

# Service Quality in Mega Shops: A Study of Consumers Satisfaction in Apparel Retailing

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## Abstract

The purpose of the study is to determine the consumer satisfaction of service quality offered at mega shops in Dhaka city. The data was collected from 200 respondents through structures questionnaire by using five point linker scales and was analyzed using one sample t test and multiple regression. The five dimensions such as tangibles, customer knowledge, responsiveness, convenience (dependent dimension) and competence. The finding showed that the dimensions of service quality such as tangibles, customer knowledge, convenience Competence were positively related to customer satisfaction. The management should focus on competence dimensions to be ahead of the competitor.

**Keywords:** Service quality, Customer satisfaction, Apparel retailing, Dhaka city

## 1.0 Introduction

Customer satisfaction has received considerable attention in recent years. Apparel retailing in Dhaka is poised to reach its height with recent opening of mega shops. Bangladeshi apparel retailing is the country's largest opportunity for the organized retailing after food retailing. Branded apparel accounts for only 20 percent of the total apparel market. Fashion consumers today are better informed, more sophisticated than they expect service quality apart from the quality of merchandise purchased. The concept of customer satisfaction has relevance to both single, discrete encounters and to relationship. A service quality can be the cornerstone to retailing success retailers need to constantly evaluate their service quality through the use of a reliable scale. Retailing in Bangladesh is gradually inching its way toward becoming the next boom industry. The whole concept of shopping has altered in terms of format and consumer buying behavior, ushering in a revolution in shopping in Bangladesh.

## 2.0 Literature Review

In service literature, service quality is usually defined based on consumers' assessment. Parasuraman et al. (1985, p. 42) defined service quality as "a measure of how well the service level delivered matches customer expectations; delivering quality service means confirming to customer expectations on a consistent basis". Parasuraman et al. (1988, p. 16) defined perceived service quality as "a global judgment, or attitude, relating to the superiority of the service". Zeithaml (1988, p. 3) defined service quality as "the consumer's judgment about a product's overall excellence or superiority". It is clear that defining service quality is an important step toward the development of a solid foundation for this study. Kotler and Armstrong (1996, p. G9) defined service quality as "the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs". Therefore, being in line with the service literature, this study looks into service quality as the standard of excellence toward fulfilling customers' requirements, which contributes toward achieving customers' ultimate satisfaction. This, in turn, entails organizations and firms to investigate, explore, and identify customers' requirements and to try to meet them in order to provide a high standard of service quality.

Service quality is an elusive concept and there is considerable debate in the literature about how best to conceptualize this phenomenon. An all-embracing definition of service quality is notoriously difficult to

produce. Parasuraman described it as: the ability of the organization to meet or exceed customer expectations.

Customer expectations may be defined as the “desires and wants of consumers” i.e. what they feel a service provider should offer rather than would offer. Bernardo Balboni (2011) in their article demonstrates the crucial role of retail service quality as a key activator in the formation of customer loyalty to the store; the latter is understood in a conative and action sense.. The results prove that customers consider retail service quality as a second-order dimension and recognize the main contribution of physical aspects and reliability first-order dimensions. The present study is the first to apply a specific RSQS scale to the Italian national context. Moreover, it provides useful information on the relationship between service quality and loyalty in retailing. Daniella Ryding(2011) suggested the relative importance of service quality across two grocery store formats. Research to date, indicates that within the grocery sector, customers expect value for money in terms of product quality, nutritional value and service quality. If these attributes are met in relation to the customers’ perceived risk, it is more likely that customer satisfaction and retention will occur. In difficult competitive, social and economic circumstances, some sources indicate that there will be a trading down in customer shopping habits, with more customers expecting higher levels of service provision across a wider range of store formats, including the discounters. This study examines the relative importance of service quality for a quality-led retailer, compared to a discounter.. Research findings demonstrate that despite the fact that consumer expectations are rising in relation to the overall shopping experience, distinctions in relation to customers’ expectations between the levels of service provided across quality-led stores, compared to discounters, is still evident.

