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Relationship between Service Quality and Customer Satisfaction in Organized Retail Outlets

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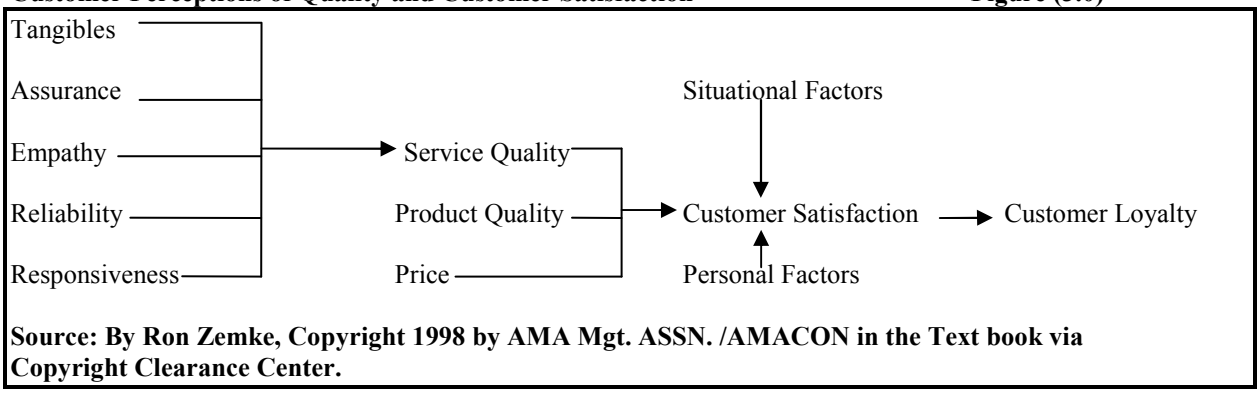
Abstract
This study is designed to find out the impact of perceived service quality on overall customer satisfaction in retail outlets. In India there are more than 12 million retailers and 97% of retailers are existing in unorganized form and only 3% exists in organized form of retailing. Now perceived service quality is an important ingredient of customer satisfaction and studies have been conducted by many researchers and already shown in banking and insurance as well as in many sectors of the Indian economy. Hence we need to understand the impact of perceived service quality on customer satisfaction in retail outlets in India. In this study a sample size of 600 customers was chosen in and around Delhi City which is the capital of India and which is showing the maximum growth in terms of organized retail outlets in the region. The scale developed by Dhabolkar, Thorpe and Rentz was used. The scale was consisting of five dimensions namely Physical Aspects, Reliability, Personal Interaction, Problem Solving and Policy. From the data analysis it is found that value of adjusted R^2 indicates that there were three dimensions namely Policy, Problem solving and Reliability causing a variance of 39.2% in the customer satisfaction. Hence this study is helpful in understanding the important dimensions of service quality required for customer satisfaction. In retailing perceived service quality is having a significant influence on purchasing and repurchasing decisions, positive word of mouth as well as on complaining behavior in retailing (Singh, 2012).
Keywords: Service Quality, Customer Satisfaction, Policy, Reliability, Problem Solving etc.

1. Introduction
Retailing in India contributes about 14% of Indian GDP and it contributes 6-7% of the total employment of the country. India is 2nd largest populated country in the world and it comprises of more than 15 million retail outlets which is the largest density in the world. In India organized form of retailing contributes approximately 4% and rest 96% comes from unorganized retailing. India is going to be a major attraction of FDI because of increasing the size of middle income group which has touched to 25 million and with a growing expenditure rate of more than 11.5%. *(Business Line,2005)*. Today Indian organized retail sector is consisting of more than 300 malls, 1500 super markets and 325 departmental stores across the country *(Indian Retail Forum, 2005)*. With high GDP growth and improved consumerism, India has become an attractive destination for foreign direct investment in retailing. Now Customers perspectives are very important in attaining the marketing effectiveness. Hence it has become very important for retailers to become market-oriented and to provide the desired quality to the customer and to perform better (Sharma, Gupta, 2008).

2. Review of Literatures
From the review of literature it is found that service quality is an important dimension of customer satisfaction. Many researchers have contributed to a great extent in service quality and its importance (Babakus and Boller, 1992; Cronin and Taylor, 1992; Parasuraman, Berry and Zeithaml, 1991) measured service quality as a measure of customer satisfaction. In the recent study service quality is being positioned as an antecedent of customer satisfaction (Cronin, 2000 and Spreng and Mckoy, 1996). Five Dimensions of service quality were developed (Leblanc & Nguyen, 1988). Garvin in (1988) developed nine dimensions of service quality. The main contribution was done by Parasuraman, Berry and Zeithaml (1985; 1988; 1994). These Researchers developed a five-dimensional scale with 22-item and referred it as SERVQUAL. Hence it becomes important to study the aspects customer satisfaction in retailing.

