

A Study on Customer Service Gap in the Retail Industry in UAE (An Assessment on the Effectiveness of Filling Service Gap by the Retailers in the United Arab Emirates)

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Abstract

Middle East is a strategic location that connects the West with Asia. In the Middle East, UAE is one of the fastest developing rich countries, which has become prominent after 1971 as an oil rich economy. Even though, oil revenue is the backbone of the country, it has achieved enviable position globally as a country having much advanced infrastructure now. Construction and service industry has been growing at rapid momentum in the country and retailing occupies a potential source of business now. As the country is an attractive destination of immigrant labour force from different parts of the world, various retail formats have developed targeting Arabs, Asians, Africans, Europeans, and Americans. Even though retail chains are growing with intensive distribution mechanism, it is often found that there exists customer service gap in between the expected service and perceived service. The study is an effort to research about the gaps that exists in customer service currently in the retail segments.

INTRODUCTION

UAE is one of the fastest developing rich countries among the Middle East and in the world, which has become prominent after 1971 as an oil rich economy. It's an oil rich economy having much advanced infrastructure now. Construction and service industry has been growing at rapid momentum in the country and retailing occupies a potential source of business now. The country is the destination of immigration by various nationalities from the globe as it offers lucrative employment opportunities, tax free income and high standard of living now.

Retailing is one of the major activities in the country. A.T. Kearney's Global Retail Development Index (GRDI) 2016, mentions thirty highly lucrative markets that offers growth opportunities in retail globally among which two Middle East countries are mentioned, such as United Arab Emirates (UAE) and Kingdom of Saudi Arabia (KSA). Egypt has appeared in the list in this year's report by occupying 30th position as the market has opened up recently. The Middle East and North Africa (MENA) region has shown better performance during this year as two largest economies in the gulf region are ranked within 10 most attractive retail destinations in the world. The UAE market growth has slowed down as compared to the previous years due to the gradual maturity of the market and the slow growth of tourism industry now. In the case of Saudi Arabia, the market is adversely affected due to the depressed oil prices. According to the report, the country's per capita sales is \$7159, which is the highest in the gulf region whereas the annual sales growth has slowed down from 8% in 2014 to 6% in 2015, but the mall activities remain strong.

According Dubai Investment Development Agency (Dubai FDI), a part of Department of Economic Development of the Govt., of Dubai, the UAE retail sector is expected to grow by 33% between the period of 2012 and 2015. In absolute terms, the figure is estimated to increase from Dhs: 114 billion (\$30.93 billion) in 2012 to Dhs: 151 billion (\$ 40.98 billion) by 2015. In one of the leading emirates Dubai, the consumer spending is expected to expand at a rate of 7.7% in 2016 with a CAGR of 8.1 % until 2020 due to the expansion plans launched by the government for promoting Expo 2020 (Dubai Chamber of Commerce, Euro-Monitor Data 2016). Now the retail industry in the UAE faces challenging competitive scenario due to the presence of local as well as international players such as Lulu Centre, Carrefour, Marks and Spencer, Landmark Group, Casino Group, Jumbo Electronics, Al Futtaim and so on.

All the retailers adopt various marketing strategies for capturing the market share currently. For achieving the organizational goals of all the competitors, it is imperative to know the needs and wants of target customers and deliver desired customer satisfaction better than the competitors in the market. Thus, instead of product centred marketing and selling concept, the marketing concepts stresses on customer centred philosophy of "sense and respond" to create customer value profitably. Here, customer satisfaction is given highest priority as it helps them to give attention to perceived preference in relation to buyers' expectations. All the retailers in the country try to

provide products and services by comparing the magical equation of “perceived preference and the buyers’ expectations”. In their effort to maximize the sales, many retailers have designed offerings in such a way as to make the perceived preference higher than the buyer expectations. Targeting this objective, they try to create value for the products and service by combining various satisfaction enhancing programs currently. Even though many retailers focus on creating value, they in fact fail to make a proper assessment of customer gap. Knowledge of the customer gap and filling the gap is very important in a market where different nationalities live and work.

