

Retail Service Quality Factors Among Loyal And Disloyal Respondents On Organised And Unorganised Outlets – An Empirical Analysis.

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Abstract

Organised retailing refers to trading activities undertaken by licensed retailers, those who are registered for sales tax, incometax etc., Organized retailing comprises the shopping malls, multi storied malls and huge complexes that offer a large variety of products in terms of quality and value for money and gives shopping experience. Unorganised retailing is an outlet run locally by the owner or caretaker of a shop that lacks technical and accounting standardization. The main objective of the study is to study and understand the significant retail service quality factors (RSQFs) and their impact on respondents loyalty on organized and unorganized retail outlets. The RSQFs directly and indirectly influencing customer loyalty on unorganized retail outlets are policy and problems whereas the problems and personal interaction have a significant impact on customer loyalty on organized outlets.

Key words : Retail outlets; unorganized outlets; Organised outlets; Retail Service Quality factors (RSQFs); Customer loyalty.

Introduction

In India the retailing is concentrated primarily in urban markets for two reason. First, the modern retailers are yet to realize the saturation effect in the urban market and second, since the modern retailing is associated with Lifestyle the attractiveness of the store appeals to the affluent class as well as those who aspire to be a part of the class and are mostly found in urban India. Although retailing in India accounts for over 10 per cent of the Country's GDP and amounts to 8 percent of employment, it is still in the cross road (singh, 2009). With several player's entering the market, retailing in India has emerged as one of the most dynamic and past paced industries. (Lather and Kaur, 2006).

Disloyal on organized outlets in India

Organized Retailing refers to trading activities undertaken by licensed retailers, those who are registered for sales tax, income tax etc. It includes the retail chains, corporate backed hypermarkets and privately owned large retail businesses. Organized retailing comprises the shopping malls, multi-storied malls and huge complexes that offer a large variety of products in terms of quality and value for money and gives a shopping experience. Organized retail formats in India includes Malls, Specialty stores, Discount stores, Department stores, Supermarket, Convenience stores, and MBOs (Multi Brand Outlets).

Loyal on Unorganized outlets in India

Unorganized retailing is defined as an outlet run locally by the owner or caretaker of a shop that lacks technical and accounting standardization. The supply chain and sourcing are also done locally to meet the local needs. Unorganized retailing has been one of the easiest ways to generate self-employment, as it requires limited investment in land, capital and labour. It is generally family run business with lack of standardization and the retailers who are running this store are lacking education, experience and exposure.

Statement of the problem

The retail service environment is becoming increasingly competitive and is characterized by the presence of domestic as well as foreign players, frequent mergers and acquisitions and sophisticated and demanding customers who have higher levels of expectations from service providers. Therefore, service providers need to differentiate their service offerings by meeting the needs of their customers better, improving customer satisfaction and by delivering service quality that is higher than the one that is provided by the competition.

Objectives of the study

The main objective of the study is to study and understand the significant Retail Service Quality Factors (RSQFs) and their impact on respondents loyalty on organized and unorganized retail outlets.

Methodology

This study is purely based on primary data. Primary data were collected through a well structured schedule. The population of the present study is the total population in rural

and urban area at kanyakumari district. The include areas in rural are 9 blocks whereas the area in urban are 4 Municipalities. The population on the above said areas were drawn from census data in credit plan of banks at kanyakumari district during 2016-2017. The included nine blocks in rural area are Agartheswaram, Rajakhamangalam, Thoivalai, Kurunthencode, Thuchalay, Thiruvatar, Kalliyoor, Munchirai and Melpuram whereas the included municipalities are Nagercoil, Padmanabapuram, Colachel and Kuzhithurai. The sample size of the present study is determined with the help of given formula.

$$n = \frac{N}{Ne^2 + 1}$$

whereas n-sample size. N-population, and e-error of acceptance.