3. Conceptual Framework
Customer satisfaction has been used as an important construct to predict consumer behavior and over the decades has been developed as a well-known and established concept in consumer research (Yi, 1990). Customer satisfaction is a function of the customers' expectations and perceived performance of the product/service, which is necessary not only to retain the customers but also to attract the new customers. A satisfied customer is the need and demand for the survival and growth of any business. A customer is satisfied when a product performs better than expected, Dissatisfied, when expectations exceed performance. Researchers and writers tend to use satisfaction and quality interchangeably. But in actual, satisfaction is used as a broader concept, whereas service quality focuses specifically on the dimensions of service. Based on this we can say that perceived service quality is a component of customer satisfaction.

Customer Perceptions of Quality and Customer Satisfaction **Figure (3.0)**



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As per Oliver defined the Customer Satisfaction as "Satisfaction is the consumer's fulfillment response. It is a judgment that a product or a service feature, or the product or the service itself, provides a pleasure able level of consumption-related fulfillment." From this we can interpret that satisfaction is the customer's evaluation of a product or service in terms of whether that product or service has met the customer's needs and expectations. Failure to meet needs and expectations is assumed to result in dissatisfaction with the product or service.

4. Research Methodology

In this study, The RSQS (Retail Service Quality Scale) developed by Dhabolkar, Thorpe and Rentz (1996) was used for data collection from the customers. This scale consists of 28 items and five dimensions: Physical aspects (6 items), Reliability (5), Personal Interaction (9), Problem Solving (3), and Policy (5). The first three dimensions have sub-dimensions: Physical aspects (i.e. appearance and convenience), Reliability (i.e. promises and doing it right), and personal interactions (i.e. inspiring confidence and courteousness/helpfulness). This scale is designed for the use in studying retail businesses that offer a mix of goods and services, for assessing levels of service quality. A five point likert scale starting from *strongly disagree (1) to strongly agree (5) response was used.* The scale reliability and validity was tested and found significant. The purification of the research instrument was done to find out the minimum number of factors that will explain the co-variation among the observed variables. Hence factor analysis was used to reduce the number of variables and to find out the actual number o factors for the study. For this KMO (Kaiser-Meyer-Olkin) measure of sampling adequacy is used and a value of (KMO>0.6) shows the sampling adequacy. Bartlett test of Sphericity indicates whether your correlation matrix is an identity matrix which can indicate that your variables are unrelated. The significance value gives the value of test. Low values of (<0.05) shows that there is a significant relationship among your variables, whereas a high value or more than the above value indicates that the data is not suitable for factor analysis. Bartlett test of sphericity indicated that correlation matrix is significantly different from identity matrix in quality scale, overall satisfaction scale and Behavioral intention scale. In service quality scale it is found that value of (KMO= .859) and it shows that the data is suitable for factor analysis. Bartlett test of sphericity is found highly significant which shows that variables are uncorrelated in the population. In the final study sample sizes of 600 customers were chosen for this study. It was further decided to choose 200 customers from Delhi, 200 customers from Haryana (Gurgaon &Faridabad) and 200 customers from U.P. (Noida & Ghaziabad). A total 540 filled-in complete questionnaire were collected. A response rate of (90%) was achieved.

4.1 Objectives of the Study

On the basis of review of literature the following objectives are identified for the study.

1. To explore the important factors of service quality and customer satisfaction in retail outlets.
2. To find out an impact of perceived service quality on customer satisfaction.
3. To find out the level of customer satisfaction in organized store retailing.

4.2 Hypotheses of the Study

On the basis of the objectives, the following Hypotheses are formulated for the study.

H1: All the five quality related dimensions have a significant influence on overall customer satisfaction in organized stores retailing.

H1a: Physical Aspects have a significant influence on customer satisfaction in organized stores retailing.

H1b: Reliability has a significant influence on customer satisfaction in organized stores retailing.

H1c: Personal Interaction has a significant influence on customer satisfaction in organized stores retailing.

H1d: Problem Solving has a significant influence on customer satisfaction in organized stores retailing.