OBJECTIVES OF THE STUDY

1. To assess the customer service gap in the retailing industry in UAE and to understand the level and factors that affect the customer service gap
2. To understand the efforts of the retailers in filling the customers service gap
3. To assess the effectiveness of marketing efforts in filling customer service gap

LITERATURE REVIEW

Barry R Berman and Joel R Evans (2012), Retail Management: A Strategic Approach (12th Edition), July 20, 2012.

According to Barry R Berman and Joel R Evans, there are intricacies in retailing globally. There are various issues in retail management and those issues are analyzed from the point of view of various industries, with the recommendation that a retailer need to have a sound strategy to succeed in retailing anywhere in the world.

Valarie Zeithaml, Mary Jo Bitner, Dwayne D Gremler and Ajay Pandit (2011), Services Marketing: Integrating Customer Focus Across the Firm, Tata McGraw Hill.

The authors analyze service marketing from the point of view of special challenges and recommended solutions to overcome them. The development of strong customer relationship through high quality service is the crux of the study. It focuses on customer service gap in detail and has recommended effective solutions to fill the gap.

Han-Shen Chen and Tsuifang Hsieh (2011), The Effect of Atmosphere on Customer Perceptions and Customer Behaviour Responses in Chain Store Supermarkets”, African Journal of Business Management, The study narrates the importance of creation and management of store ambience from the point of view of the retail customers in chain stores to attract them. It reveals that there exists a positive correlation between customer perception and store design in retailing. Customers having various characteristics such as shopping planning, time urgency and environment familiarity have considerable differences in their perceptions and behaviours.

Dhruv Grewal, Michael Levy and V. Kumar (2009), “Customer Experience Management in Retailing: An Organizing Framework”, Journal of Retailing, Vol.85, Issue 1, Pages 1-14.

In a fast changing retail environment, survival of business depends not only low pricing and innovative products, but on managing the shopping experience of the customers. So a retail need to know compulsorily what is the exact meaning of customer experience from his/her business point of view. Hence, a viable customer experience management strategy should be designed and developed by the company that should result in a win-win exchange of value in between the retailer and the consumers. This study analyzes the role of macro factors in evolution of retail atmosphere and its impact on shaping the customer behaviour and experience.

Gordon H.G. McDougall and Terrence Levesaque (2000), “Customer Satisfaction with Services: Putting Perceived Value into the Equation”, Journal of Services Marketing, Vol. 14, Issue 5, pp 392-410

This study is an exhaustive exploration of the integrative relationship between three elements such as core service quality, perceived value and relational service quality on customer satisfaction. The findings of the study reveal that core service quality and perceived value are the most important driving factors of customer satisfaction whereas relational service quality is having lesser impact on customer satisfaction in relation to core service quality and perceived value. The study also highlights the fact that the relative importance of the three elements varies from service to service. The paper reiterates that both perceived value and service quality dimensions should be invariably incorporated in all customer satisfaction models to give it a comprehensive picture of the drivers of satisfaction.

Timo Rintamaki, Hannu Kuusela and Lasse Mitronen (2007), “Identifying Competitive Customer Value Propositions in Retailing:, Managing Service Quality: An International Journal, Vol.17, Issue:6, pp. 621-634

The study is an effort to develop a framework for finding effective customer value propositions in retail industry so that a model is prepared to establish connection between customer value and competitive advantages of the firms that retailing goods and services. The study recommends a framework for finding out customer value proposition by identifying four key dimensions of customer value such as economic, functional, emotional and symbolic. The economic and functional dimensions exist more or less at the same level with all the retailers in the market, whereas emotional and social dimensions differs among the retailers who adopts differentiation strategy for achieving competitive advantage.

RETAIL INDUSRY IN UAE

UAE is among the top ten attractive markets for international retailers by A.T.Kearney's Global Retail Development Index 2016 (GRDI) developed on the basis of a study conducted by collecting primary data from leading 60 retail executives around the world. On the basis of ranking, UAE stands seventh in the study of country attractiveness. The retail industry has grown at a spectacular pace during the last few years due to factors such as population growth, emergence of high profile retail formats in the world and relative paucity of competition from local brands (C.B.Richard Ellis Report, 2015). UAE gas got the highest fashion clothing sales per capita on account of high disposable per capita income and growing fashion consciousness among the people. (A T Kearney's Retail Apparel Index, 2016). Now the market growth has got stagnated due to the shock created by oil prices.