The error of acceptance in the present study is taken at 5 per cent level. The determination of sample size in urban and rural areas in kanniyakumari district are given in Table.1.1

The respondents are classified into loyal and disloyal respondents on the basis of the customer loyalty score. The respondents with the customer loyalty score of less than 3.00 is treated as disloyal, whereas the respondents with the customer Loyalty score of above 3.00 are treated as loyal groups. Totally, 577 and 282 respondents respectively fall under loyal and disloyal respondents on organized outlets.

To segregate the Loyal and disloyal respondents and to examine the significant importance of discriminating RSOF among the two group of respondents, the two group of discriminant analysis has been used. The discriminant variables taken for the study are the perception on store merchandise, physical aspects, policy, problem solving, personal interaction and access. The perception score of the above said dimensions of retail service quality among the loyal and disloyal respondents are taken for analysis. Initially, the mean difference in six different dimentions of retail service quality and its statistical significance

has been computed. The wilk's Lambda of the dimensions of retail service quality is calculated to exhibit the difference its statistical significance and the Wilk's Lambda of the six retail service quality factors are shown in table 1.1.

TABLE 1.1
Mean Difference and Discriminant Power of RSOFS among Loyal and Disloyal on organized outlets

Sl. No	RSQFS	Mean Score among		Mean difference	't' Statistics	Wilk's Lambda
		Loyal Respondent	Disloyal Respondent			
1	Store merchandise	3.8184	2.9882	0.8302	2.2146*	0.1746
2	Policy	3.9908	2.8441	1.1467	2.9542*	0.2854
3	Physical aspects	3.4585	2.2065	1.2520	3.3646*	0.3354
4	Problem solving	3.7718	2.5402	1.2316	3.1671*	0.1048
5	Personal interaction	3.8869	2.6531	1.2338	3.8769*	0.2909
6	Access	3.9969	2.7646	1.2323	3.7108*	0.1233

*Significant at five percent level

The significant mean difference among the two group of respondents is noticed in the perception of retail service quality factors namely physical aspects policy, problem solving and access since the respective t- statistics are significant at 5 percent level. The lesser Wilk's Lambda indicates the higher discriminant power of the retail service quality factors. By that, the study concludes that he higher discriminant power is seen in problem solving and access, since their respective Wilk's Lambda are 0.1048 and 0.1233. All the significant RSQFs are included for two group discriminant analysis to estimate the discriminant function. The unstandardized procedure has been followed to estimate the function. The estimate function is:

$$Z = 0.6488 + 0.1776X_1 + 0.0917X_2 + 0.1082X_3 + 0.2147X_4 + 0.3565X_5 + 0.2616X_6$$

The relative Contribution of discriminant RSQFs in total discriminant score is computed by the product of discriminant coefficient and the mean difference of the respective RSQFs. The results are given in table 1.2.

TABLE 1.2

Relative Contribution of Discriminant RSQFS in Total Discriminant Score

Sl. No	RSQFS	Discriminant Co efficient	Mean difference	't' Statistics	Relative Contribution in TDS
1	Store merchandise	0.1576	0.8302	0.1308	9.96
2	Physical aspects	0.0917	1.1467	0.1052	8.01
3	Policy	0.1022	1.2520	0.1279	9.75
4	Problem solving	0.2047	1.2316	0.2484	18.92
5	Personal interaction	0.3265	1.2338	0.4028	30.68
6	Access	0.2416	1.2323	0.2977	22.68
	Total			1.3128	100.00
Per cent of cases correctly classified : 84.03.					

By the discriminant co-efficient, the perception on problem solving and access discriminate more among the respondents since its discriminant co- efficient are 0.3265 and 0.2416 respectively. The relative contribution of discriminant factors in the total discriminant score is identified as higher in the case of problem solving and policy since their respective per cent of contribution to total discriminant score are 30.68 and 22.68 per cent respectively. The validity of the established discriminant function is to the extent of 84.03 per cent. The analysis also reveals the importance of problem solving and access in discriminating the loyal and disloyal respondents on organized outlets.