H1e: Policy has a significant influence on customer satisfaction in organized stores retailing.

5. Data analysis and Data Interpretation

A) Profile of the Respondents Taken for the Study

This section deals with the profile of the customers being used in this study

1. Customers Responses Table (5.1)

S. No.	Sampling Area	Sample Size	No. of Questionnaires Filled	Response Rate (%)
1	Delhi	200	184	92%
2	Haryana (Gurgaon& Faridabad)	200	180	90%
3	U.P. (Noida & Ghaziabad)	200	176	88%
4	Total	600	540	90%

Hence from the customers a total of 90% response was achieved by collecting the 540 filled questionnaires from 600 customers in total. From the employees side 180 employees were selected from Delhi, Haryana (Gurgaon &Faridabad) & U.P. (Noida & Ghaziabad) and 123 complete filled-in questionnaire were collected which give a response rate of (66%) approximately. Data were collected from the various stores which were located in Delhi, Haryana (Gurgaon& Faridabad) and U.P. (Noida & Ghaziabad).

2. Number of times the outlet visited. Table (5.2)

S. No.	Number of Visits per Month	Number of Respondents	Percentage (%)
1	Everyday	44	08.15%
2	Once a week	65	12.03%
3	2-3 times per week	63	11.66%
4	2-3 times per month	149	27.59%
5	Once a month	146	27.03%
6	Others	73	13.51%
7	Total Respondents	540	100%

From the table (5.2), it is analyzed that out of total 540 respondents, 149 respondents are visiting the outlet 2-to 3 times per month, whereas 146 respondents are visiting once a month. Hence from this table we can say that most of the respondents are visiting the outlet once a month or 2-to-3 times per month.

3. Knowledge about the outlet Table (5.3)

S. No.	Knowledge about the Outlet	Number of Respondents	Percentages (%)
1	By my own	290	53.70%
2	By newspapers & magazines	80	14.81%
3	From friends & relatives	140	25.92%
4	Others	30	5.55%
5	Total	540	100%

From the table (5.3) it was found out that out of total 540 respondents which were selected for this study 290 respondents found the outlet by them, whereas rest of the 140 respondents got the information about the outlet from their friends and relatives. Hence we can say that friends and relatives and newspapers and magazines are a good source for searching the outlet.

4. Shopping Style Table (5.4)

S. No.	Shopping Style	Number of Respondents	Percentage (%)
1	Alone	69	12.77%
2	With my wife	108	20.00%
3	With my family	252	46.66%
4	With friends	111	20.55
5	Total	540	100%

From the table (5.4) it can be analyzed that 252 respondents are visiting the outlet for shopping with their family and 108 respondents are visiting with their wives. From this table it is found out that 111 respondents are visiting with their friends and rest 69 respondents are visiting alone. Hence we can conclude that most of the respondents are visiting to the outlet with their family or with wife.

5. First place you visit Table (5.5)

S. No.	First Place of visit	Number of Respondents	Percentage (%)
1	Grocery products	136	25.18
2	Apparels (ladies/men/babies)	167	30.93
3	Electrical Appliances	27	5.00
4	Frozen/wet market section	48	8.88
5	Perfumes/fragrances	27	5.00
6	Chocolate/sweets/snacks	36	6.67
7	Stationary/gifts	39	7.22
8	Music	09	1.67
9	Others	51	9.45
10	Total (number of respondents)	540	100%

From the table (5.5) it is found that out of total 540 respondents, 167 respondents are visiting the Apparel section (ladies/men/babies) first and 136 respondents are visiting to grocery section first. Hence from this we can conclude that most of the respondents are visiting to apparel section and grocery section first of their visit.

6. Section of Buying Table (5.6)

S. No.	Section of Buying	Number of Responses	Percentage (%)
1	Grocery products	234	30.58%
2	Apparels (ladies/men/babies)	207	27.05%
3	Electrical Appliances	33	4.31%
4	Frozen/wet market section	63	8.23%
5	Perfumes/fragrances	42	5.49%
6	Chocolate/sweets/snacks	45	5.88%
7	Stationary/gifts	57	7.45%
8	Music	42	05.49%
9	Others	42	05.49%
10	Total (number of responses)	765	100%

From the table (5.6) it is found that out of total 765 responses received from 540 respondents, it is found that 234 responses from grocery section, 207 from apparel section and 63 from frozen/wet market section, 42 responses from perfumes/fragrances section. From this it can be concluded that most of the respondents are buying from grocery section as well as from apparel section.