**Formal Models of Service Quality** - There are a number of conceptual models that have been developed by various researchers and scholars world-wide to investigate the service quality concept. At the same time, these models have been aimed to be adopted by service organisations as a tool to assist in quality improvement programs. In a literature review study, Seth et al. (2005) presented a list of key service quality models including, for example, Technical-Functional Quality Model (Gronroos, 1984), Gap Model and SERVQUAL

Model (Parasuraman et al., 1985, 1988). These conceptual models along with other models have contributed to the development of various schools of thought of service quality. Generally, in the current service marketing literature there are three key schools of service quality modeling, namely the Nordic School, the Holistic School, and the North American School (Gap Analysis School). Customer satisfaction is proposed to be the key objective of both defensive and offensive marketing strategies aimed at retaining existing customers and gaining new customers. Customer satisfaction has been described as one of the priorities of managers of service or product related organizations. Service oriented firms tend to focus on consumer satisfaction as a way to differentiate themselves from their competitors with the delivery of high quality service. It has a positive impact on consumers' attitudes toward products, services, firms, future choice behaviours, and other post-purchase activities that are beneficial to the firm. Satisfaction results from specific exchange and consumption transactions, and evolves into a more global evaluation across multiple transactions (Anderson et al.).

### **3.0 Objective of the study**

The objective of the study is to determine whether the dimensions of service quality significantly affect customer satisfaction in apparel retailing.

### **4.0 Methodology**

The relevant data for the study has been collected from both primary and secondary sources. Research methodologies used in the study are descriptive methods. Simple random sampling is used to collect the information regression analysis was used in this research the data was collected through structured questionnaire by using five point liker scale. A sample of 200 respondents was selected for the study.

### **5.0 Variables of the study**

#### **5.1 Independent variables**

Tangibles: shop position, decoration, transaction method, product price

Customer knowledge: mutual understanding, product knowledge of employee, performing the right service at

the first time.

Competence: self confidence of employees, accurate delivery service, willing to help

Responsiveness: speed in solving problem, operating hours, speed in handling complaint, individual attention, courteous

### 5.2 Dependent variable

Convenience: Advertisement, Communication system, Employee behavior, product availability, after sales service

### 6.0 Hypothesis

- a) Ho-The tangibles have significant positive impact on customer satisfaction
- b) Ho-The customer knowledge have significant positive relationship on customer satisfaction
- c) Ho-The responsiveness have significant positive impact on customer satisfaction
- d) Ho-The convenience have significant positive relationship on customer satisfaction
- e) Ho-The competence have significant positive impact on customer satisfaction

### 7.0 Data collection and analysis

#### a) Demographic

Analysis of demographic information revealed that 40 percent customers were young and aged between 19 years to 25 years and 46 percent of the respondents were males. Around 44 percent of the sample respondents had graduation and 62 percent were employed; out of the total sample 36 percent of the respondent's annual income was in between 20000 to 25000; 46 percent of the respondent's annual income was in between 25000 to 50000 and rest of respondent's annual income was above 50000.

#### b) One sample t –test Analysis

	N	Mean	Std. Deviation	Std. Error Mean
TANGIBLE	200	12.3850	1.47569	0.10435

	Test Value=3				
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference
					Lower Upper
TANGIBLE	89.94	199	0.00	9.385	9.1792 9.5908

Based on the results of the **One sample t-test analysis at 95%** confidence level, the Hypothesis  $H_0$  - There are no significant effects of tangible on customer satisfaction at mega shops in Dhaka is **rejected**, and  $H_a$  - There are significant effects of **tangible** on customer satisfaction at mega shops in Dhaka is **not rejected** since one sample t-test successfully revealed a statistically significant values for policy factors. **Mean values** fall in positive side of rating (less than 3),  $t_{cal} \text{ value} > t_{tab} \text{ value}$  and **p-value**  $< \alpha = 0.05$  for all the select policy factors under study.