Size of Retail Sales in the UAE

The estimates made by Business Monitor International (BMI) reveals that the UAE retail sales is expected to grow by 32.9% from AED 114 billion (\$ 31.01bn) in 2011, to AED151 billion (\$ 41billion) by end of 2015. (See table below.) Figure 1: UAE's Retail Sector indicators.

	2008	2009	2010	2011	2012	2013	2014	2015
Retail Sales (AED Billion)	122	106	108	114	122	131	140	151
Retail sales as % to GDP	10.5	10.7	9.4	9.5	9.5	9.5	9.5	9.5
Retail Sales Per Capita (AED)	27111	23044	22881	23696	24814	26234	27407	2965
Total Retail Sales Growth (Percent)	17.3	-12.9	1.7	5.7	6.8	7.8	6.5	8.4
Per capital retail sales growth (%)	14.11	-15.00	-0.71	3.56	4.72	5.73	4.47	6.41
Private final consumption (AED Billion)	722.7	612.10	623.8	664	714.80	776.7	832	908.40
Private Final Consumption (Real annual growth percent)	22.25	-15.30	1.91	6.45	7.65	8.66	7.12	9.18

Source: UAE Ministry of Economy, BMI Index 2015

According to BMI, many of the retail sectors are projected to grow at higher rates as compared to the other regions in the GCC. The luxury car segment has been growing at dramatic trend and in consumer electronics, UAE market occupies 40% of the total sales in the entire GCC Countries. It serves around 2 billion people in Asia and Middle East. UAE also account for 69% of the total food and drink market in the Middle East. The grocery retail sector is expected to reach AED.27.7 billion by 2015 which is estimated to be 74% of the food and drink market in the Middle East. In UAE, Dubai occupies a prominent position in retailing and it is a global attraction for retailing. It is estimated that the total sales of Dubai Airport Duty Free is 50% of the total sales of Middle East duty free revenue and is expected to reach AED.12.5 billion (\$3.4 billion) by 2015. Table 2 below shows the trend as per the estimate of BMI.

Sector	2011	2015	Increase (%)
OTC Pharmaceuticals	AED. 1.1 Billion	AED. 1.54 Billion	40
Automotive	403,000 Units	601,000 Units	49
Consumer Electronics	AED. 11.5 Billion	AED. 14.7 Billion	26
Food Sales	AED.28.3 Billion	AED.38.5 Billion	36
Mass Gross Retail	AED.19.5 Billion	AED. 27.7 Billion	42

Source: UAE Ministry of Economy, BMI Index, 2015

CUSTOMER SERVICE GAP

The consumers of products and services have become more and more demanding due to factors such as increasing income level, access to easier information, availability of various competing substitutes, easy purchase and payment mechanism etc. Hence, they demand not only better products but also high level of customer service also. This forces organization to enhance the service quality by enhancing tangibility of the service, promote its augmentation level and increase potential service so that the total offer become highly competitive in the market. Thus, quality customer service becomes an integral part of the success of a service firm.

A service can be defined as an activity or series of activities which is more or less intangible in nature and it normally, but not necessarily, takes place in interactions between customers and service provider or service provider's employees and/or physical resources or goods and/or systems of the service provider ((Gronröos, 1990). "A service is any act or performance that one party can offer to another that is essentially intangible and does not result in ownership of anything. Its production may or may not be tied to a physical product." (Kotler, 1987). So customer expectations are a major decision factor for the marketers in service industry, specifically due to its three special characteristics. Firstly, most customer services are intangible because they are performances rather than objects (Bateson 1979, Berry 1980). Secondly, it is heterogeneous and due to its high people content the performance varies as consistency in behaviour of service people is difficult to guarantee (Booms and Bitner 1981). So what firm intends to provide to customers may be different from what customers receive. Thirdly, the

production and consumption of service is inseparable (Carmen and Langeard 1980).