7. Did you face any problem with this outlet in last one year? Table (5.7)

S. No	Responses	Number of Respondents	Percentage (%)
1	Yes	109	20.18%
2	No	431	79.82%
3	Total	540	100%

From the table(5.7) it is found that out of 540 respondents 431 respondents did not face any problem with the outlet in the last one year, whereas 109 respondents faced the problem with the outlet.

8. Reasons of Shopping Table (5.8)

S. No.	Reasons of Shopping	Number of Responses	Percentage (%)
1	Large no. of products	273	28.52%
2	Services are good	108	11.28%
3	Reasonable prices	171	17.86%
4	Benefit to cardholders	39	04.07%
5	Good store environment	123	12.85%
6	Friendly salesperson	51	05.32%
7	Convenient parking	54	05.64%
8	Convenient location	120	12.53%
9	Others	18	01.88%
10	Total Respondents	957	100%

From the table (5.8) out of a total 957 responses received from 540 respondents, it is found that 273 responses priority for large number of products,108 respondents for good quality of service and rest of 171 responses about reasonable prices of the products, whereas 13 responses are for good store environment and 120 for convenient location. Hence from this we can conclude that large number of products and services, good quality of service, good store environment and convenient location are the major features of attraction in an outlet.

9. Did you complain about the problem to this outlet Table (5.9)

S. No	Responses	Number of Respondents	Percentage (%)
1	Yes	54	10.00%
2	No	55	10.18%
3	N.A.	431	79.82%
4	Total	540	100%

From the table (5.9) it is found that 54 respondents complained about their problem to the outlet and rest 55 respondents did not complain about their problem. Hence from this we can conclude that despite having the problem with the outlet, respondents did not complain with the outlet.

10. How much you were satisfied with this outlet response towards your problem? Table (5.10)

S. No	Satisfaction Level	Number of Respondents	Percentage (%)
1	Extremely Dissatisfied	02	00.37%
2	Moderately Dissatisfied	15	02.77%
3	Neither Dissatisfied Nor Satisfied	27	05.00%
4	Satisfied	10	01.85%
5	Highly Satisfied	Nil	00.00%
6	Did not Complain	55	10.18%
7	N.A.	431	79.82%
8	Total	540	100%

From the table (5.10) it is found that out of 54 respondents who complained about the problem to the outlet 10 respondents were satisfied with the solution of the problem, whereas 27 respondents were not neither satisfied nor dissatisfied and 15 respondents were dissatisfied and 02 respondents were extremely dissatisfied. Hence from this we can conclude that number of people who were complaining was less, despite that the problems were not solved properly and those who complained remains unsatisfied with the solution.
Hence from this we can conclude that because the complaints are not solved properly, it can be the reason of less number of complaints.

11. Number of outlets you use for shopping Table (5.11)

S. No.	Number of outlets	No. of Respondents	Percentage (%)
1	One	63	11.67%
2	Two	128	23.70%
3	More	349	64.63%
4	Total	540	100%

From the table (5.11) it is found that out of 540 respondents, 349 respondents are shopping from more than two outlets. 128 respondents are using two outlets for shopping and only 63 respondents are shopping from one outlet only. From this it can be concluded that customers are shopping from many outlets.

12. Respondents Profile Table (5.12)

S. No.	Gender	No. of Respondents	Percentage (%)
1	Male	343	63.51%
2	Female	197	36.49%
3	Total	540	100%

From the table (5.12) out of 540 respondents, 343 respondents are male and 197 female. Hence we can say that more number of males is visiting for shopping in the outlet than females.

13. Monthly Income Category Table (5.13)

S. No.	Monthly Income Category	No. of Respondents	Percentage (%)
1	Up-to- 15,000	84	15.55%
2	15,001-to-30,000	162	30.00%

3	30,001-to-45,000	118	21.85%
4	45,001-to-60,000	60	11.12%
5	60,001-to-75,000	42	07.78%
6	Above 75,000	74	13.70%
7	Total	540	100%

From the table (5.13) it is found that 162 respondents are having income between (15,001-to-30,000) per month, whereas 84 respondents belong to income group up-to-15,000 per month and 118 respondents belong to (30,001-to-45,000) income group. From this table we can analyze that the customers from all income groups are visiting to the organized retail stores for shopping. But from this analysis it was found that customers having income up-to 30,000 per month are more in number as compared to the customers having a large income group.