	N	Mean	Std. Deviation	Std. Error Mean
CUSTOMER KNOWLEDGE	200	10.82	1.5393	0.10885

One-Sample Test

	Test Value=0					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
<b>CUSTOMER KNOWLEDGE</b>	<b>99.407</b>	<b>199</b>	<b>0.00</b>	<b>10.82</b>	<b>10.6054</b>	<b>11.0346</b>

Based on the results of the **One sample t-test analysis at 95%** confidence level, the Hypothesis  $H_0$  - there are no significant effects of customer knowledge on customer satisfaction at mega shops in Dhaka is **rejected**, and  $H_a$  - There are significant effects of **customer knowledge** on customer satisfaction at mega shops in Dhaka is **not rejected** since one sample t-test successfully revealed a statistically significant values for policy factors. **Mean values** fall in positive side of rating (less than 3),  $t_{cal}$  value >  $t_{tab}$  value and **pvalue** <  $\alpha = 0.05$  for all the select policy factors under study.

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
<b>COMPETENCE</b>	<b>200</b>	<b>8.405</b>	<b>1.48052</b>	<b>0.10469</b>

One-Sample Test

	Test Value=0					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
<b>COMPETENCE</b>	<b>80.286</b>	<b>199</b>	<b>0.00</b>	<b>8.405</b>	<b>8.1986</b>	<b>8.6114</b>

Based on the results of the **One sample t-test analysis at 95%** confidence level, the Hypothesis  $H_0$  - There is no significant influence of competence on customer satisfaction at mega shops in Dhaka is **rejected**, and  $H_a$  - There is a significant influence of **competence** on customer satisfaction at mega shops in Dhaka is **not rejected** since one sample t-test successfully revealed a statistically significant values for physical aspects. **Mean values** fall in positive side of rating (less than 3),  $t_{cal}$  value >  $t_{tab}$  value and **p-value** <  $\alpha = 0.05$  for all the select physical aspects under study.

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
<b>RESPONSIVENESS</b>	<b>200</b>	<b>14.96</b>	<b>1.7957</b>	<b>0.12697</b>

One-Sample Test

	Test Value=0					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
<b>RESPONSIVENESS</b>	<b>117.819</b>	<b>199</b>	<b>0.00</b>	<b>14.96</b>	<b>14.7096</b>	<b>15.2104</b>

Based on the results of the **One sample t-test analysis at 95%** confidence level, the Hypothesis  $H_0$  - There is no significant influence of responsiveness on customer satisfaction at mega shops in Dhaka is **rejected**, and  $H_a$  - There is a significant influence of **responsiveness** on customer satisfaction at mega shops in Dhaka is **not rejected** since one sample t-test successfully revealed a statistically significant values for physical aspects. **Mean values** fall in positive side of RSQS rating (less than 3),  $t_{cal}$  value >  $t_{tab}$  value and **pvalue** <  $\alpha = 0.05$  for all the select physical aspects under study.

One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
<b>CONVENIENCE (DEPENDENT)</b>	<b>200</b>	<b>14.995</b>	<b>2.2112</b>	<b>0.15636</b>

One-Sample Test

	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Test Value=3	
					Lower	Upper
<b>CONVENIENCE (DEPENDENT-CUSTOMER SATISFACTION)</b>	<b>76.716</b>	<b>199</b>	<b>0.00</b>	<b>11.995</b>	<b>11.6867</b>	<b>12.3033</b>

Based on the results of the **One sample t-test analysis at 95%** confidence level, the Hypothesis  $H_0$  - There is no significant influence of **convenience** on customer satisfaction at mega shops in Dhaka is **rejected**, and  $H_a$  - There is a significant influence of **convenience** on customer satisfaction at mega shops in Dhaka is **not rejected** since one sample t-test successfully revealed a statistically significant values for physical aspects. **Mean values** fall in positive side of RSQS rating (less than 3),  $t_{cal}$  value >  $t_{tab}$  value and **p-value** <  $\alpha = 0.05$  for all the select physical aspects under study.