In management literature very few attempts have been made to define service quality (Gronroos 1982, Wyckoff 1978). When the expression “quality” is used, it generally implies an excellent service that fulfils or exceeds our expectations and when a service surpasses or exceeds our expectations, we consider it as quality. Thus it becomes something which is intangible based on our perception and hence, service quality can be quantified as:

$$Q = P/E$$

Where Q = Quality

 P = Performance

 E = Expectations

So, we may say that Customer Expectations + Service Performance = Customer Satisfaction.

Customer expectations are the probabilities of occurrence of certain positive and negative events if the consumer is exposed to a situation wherein he/she engages in behaviour (Oliver, 1981). Customer expectations are the standards that customers bring into service experience and it becomes the reference point or benchmark on the basis of which they measure the actual service. The subjective assessment of the actual service experiences by the customer is termed as perceived service. Gronroos (1984) defined perceived service quality as the outcome of an evaluation process, whereby the consumer compares his expectations with the service he perceives he has received. Thus customer service gap can be defined as the difference between customer expectations of service and perceived service. If customer expectations are greater than performance of the service, then perceived quality is less than satisfactory which in turn generates customer dissatisfaction (Parasuraman et al., 1985; Lewis and Mitchell, 1990; Shahin, 2006). So closing the gap forms the critical aspect of delivering quality service. This concept can be aptly summarized in the words of Brian Tracy as “Your earning ability today is largely dependent upon your knowledge, skill and your ability to combine that knowledge and skill in such a way that you contribute value for which customers are going to pay.”

In the light of the current scenario in the UAE market, focusing on individual customers and studying their behaviour is relatively easier for a small retailers but it becomes highly difficult for a large retailers. The situation is more difficult in this country as compared to other parts of the world as majority of the immigrants to the country are floating population that comes to the country either on permanent resident visa or visit visas. Thus customer profiling becomes a daunting task for many of the retailers in the market now. From the point of view of the retail service providers, the factors that affect customer expectations can be broadly categorized into controlled factors and uncontrolled factors. Those factors under the control of the marketers are prices of the products and promotion techniques whereas uncontrollable factors are the varying needs of the people, multiple nationalities, competitive offerings etc.

The customer gap can be measured in terms of 10 service quality dimensions such as reliability, responsiveness, competence, access, courtesy, communication, creditability, security, understanding/ knowing the customer, and tangibles (Parasuraman et al, 1988). For the sake of analysis it is further simplified into five dimensions such as tangible, reliability, responsiveness, assurance and empathy. Thus the five generic service dimensions and its implications are (van Iwaarden et al., 2003):

Service Dimensions	Implications
Tangibles	Physical Facilities, Equipments & Appearance of Personnel
Reliability	Ability to perform the promised service dependably and accurately
Responsiveness	Willingness to help customers and provide prompt service
Assurance	Knowledge and courtesy of employees and ability to inspire trust and confidence
Empathy	Communication and understanding of customer

The above variables form the basis for assessment of service quality extended by the retailers in the UAE market and the customer gap can be derived on the basis of difference between the expected service and the perceived service in the industry. Since customer gap is the outcome of certain other gaps, the following gaps are also considered to fill the customer gap (Zeithaml, Bitner, Gremler and Ajay Pandit 2011)

- a. The Listening Gap
- b. The Service Design and Standards Gap
- c. The Service Performance Gap
- d. The Communication Gap

a. The Listening Gap

When there exists a gap between customer expectation of service and company's understanding of those expectations, listening gap develops. Companies' fails to understand the real requirements and expectation of its customers and the general methods adopted for measurement of customer satisfaction is incomplete (Ching-Chow Yang, 2003). Majority of supermarkets and hypermarkets in UAE fails to understand the real expectation of service of its customers. They follow a traditional route to stock inventories either based on the past movement of the products or on the basis of the requirements of particular class or nationality of the customers that visit their premises. It is found that factors such as lesser amount of fund is allocated to marketing research to know about