14. Duration of dealing with the outlet Table (5.14)

S. No.	Number of Years	No. of Respondents	Percentage (%)
1	Less than one Year	160	29.63%
2	1-to-2 Years	206	38.15%
3	2-to-3 Years	118	21.85%
4	3-to-4 Years	26	04.81%
5	More than 4 Years	30	05.56%
6	Total	540	100%

From the table (5.14), it is found that 160 respondents are shopping from last one year, whereas 206 respondents are visiting to the outlet for shopping from last two years. Hence we can analyze from this table that more number of customers are visiting to these outlets from last two years.

Table (5.15)

Your Age				
	Frequency	Percent	Valid Percent	Cumulative Percent
20-to-25 years	138	25.6	25.6	25.6
25-to-35 years	230	42.6	42.6	68.1
35-to-45 years	84	15.6	15.6	83.7
Above 45 years	88	16.3	16.3	100.0
Total	540	100.0	100.0	

From the table (5.15) it is found that out of the total 540 respondents, 230 respondents are belonging to age group between (25-to-35 years). Hence from this table we can analyze that young customers having age up-to-35 years are more rather than customers above 35 years.

B) Mean Score and Standard Deviation of Respondents

Mean Score and Standard Deviation for individual Features of Service Quality, Customer Satisfaction in Retail.

Descriptive Statistics Table (5.16)

Contents	Dimensions	Mean	Std. Deviation
This outlet has modern-looking equipment and fixtures	Physical Aspects	3.5352	1.06411
Physical facilities in this outlet(Trial rooms and restrooms) are attractive	Physical Aspects	3.3667	1.04393
Materials associated with this outlet service (such as shopping bags) are virtually appealing	Physical Aspects	3.5796	1.07214
This outlet has clean and convenient physical facilities (trial rooms, rest rooms etc.)	Physical Aspects	3.6204	1.11423
The layout at this outlet makes it easier for me to find what I need	Physical Aspects	3.6785	1.21839
The store layout makes it easier to move around in the store	Physical Aspects	3.7720	1.10003
When this outlet promises to do something (such as repairs, alterations) by a certain time, it will do so	Reliability	3.4094	1.00298
This outlet provides its services at the time it promises to do so	Reliability	3.5151	1.05104
This outlet performs the services right the first time	Reliability	3.6611	1.04711
This outlet has the merchandise available when the customers want it	Reliability	3.5566	1.10233
The outlet has fast and error-free transactions relating to billing, returns etc.	Reliability	3.7370	1.12869
Employees in this outlet has the knowledge to answer customer's questions	Personal Interaction	3.7119	1.03970

The behavior of employees in this outlet instills confidence in customers	Personal Interaction	3.6617	1.09113
Customers feel safe in their transactions with this outlet	Personal Interaction	3.9870	.95823
Employees in this outlet give prompt service to the customer's	Personal Interaction	3.7722	1.08368
Employees in this outlet tell me exactly when services will be performed	Personal Interaction	3.6679	1.01142
Employees in this outlet respond to customer's requests immediately	Personal Interaction	3.6953	1.08560
The outlet gives customers individual attention	Personal Interaction	3.5478	1.11722
Employees in the outlet are consistently courteous with the customers	Personal Interaction	3.7439	1.06697
The outlet willingly handles returns and exchanges	Problem Solving	3.6648	1.04460
When a customer has a problem, the outlet shows a sincere interest in solving it	Problem Solving	3.6791	1.05618
Employees in this outlet are able to handle customer complaints directly and immediately	Problem Solving	3.5444	1.07591
The outlet offers high quality merchandise	Policy	3.4034	1.07557
The outlet provides plenty of convenient parking for the customers	Policy	3.4660	1.25402
The outlet has operating hours convenient to all their customers	Policy	3.8432	1.10999
The outlet accepts all major credit cards	Policy	4.1657	.95835
I am extremely satisfied with overall dealing with the outlet	Satisfaction	3.6935	.79527
I am satisfied with my personal contact with the staff	Satisfaction	3.5776	.83748
I am satisfied with the product service quality of the outlet	Satisfaction	3.8374	.80128
I am satisfied with the product service quality of the outlet	Satisfaction	3.8113	.83080
The average score of overall evaluation of Physical aspects, Reliability, Personal Interaction, Problem-solving and Policy is satisfactory	Overall Service Quality	3.7757	.86666
My store always meets my expectations	Satisfaction	3.7346	.84391
Valid N (list wise)	540		

The table 5.16 is presenting the descriptive statistics of the different variables relating to service quality, customer satisfaction and behavioral intentions used for study in this research. The descriptive statistics is showing the mean, standard deviation and sample size used for the study.

