2010) on department stores, discount stores and supermarkets in Almaty city, Kazakhstan. Successful application of the model to find relation between service quality and other variables had operational problems according to a study by Martinez & Martinez (2010).

Bhasker and Shekhar (2011) conducted a study on apparel stores in Hyderabad, India. They concluded that only four dimensions of the scale were applicable – physical aspects, reliability, personal interaction and problem solving.

VI. CONCLUSION

RSQS has its own limitations. There are serious arguments with respect to number of items to be included for various retail format. Various researches have shown that the model does not hold completely true across all retail format and across different countries and different cultures. Thus this model cannot be generalized for all retail settings. Presence of dimensions and sub dimensions makes the statistical procedure of RSQS very complicated. Internationally developed RSQS model cannot be blindly applied to Indian retail setting. The model needs to be modified and adapted to Indian retail setting to have realistic diagnostic application. Further researches need to be conducted to understand service quality dimensions applicable for retail sector.

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