8.0 Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
<b>1</b>	<b>0.470<sup>a</sup></b>	<b>0.221</b>	<b>0.205</b>	<b>1.97141</b>

**a. Predictors: (Constant), RESPONSIVENESS, COMPETENCE, TANGIBLE, CUSTOMER KNOWLEDGE**

ANOVA<sup>b</sup>

Model	Sum of Squares	df	Mean Square	F	Sig.
<b>1 Regression</b>	<b>215.133</b>	<b>4</b>	<b>53.783</b>	<b>13.839</b>	<b>0.000<sup>a</sup></b>
<b>Residual</b>	<b>757.862</b>	<b>195</b>	<b>3.886</b>		
<b>Total</b>	<b>972.995</b>	<b>199</b>			

**a. Predictors: (Constant), RESPONSIVENESS, COMPETENCE, TANGIBLE, CUSTOMER KNOWLEDGE**

**b. Dependent Variable: (DEPENDENT) CUSTOMER SATISFACTION**

Coefficient<sup>a</sup>

Model		Unstandardized Coefficient		Standardized Coefficient	t	Sig.
		B	Std. Error	Beta		
<b>1</b>	<b>(Constant)</b>	<b>13.439</b>	<b>1.924</b>		<b>6.985</b>	<b>0.000</b>
	<b>TANGIBLE</b>	<b>-0.246</b>	<b>0.098</b>	<b>-0.164</b>	<b>-2.521</b>	<b>0.013</b>
	<b>CUSTOMER KNOWLEDGE</b>	<b>0.279</b>	<b>0.097</b>	<b>0.195</b>	<b>2.894</b>	<b>0.004</b>
	<b>COMPETENCE</b>	<b>0.459</b>	<b>0.100</b>	<b>0.307</b>	<b>4.601</b>	<b>0.000</b>
	<b>RESPONSIVENESS</b>	<b>-0.153</b>	<b>0.081</b>	<b>-0.124</b>	<b>-1.891</b>	<b>0.060</b>

**a. Dependent Variable: (DEPENDENT) CUSTOMER SATISFACTION**

The above results indicate that p value is .000 hence the regression model was fit. The R square is .221 it implies that there is 22% variance by service quality factor on customer satisfaction. The adjusted R square shows the amount of variance explained by independent variable on dependent variable. From the coefficient table it was revealed that tangible of mega stores is ( $\beta$ -.164 and significance p-.013). Hence there is a significance difference between tangible and customer satisfaction. In terms of customer knowledge the  $\beta$  value is .195 and the p value is .004 it shows that customer knowledge also positively influence overall satisfaction of mega stores. The next dimension was competence the  $\beta$  value was .307 and the p value was .000 it shows that the competence aspect also have positive influence and overall satisfaction of retail stores. Tangible, customer knowledge, competence have a significant impact on overall satisfaction of mega stores therefore we reject null hypothesis of all the three dimensions. Responsiveness does not have significant relationship with the overall satisfaction of retail store.

## 9.0 Conclusion

The measurement of service quality has become a significant marketing tool for retail stores that wish to develop a competitive advantage by learning about their customers, consumption experiences validating the implementation of the ,retail service quality and by providing empirical evidence of how retail service quality dimensions leads to customer satisfaction in this setting. The result showed that all the four dimensions have the significance effect on the customer satisfaction and the alternative hypothesis was not rejected. The study was designed to know that the dimensions of service quality that have significant effect on customer satisfaction. The study revealed that the management needs to improve service quality in areas of responsiveness. Improvement in customer satisfaction would mean that it is gaining competitive advantage.

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