customer voice, inordinate delay in transmitting requisite communication in between the front office sales people and the concerned managers in charge about customer requirements, focusing on transactions rather than relationship with customers, target new customers than relationship customers, inadequate service recovery that arises due to lack of encouragement to listen to customer complaints etc widens the listening gap. Listening is a high priority element in the course of delivering customized service and it helps the accurate exchange of information and development of strong and stable relationship with customers (Judi Brownell, 2009). Very less effort is made by majority of the retailers to develop relationship marketing which is integral for retaining and promoting an effective customer base. The performance of the hypermarkets is relatively better in this regards as they have designed strong initiatives to develop (Customer Relationship Management) CRM to retain customers through various loyalty programs. The CRM initiatives help them to track the voice of the customers and provide service according as their expectations.

b. The Service Design and Standards Gap

Customer loyalty is the most important determinant of the financial performance of firms in the long run (Jones and Sasser, 1995). This is more applicable in the case of service firms where enhanced loyalty can increase profits substantially (Reichheld and Sasser, 1990 ;). Customer satisfaction and customer loyalty is improved by the service firms by delivering better value, which is one of major factors that generate competitive advantage for them (Woodruff, 1997).

Sometimes there exists a difference between what company knows about the customer expectations and the design and development of service standards to match with the expectations. This occurs mainly due to poor service design, lack of customer-driven service standards and failure to develop physical evidence and service scape that meet customer and employee needs. This gap exists because of the difference between company's understanding of customer expectations and development of customer driven service designs and standards. This is not a major issue in many of the supermarkets and hypermarkets in the country as majority of them are found to be cautious in designing and developing service standards to match with the expectations of the customers. The service standards are found to be one of the best among the countries of the world due to the factors such as high standard of living, higher levels of income, tough competition between the players and so on.

c. The Service Performance Gap

This occurs due to the differences in development of customer driven service standards and actual service performed by the service employees of the company. In order to perform this, a company need to have systems, process, people and technology so that the actual service delivery matches with the standards. If there exists a failure in this, it may be mainly due to various factors such as lack of knowledge about the roles that an employee has to play, conflict between customers and the employees, poor employee selection, lack of proper technology, ineffective compensation and reward system, absence of empowerment and team work and so on. These issues mainly take place due to the lack of proper human relations department in many of the organizations in the country. As far as UAE is concerned, many of the supermarkets fail to know the appropriateness of an HR department. Whereas hypermarkets and other distributors are concerned, there exists an effective HR department to monitor all these activities. Since UAE is a country where majority of the people are immigrants, there exists a system of residence visa status that extends to a period of either two years or three years and hence, long term service cannot be expected in organizations. Apart from this, the perks and allowances given to various people in same position and status differ from nationality to nationality, which can be treated as a major de-motivating factor among the employees. This generally increases the intensity of the service performance gap in retailing.

d. The Communication Gap

This shows the difference between the various promises given by the company by way of advertising, sales force and other external communications and the actual service delivery. Any sort of communication in the form of overpromises in advertisement or personal selling or inefficient coordination between marketing and operations that occurs in the company can raise customer expectations which may lead to the communication gap in services.

DATA ANALYSIS

The data is collected by categorizing the retailers into seven different formats based on their size of operations. The format categorization and the sample size from each category is furnished in the table.

Formats	Sample Size	Weightage
Department Store	5	5%
Hypermarkets	15	15%
Supermarkets	30	30%
Warehouse retailers	5	5%
Specialty Retailers	10	10%
Etailers	2	2%
Convenience Stores	30	30%
Discount Retailers	3	3%

Source: Gopala Pillai Salim & Pradeep Kumar , 2016

For the convenience of analysis and for getting more accuracy in findings, the above retailers are further classified into three levels such as large retailers, medium retailers and small retailers.

A simple random sampling method is used to select the study sample in this work. The sample size consists of 100 retailers in the UAE market and a questionnaire was used to obtain data from the respondents. The eighteen questions in the questionnaire are further divided in to four categories on the basis of measurement of various gaps. 200 employees of the selected organizations were contacted on the basis of the following distribution. The total response received was 189.