C) Exploring the Relationship between the Service Quality and its Dimensions

To explore the relationship between the overall service quality and its key dimensions the regression analysis is employed. The five individual dimensions of quality were used as the predictor variables (independent variables) to determine which of the five dimensions were significantly related to overall Service quality in retail stores. The representation of the overall quality in retail can be represented as;

$Y = \alpha + \beta 1$ Physical Aspects $+ \beta 2$Reliability $+ \beta 3$ Personal Interaction$+ \beta 4$ Problem Solving $+ \beta 5$ Policy + Error Term

Where $\beta 1$---------- $\beta 5$ = Coefficients of dimensions of service quality

The overall Service Quality in retail store is used as a dependant variable.

Dimensions of Service Quality Table (5.17)

	Physical aspect	Reliability	Personal interaction	Problem solving	Policy
Overall Quality	.480(**)	.544(**)	.559(**)	.502(**)	.384(**)

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

From the table 5.17 it is found that Pearson Correlation was used to investigate the relationship between the overall quality and its dimensions. There were no violations of the assumptions of linearity and homoscedasticity and all the associations were found to be significant at 1% level of significance. The underlying shows that the strongest relationship of service quality is with Personal Interaction having (r=.559). Next it is followed by Reliability(r=.544) Problem Solving(r=0.502) and than Physical aspects and Policy. The correlation among all was found to be significant at 99% confidence level.

Table (5.18)

Regression Model Summary: Dimensions of Service Quality and Overall Quality										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R^2 Change	F Change	df1	df2	Sig. F Change	
4	.606	.367	.362	.692	.008	6.519	1	530	.011	1.724
Predictors: Constant, Personal interaction, Reliability, Problem solving, Physical aspect										
Dependent Variable: Service Quality										

From the table (5.18), it is found that all the four factors like personal interaction, reliability, problem solving and Physical aspects are having an Adjusted (R^2= 0.362) which means that all these factors are having a variance of 36.2% on customer perceived service quality.

Table (5.19)

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
4	Regression	147.067	4	36.767	76.713	.000
	Residual	254.017	530	.479		
	Total	401.084	534			
Predictors: Constant, Personal interaction, Reliability, Problem solving, Physical aspect						
Dependent Variable: Service Quality						

Table (5.20)

Step wise Regression Analysis: Service quality								
Model	Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
4	Constant	1.217	.154		7.902	.000		
	Personal Interaction	.025	.009	.191	2.850	.005	.265	3.776
	Reliability	.045	.011	.224	4.072	.000	.396	2.525
	Problem solving	.050	.018	.153	2.793	.005	.400	2.502
	Physical aspect	.023	.009	.128	2.553	.011	.478	2.091
Dependent Variable: Service Quality								

From the table 5.20, (Model 4) where reliability factor is having the largest value for Beta Co-efficient, Hence reliability has the strongest positive relationship with service quality. Next it is followed by personal interaction, Problem solving and Physical aspects.

D) To Examine the Relationship between the service quality and the customer satisfaction

To examine the relationship between the service quality and the customer satisfaction stepwise regression analysis was used. An index was constructed to measure the customer satisfaction. The index can be mathematically as.

$$Si = \sum Tx$$

Where Si= Customer satisfaction measured by overall quality, meeting expectations, satisfaction with personal contact etc.

Tx= Level of satisfaction scored by customer x.

The following regression model was used to assess the effects of each of the explanatory variables on the level of customers' satisfaction.

$$Siv = Ix = \alpha o + \beta 1 \text{ Physical Aspects} + \beta 2 \text{Reliability} + \beta 3 \text{ Personal Interaction} + \beta 4 \text{ Problem Solving} + \beta 5 \text{ Policy} + \text{Error Term}$$

Where β1---------- β5 = Coefficients of dimensions of service quality

Before using the regression analysis, the relationship between the service quality and the customer satisfaction was investigated using the Pearson Correlation. The preliminary analysis revealed that there were no violations of the assumptions of the linearity and homoscedasticity, and all the associations were found to be significant at 99% level. Table show the significant association between the customer satisfaction and the factors of service quality

Correlations Table (5.21)

	Physical aspect	Reliability	Personal interaction	Problem solving	Policy
Satisfaction	.393(**)	.514(**)	.485(**)	.523(**)	.536(**)
** Correlation is significant at the 0.01 level (2-tailed).					