DISCRIMINANT RSQFS AMONG LOYAL AND DISLOYAL RESPONDENTS ON UNORGANIZES OUTLETS

The present analysis has made an attempt to examine the discriminant RSQFs among the loyal and disloyal respondents in unorganized outlets are 642 and 157 respectively. The two group discriminant analysis have been administered for this purpose. Initially, the mean different in each RSQF and its statistical significance have been computed separately. The discriminant power of each RSQF is estimated with the help of Wilk's Lambda. The results are in Table 1.3.

TABLE 1.3
Mean Difference and Discriminant Power of RSQFS among Loyal and Disloyal

Sl. No	RSQFS	Mean Score among		Mean difference	't' Statistics	Wilk's Lambda
		Loyal Respondent	Disloyal Respondent			
1	Store merchandise	3.6117	1.7044	1.9073	2.4011*	0.1419
2	Physical aspects	3.8226	1.6557	2.1669	2.6044*	0.1224
3	Policy	3.8089	1.8117	1.9972	2.4886*	0.1676
4	Problem solving	3.7408	1.8224	1.9184	2.4172*	0.1703
5	Personal interaction	3.7969	1.6224	2.1745	2.6676*	0.1171
6	Access	3.7674	1.8979	1.8695	2.3089*	0.1941

* Significant at five percent level

The significant mean difference are noticed in the case of all six RSQFs since it's 't' statistics are significant at five per cent level. The higher mean difference are noticed in the case of physical aspects and personal interaction since it's mean differences are 2.1669 and 2.1745 respectively. The higher discriminant power is noticed in the case of personal interaction and physical aspects since it's Wilk's Lambda are 0.1171 and 0.1224 respectively. The significant RSQFs have been included to estimate the two group of discriminant function. The unstandardized procedure has been followed to estimate the function. The estimated function is:

$$Z = 0.4171 + 0.0788X_1 + 0.0896X_2 + 0.0117X_3 + 0.1886X_4 + 0.1909X_5 + 0.1011X_6$$

The relative contribution of RSQFs in total discriminant score is estimated by the product of discriminant co-efficient and the mean difference of the respective RSQFs. The results are presented in Table 1.4

TABLE 1.4
Relative Contribution of RSQFS in Unorganized outlets

Sl. No	RSQFS	Discrinant Co efficient	Mean difference	't' Statistics	Relative Contribution in TDS
1	Store merchandise	0.0788	1.4631	0.1153	13.39
2	Physical aspects	0.0896	1.3086	0.1173	13.62
3	Policy	0.0117	1.6087	0.0189	2.19
4	Problem solving	0.1886	1.5470	0.2918	33.89
5	Personal interaction	0.1909	1.2868	0.2457	28.53
6	Access	0.1011	0.7133	0.0721	8.38
	Total				
Per cent of cases correctly classified : 78.04..					

The higher discriminant co- efficient are noticed in the case of personal interaction and problem solving since its co-efficient are 0.1909 and 0.1886 respectively. It shows the higher influence of abovesaid two factors in the discriminant function. The higher relative contribution in TDS is noticed in the case of problem solving and personal interaction since it's relative contribution are 33.89 and 28.53 per cent respectively. The estimated two group discriminant function correctly classifies the cases to an extent of 78.04 per cent. The analysis reveals that the important discriminant RSQFs among the loyal and disloyal respondents in unorganizes outlets are problem solving and personal interaction which are highly viewed by loyal compared to disloyal respondents.

Findings

The important discriminant RSQFs among the satisfiers and dissatisfiers on organized outlets are the perception on problem solving. The important discriminant RSQFs among the loyal and disloyal customers is personal interaction which is highly perceived by the loyal customers then by the disloyal customers. The important discriminant RSQFs among the satisfiers and dissatisfiers in unorganized retail outlets are personal interaction and store

merchanize whereas among the loyal and disloyal customers, These are problem solving and personal interaction.

Conclusion

The RSQFs directly and indirectly influencing customers loyalty on disloyal retail outlets are policy and problems whereas the problem and personal interaction have a significant impact on customer loyalty on Loyal outlets.

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