SI No.	Job Status	Number of staff
1	Marketing Managers	10
2	Sales Managers	15
4	Sales Executives	15
5	Store Managers	52
6	Salesmen	30
7	Merchandisers	40
8	Customer Service Staff	18
9	IT Managers	10
10	After Sales Service Staff	10

Source: Gopala Pillai Salim & Pradeep Kumar Pillai, 2016

The above categorization was made based on their relation with marketing strategy development, level of customer interaction, technology adapted to monitoring and capturing customer information, role in marketing budget allocation etc.

Scale

A five point Likert Scale is used to measure the level of rating by the respondents on eighteen questions that provide information on the listening gap, the service design and standards gap, the service performance gap and the communication gap. The scale and rating parameters are given below:

Very Good	Good	Satisfactory	Poor	Very Poor
5	4	3	2	1

a. The Listening Gap Assessment

The effectiveness of listening gap is measured by the solutions adopted by the organizations so far in bridging this gap. The effective administration of the solutions is analyzed as below:

GAP 1		Large Retailers		Medium Retailers		Small Retailers	
Questi on Nos.	Questions	Mean	SD	Mean	SD	Mean	SD
1	Does your company have budget for market research? If yes, do you feel that is it sufficient?	3.6	1.01	2.67	1.138	1.76	1.055
2	Are you receptive to customer feedback? Do you implement the feedback as per customer voice?	4	0.832	2.62	1.09	1.63	1.06
3	Are your customer complaints or grievances handled effectively?	4.06	0.956	4.2	0.974	3.52	1.078
4	Are you satisfied with the mechanism to transmit the feedback from frontline employees?	4.15	0.978	3.63	0.837	4.56	0.857

Source : Gopala Pillai Salim & Pradeep Kumar Pillai, 2016

RESULT

The listening gap analysis reveals that large retailers' effort have been good in filling this gap, whereas it is satisfactory for medium retailers and less than satisfactory for small retailers. It is found that the large retailers are keen in allocating funds for marketing research (3.6), give proper attention to customer complaints (4.06) and

feedback (4.0) also. They have developed a strong mechanism to get feedback from frontline customer service staff (4.15) also. In the case of medium retailers, the spending on marketing research (2.67) and implementing the customer feedback in time (2.62) is below satisfactory as majority of the medium retailers have lesser knowledge about the importance of market research information. The grievances handling mechanism is better than large retailers as they give special priority to such issues and is more aware of the fact that their business mainly depends upon customer satisfaction. Even they give priority to customer feedback mechanism through the frontline staff as the rating is above satisfactory at an average of 3.63. As far as small retailers are concerned, market research fund allocation is virtually nil with a mean of 1.76 and they are less receptive to customer feedback (1.63) as there exists lack of a scientific mechanism to get the feedback among such retailers. But as far as handling customer complaints (3.52) and mechanism to transmit the feedback from frontline employees (4.56), the small retailers show good performance. The mean rating of feedback mechanism from the frontline employees is the highest (4.56) as compared to medium (3.63) and large retailers (4.15). This can be attributed to the organizational structure of the small retail formats wherein the owner of the format directly interacts with the customers as he/she may be one of the few human capital available and the retail format is too small so that effective direct monitoring by the owner is possible.

b.The Service Design and Standards Gap Assessment

GAP 2		Large Retailers		Medium Retailers		Small Retailers	
Question Nos.	Questions	Mean	SD	Mean	SD	Mean	SD
1	How far the organizational guidelines for service delivery are effective?	4.54	0.908	2.59	1.45	4.18	1.038
2	Do you think that the standards of performance set for employees meet the customer satisfaction goals?	4.4	1.01	2.51	1.21	4.04	1.091
3	Grade the standard of testing guidelines with the customers?	4.46	0.952	1.57	0.977	1.31	0.761
4	How far the mechanism of periodic review of service process, guidelines and standards are effective?	3.78	1.375	1.91	1.232	1.67	0.911

Source: Gopala Pillai Salim & Pradeep Kumar Pillai 2016.