From the table 5.21, it is found that there were no violations of the assumptions of linearity and homoscedasticity, and all the associations were found to be significant at 99% level. From the table 5.21, it is found that all the five factors are showing a high correlation with the dependent variable satisfaction. It can be seen from the table that Policy is having the strongest (r=.536) association, which is being followed by problem solving, reliability, personal interaction and than physical aspects.

Table (5.22)

Regression Model Summary Service Quality and Satisfaction										
Model	R	R^2	Adjusted R^2	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R^2Change	F Change	df1	df2	Sig. F Change	
3	.628	.395	.392	3.556	.022	19.297	1	536	.000	2.025
Predictors: Constant, Policy, Problem solving, Reliability										
Dependent Variable: satisfaction										

From the table 5.22 it is found that three dimensions Policy, Problem solving and Reliability are the significant predictors on customer satisfaction. It is found that policy is the critical determinant factor which has a significant impact on the variation of customer satisfaction. It can be analyzed from the table that the three dimensions Policy, Problem solving and Reliability cause 39.2% variation in the customer satisfaction.

Table (5.23)

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
3	Regression	4423.899	3	1474.633	116.644	.000
	Residual	6776.210	536	12.642		
	Total	11200.109	539			
Predictors: Constant, Policy, Problem Solving, Reliability						
Dependent Variable: Satisfaction						

From the table 5.23, it can be analyzed that the results of analysis of variance (ANOVA) show that value of the F-statistics was significant. Hence we can conclude that the variation explained by the model is not due to chance.

Table (5.24)

Stepwise Regression Analysis Customer Satisfaction								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity	
		B	Std. Error	Beta			Tolerance	VIF
3	Constant	8.727	.741		11.772	.000		
	Policy	.361	.048	.308	7.524	.000	.672	1.489
	Problem solving	.419	.077	.243	5.457	.000	.568	1.761
	Reliability	.211	.048	.199	4.393	.000	.549	1.822
Dependent Variable: Satisfaction								

From the table 5.24 it is found that during the stepwise regression analysis policy is the major critical dimension for satisfaction as per the value of coefficient Beta in retail outlets. Next it is being followed by problem solving

and reliability as the determinant factor for customer satisfaction. T-value is also highly significant in the table. From the table it can be seen that Tolerance Value lies between (0.549-to-1.000) which is above 0.2 and VIF values lies between (1.000-to-1.822) which is below 10 shows that there is no evidence of multi-Collinearity in the variables. From the table it is analyzed that Physical aspect and personal interaction were not found to be Predictors for customer satisfaction in retail outlets. Hence they are being excluded. The TV and VIF dimensions state that there is no multicollinearity in the variables.

Hypotheses Testing

From the analysis it is found that Hypotheses H1b, H1d and H1e are supported. It means Reliability, Problem solving and Policy have a significant influence on customer perceived service quality. From the analysis Policy is the important dimension for customer satisfaction which is being followed by Problem solving and Reliability. It is also found from the analysis that Physical aspects and Personal Interaction are not significant for customer satisfaction in retail outlets. Hence H1a and H1c hypotheses are not supported.

6. Conclusions and Findings of the Study

The main findings of the study were.