RESULT

The service design and standards gap is rated between very good and good for the large retailers as it is found that they have followed standard pattern of industry norms for providing service guidelines (4.54), setting standards of performance (4.4), graded the standard of testing guidelines with the customers (4.46) systematically and developed a mechanism of periodic review system (3.78) . The two major powerful factors are the development of organisational guidelines for service delivery with an average of 4.54 and grading the standard of testing with the customers with an average of 4.46, which can be considered as the best in the industry and are very effective in service design and standard gap assessment. For medium retailers, the effort to fill the gap is between poor and very poor as the average mean is less than two, which is less than satisfactory. The organisational guidelines are nearly satisfactory (2.59), but the standard of testing guidelines with customers and period review system is poor with a mean rating of 1.57 and 1.91 respectively. In the case of small retailers, the average mean is 2.80 which imply that the effectiveness in filling the gap is nearly good. For small retailers, it is nearly good mainly due to effectiveness in imparting organizational guidelines and standards of service set by the retailer. These two variables are high with a mean value of 4.18 and 4.04 respectively as the retail outlet is managed directly by the owner who himself/herself is one of the sales persons also and hence direct supervision and monitoring is possible. These two variables' score comparatively match with the large retailers that are corporate entities having most modern management structure and retail management system.

c.The Service Performance Gap Assessment

GAP 3		Large Retailers		Medium Retailers		Small Retailers	
Question Nos.	Questions	Mean	SD	Mean	SD	Mean	SD
1	How far the organization is effective in communicating the guidelines and standards in right time and right place?	4.24	0.981	2.94	0.874	2.46	0.731
2	How effectively the staff utilize the above communication in meeting the guidelines as per their roles and responsibilities?	3.5	1.199	2.85	0.857	2.11	0.931
3	Are you imparting sufficient training and skill to implement the guidelines and standards?	4.36	1.191	3.17	0.865	1.96	0.864
4	Rate the customer feedback mechanism after delivery of customer service	4.1	1.344	3.21	0.988	2.92	0.971
5	Rate the periodic review system implemented by organization to assess the performance against the standards and guidelines	4.32	1.168	2.53	1.096	1.67	0.697

Source: Gopala Pillai Salim & Pradeep Kumar Pillai 2016

RESULT

The effectiveness in filling service performance gap is good for the large retailers as the average of the mean is above 4. The only factor that is rated less than good is the failure of the staff in utilizing the communication guidelines as per the roles and responsibilities (3.5). This is caused by the problem in decoding proper information that emanates from the management due to semantic barriers as the business in UAE depends upon people from different nationalities with different culture and language. The effectiveness of the organizations in communicating the guidelines and standards in right time and right place is rated at a mean score of 4.24 which can be considered as the best in the industry, but the utilization of the information by the staff is only satisfactory with a mean score of 3.5 only. For medium retailers filling the service performance gap is slightly below average which is mainly due to factors such lack of effectiveness in communicating the guidelines (2.94), failure of staff in utilizing the communications (2.85) and slackness in reviewing periodically the performance against standards (2.53). Provision of training to implement the guidelines and standards are satisfactory with a mean rating of 3.17 and customer feedback mechanism is satisfactory (3.21). For medium retailers, there are experienced staff that directly provide practical training to junior staff and resolve customer complaints as they interact each other in the workplace frequently. The small retailers' score is poor in filling this gap as their total mean score is slightly higher than two only. The customer feedback after delivery of the service (2.92) is the only satisfactory parameter for small retailers' service performance gap assessment as their feedback mechanism is directly linked to the person who runs such an organization or the owner's presence is available during customer interaction.

d. The Communication Gap Assessment

GAP 4		Large Retailers		Medium Retailers		Small Retailers	
Question Nos.	Questions	Mean	SD	Mean	SD	Mean	SD
1	How effective is your marketing communication in reaching the target customers?	4	1.05	3.08	0.884	2.78	0.799
2	How far marketing communication is effective in conveying a realistic picture to target customers?	4.38	1.048	2.95	0.936	2.61	0.984
3	Rate the involvement of service staff in review process and performance.	4.24	1.117	2.61	0.942	1.6	0.725
4	How far the front line staff is aware of the customer feedback?	3.52	0.974	2.64	0.811	3.86	1.054
5	How far staff ownership of guidelines and standards are assigned?	3.44	0.884	1.74	0.848	1.69	0.692

Source: Gopala Pillai Salim & Pradeep Kumar Pillai 2016

RESULT

The effort in filling the communication gap is almost good for large retailers. Their effort is good in communicating a realistic picture to the target customers. The only problematic area is the staff ownership of guidelines and standards assigned which has got a mean score of 3.44 only as compared to the other parameters in communication gap assessment. It is found that this parameter is poor because of certain service related issues such as short period

residential visa status, multiplicity of nationalities and consequential related issues such as differences in language, culture etc. The marketing effort on the part of the medium retailers is below average in filling communication gap mainly because of factors such as absence of involvement of service staff in review process (2.61), lack of knowledge of frontline staff about customer feedback (2.64) and failure to assign ownership of guidelines and standards (1.74). These retail formats are successful in communicating with the target customers effectively and what they communicate convey a realistic picture to the target audience, but the staff fail to fulfil their roles as per the communication conveyed by the organization. Thus there exists a gap in between the organization and the staff which can be avoided by designing a proper information and feedback mechanism inside the organisation in between the management and the staff. For small retailers, efforts in filling the gap is less than average due to failure in projecting a realistic picture to the customers (2.61), lack of involvement of service staff in review process (1.60) and failure to assign ownership of guidelines and standards set (1.69). The mean rating is very poor in review process, assignment of ownership of guidelines and performance standards. The awareness of customer feedback by the frontline staff is 3.86 which is better than the mean score of corporate retail houses as well as mediums retail formats. This is mainly due to the nature of the feedback mechanism as the system enable the owner or operation in charge to directly interact with the customers as the number of customers are less and majority of the customers are regular visitors who stay in an around the vicinity of the shop.

From the analysis it is quite evident that large retail formats follows international standards in filling the various customers gaps which in fact enable them to improve the services rendered to their customers from time to time. This can be treated as the core competency on the part of these retailers to compete in this dynamic market. The medium retail formats' performance is comparatively poor as they are neither big enough to have most modern retail structure with all the infrastructure nor they are not small enough to maintain strong intimacy with the local customers.

DIRECTIONS FOR FUTURE RESEARCH

The service quality gap model provides a conceptual framework in service marketing wherein little research has been done so far in management literature. The study is based on the analysis of qualitative data elicited through collecting information through questionnaire from various levels of employees in various types of retail organizations. This model provides wide opportunities to conduct further research in various areas of customer service in service industry. The gap model can be used as a basis for studying the real customer expectation and perception in retail industry. The model can give deeper insights into various segments of the retail industry so that studies can reveal the real gap that exists in the segment. This will enable organizations to design services and its features in a realistic way to match with the expectations of the customers. Even the promotion mix can be modified to match with the situation in the market so that target customers can be properly informed and educated about the quality and features of services. In short the major areas of opportunities for future research are (a) development of a standard measure of customer expectations and perceptions, (b) devising methods to measure the gap, (c) nature of association of service quality and its determinants and (d) the usefulness of segmenting customers based on their service quality expectations.

CONCLUSION

In a word where service marketing has achieved tremendous growth, it is imperative on the part of service providers to understand the customer requirements and perceptions. This is especially applicable to retail industry as we have witnessed the evolution and growth of very large retail formats that has become a serious threat to majority of the medium and small retailers now. Hence a detailed study of customer service gap can enable organizations to trace out the changing requirements of the customer from time to time. In a country like UAE, there is tremendous opportunity for various retail formats as the country is poised for rapid growth during the last few years due to development in infrastructure, improvement in tourism, development of transportation and communication and immigration of various nationalities in search of better employment opportunity. The paper provides a brief snapshot of the gap that exists between the service providers and the customers and an assessment of the efforts of the service providers to understand the gap to fill it so that customer satisfaction can maximized.

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