1) From the study it was found that 27.5% of the customers were visiting the retail outlets 2-to-3 times per month and 27.03% of the customers were visiting the outlets once a month. From this we can analyze that the customers who were visiting the retail outlets more times were going to purchase more and we can also assume that these customers will be more loyal to the retail outlets in future also, in comparison to those who were visiting retail outlets with less number of visits.
2) It was also found from the study that 53.7% of the customers found the retail outlet on their own, whereas 25.9% of the customers found the retail outlet through their friends and relatives. 14.8% of the customers found the retail outlets through newspapers and magazines. Hence we can analyze that customers went to search the retail outlets by their own efforts were more in number.
3) The findings of the study revealed that 46.6% of the customers were visiting the retail outlets with their family for shopping and 20.5% were visiting the retail outlets with their friends and 20% with their wife. It was found that 12% of the customers were visiting the retail outlets alone. Hence, from this it can be analyzed that purchasing decisions in retail outlets are being influenced by their family decisions.
4) The study also indicates that 30% of the customers were visiting the apparel section (Ladies/Men/Babies) at first and then to other sections in the outlet. It was found that 25% of the customers were visiting the grocery section as the first place of their visit. Only 8% of the customers were visiting the frozen/wet section market in the retail outlet. From this we can say that most of the customers were visiting the apparel section as the first place.
5) The findings of the study also indicate that 30% of the customers were buying from grocery section and 27% were buying from apparel section. It was also found that 8% of the customers were buying from frozen/wet market section from the store. Hence from this we can analyze that most of the customers were buying from grocery and apparel section from the store.
6) The study also indicates that 27% of the customers were enjoying shopping because of large number of products and 17.8% because of reasonable pricing of the products. From this we can analyze that customers are having a preference for large number of products, reasonable pricing, store environment and location for shopping.
7) It was found from the table that 20.18% of the customers faced problems during last one year, whereas 79.82% of customers faced no problems in the last one year. It shows that customers are facing the problems in the stores.
8) The results of the study showed that out of 20.18% of the customers those who faced the problem from the various retail outlets, only 10% of the customers complained about their problem to the retail store.
9) It was found that 1.85% of the customers were satisfied with the solution of their problems, whereas 5% of the customers were neither satisfied nor dissatisfied and 2.7% of the customers were moderately dissatisfied and 0.37% customers were extremely dissatisfied. Hence from this we can say that more number of the customers were neither satisfied nor dissatisfied with the solution of their problems.
10) The study was conducted to find out the relationship between the five dimensions namely physical aspects, reliability, personal interaction, problem solving and policy. The value of Adjusted (R^2 =36.2%) was found to be highly significant and the four factors personal interaction, reliability, problem solving and physical aspects are having a significant influence on overall perceived service quality in retail stores (p=0.01). By applying stepwise regression analysis in the table, it was found that reliability emerged as the strongest factor having an association with overall quality being followed by personal interaction, problem solving and physical aspects.

11) To study the relationship between service quality and customer satisfaction in retail stores, first correlation is carried out which is highly significant at (p=0.01) level. After this a stepwise regression analysis was carried out. It was found that value of adjusted R^2 was 39.2% and it was found highly significant. The three dimensions namely policy, problem solving and reliability emerged as significant factors for predicting the customer satisfaction. The value of standardized beta coefficient is found highly significant for policy and it shows the strong relationship of policy with overall customer satisfaction being followed by problem solving and reliability. Policy emerged as a significant factor showing a strong impact on customer satisfaction which means high quality merchandise, convenient parking for customers, operating hours of the outlet and acceptance of credit card facility emerged as the significant variables having a strong influence on customer satisfaction. The next dimension of problem solving relates to returns and exchanges of the products; outlet shows a sincere interest in solving a customer problem and employees in the outlet handle the complaints directly and immediately. These variables show a significant influence on customer satisfaction. Next dimension is reliability, which means outlet services like repair; alterations etc. at right time, services at right time, and right services at first time, error-free and fast transactions etc. These variables show a significant influence on customer satisfaction.

7. Implications for the Managers

A research purpose does not serve well if it is not putting its appropriate suggestions for practical applications. This study was conducted in retail stores in and around Delhi. So it becomes an important part of the empirical study to be used by the managers for future improvements in the retail stores.

1) The findings of the study states that service quality is an important part of customer satisfaction and further customer satisfaction is an essential requirement for the survival and growth of any business. So the managers need to take care to deliver better service quality to attain maximum customer satisfaction. The four dimensions like Personal Interaction, Reliability, Problem solving and Physical aspects are showing a significant impact on overall perceived service quality. So the managers should stress on these dimensions to deliver a better service quality.

2) This study also shows that overall perceived service quality has a significant influence on customer satisfaction. From this study it was found that policy, problem solving and reliability are the significant predictors of overall customer satisfaction. Hence managers need to understand these dimensions carefully and they should develop their strategies for delivering in the market by understanding these dimensions for attaining the maximum customer satisfaction level. Here in delivering the maximum customer satisfaction level, the factor, Policy is found to be the main factor. So from this we can say that high quality merchandise, convenient parking for the customers, operating hours of the outlet etc. emerged as the significant variables, where managers should deliver maximum for achieving the maximum customer satisfaction level. The next dimension was problem solving showing a significant impact on the overall customer satisfaction level. It means managers need to handle the customer returns and exchanges, as well as they should provide the immediate solutions for the customer problems to achieve the maximum customer satisfaction level. Next dimension is reliability showing a significant impact on the customer satisfaction level. It means managers need to work towards error-free transactions with the customers and right transactions for the first time. By this way managers will be able to achieve maximum customer satisfaction in the retail outlets.

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