AN ASSESSMENT OF SERVICE QUALITY OF ORGANIZED SUPER MARKETS, IN KERALA

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ABSTRACT

Prices of essential commodities have been increasing in the markets, in Kerala, for the past two decades. Obviously, the common man finds it difficult, to adjust his income. The wholesale and retail private shop owners are found to be opportunistic and exploitative. Instead of confronting and controlling them, the State Government has established an alternate retail market, for the public to provide essential commodities, at subsidized prices. But, many of the customers are not satisfied with the quality of the services, offered at these State-run outlets, compared to the services in the private shops. This study investigates into these aspects and assesses the quality of the services, using the parameters SERVQUAL scale. The findings indicate that, comparatively, the services offered by the private shops are more satisfactory, than those in the Government outlets.

KEYWORDS: SERVQUAL, Organised Retail Super Market, Service Quality and Customer Satisfaction

INTRODUCTION

Prices of essential commodities in the state of Kerala, has been increasing leap and bound, for the past 12 years. This is reflected in the continuous increase in the inflation rate. Naturally, majority of the citizens find it difficult, to make both ends meet. The public feels that, the frequent increase in the price of essential commodities is due to the high-profit motive of wholesale and retail merchants. Unfortunately, the state Government is not in a position to control the prices, effectively. Therefore it has established and maintained an alternate market to provide essential goods and services at prices much lower than those in the open market. The huge public distribution system (ration shops) established long ago is the primary out let. Entire families in the State has been brought under this. In order to supplement this arrangement, the State has established organizations like Supplyco, Neethi stores and the Consumer fed.

It is obvious that, the private sector is guided by profit motive and hence, their style of rendering services is carefully designed and executed. In other words they try to be true to the marketing principle: "the customer is the king". On the other hand the style of functioning of the Government- owned out let is influenced by the typical "bureaucratic style," since these out lets function under the mighty Civil Supplies Department of the Government. It is obvious that there is full scope for a comparative study of the services offered by both the public and the private sectors to the citizens.

Table 1: Variations in the Prices of Essential Commodities (2006 – 2017)

Sl. No.	Items	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1	Rice	13.80	14.30	23	19.30	23.5	26	25.50	27.25	33	30.25	28.75	38.25
2	Onion	7.00	8.50	13	17	24	39	26	27	22	41.50	36	78
3	Sugar	21	15.25	17	25	30	31	32	35	35	26	39.5	49
4	Coconut oil	52	52	65	57	55	100	62	67.25	170	127	93	137
5	Corriander	34.50	40	73	84.5	46	69	55	58.75	84.50	104	161	80
6	Chilly	58.50	54.50	53.50	65	62.50	110	51.50	77	58	117	136	70
7	Black gram	57.50	42	43	97	52.50	69	55	58.75	84.50	104	161	80
8	Cumin seed	95.50	137	140.5	132.5	140.25	142.5	165	165	158	189	221	230
9	Banana	17	14.50	18.75	16.50	19.50	23	35	17.50	38	33	60	70
10	Turmeric	37	39	49	80	90	132.5	55	79	78.5	95	105	120
11	Bengal Gram	30.50	29	32.50	33.50	29.50	35	56.50	44.75	42	55.50	75.50	69
12	Tea	100	77.5	77	77	135	128	115	155	155	125	100	129
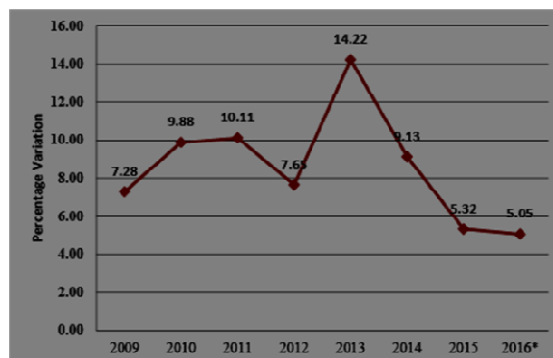
Source: Department of Economics and Statistics, Government of Kerala

Figure 1: Percentage Variation in Average Consumer Price Index of Kerala (1998-99=10160), in Percent

REVIEW OF LITERATURE

Indian retail market has been witnessing a sea change over the last decade with a noticeable shift towards organized retailing. The retail sector in India is showing a remarkable growth due to the changing demographic profile, increasing disposable income, urbanization, wider availability of products and attitudinal changes among the customers. This sector is one of the fastest growing in the world and it is expected to grow up to US$ 1.3 trillion by 2020[1].By 2018, the retail sector is likely to grow at a computed annual growth rate (CAGR) of 13 per cent to reach US$950 billion[2].

Parasuraman.A, Zaithamal.VA and Berry LL (1985) developed a survey research instrument called SERVQUAL to measure customer satisfaction with various aspects of service quality. This study revealed that customers can evaluate a firm's service quality comparing their perceptions of its service with their own expectations. It is stated that SERVQUAL is seen as a generic measurement tool that can be applied across a broad spectrum of service industries.

V. Kumar, Denish Shah and Raj Kumar Venkatesan (2006), have conducted a study about managing retailer profitability and stated that, maximum positive impact to customer life time value (CLV) occurs, when the customer cross purchases, shows multi-channel shopping behavior, states longer with the firm, specific products categories and purchases more frequently with the firm. It is very interesting to note that, the CLV between the customer loyalty, future profitability and low correlation between store's historic revenues and future profitability.

Prabha Devi. P and R. Sellappan (2009), in their study regarding service quality at retail stores had stated that, performance of the retail sector has remarkable growth, during the past few years and it leads to the advancement of organized retailing. In addition to the rapid urbanization, exposure to large number of foreign brands and changing lifestyle

and preferences, has contributed to the progress of retailing in India. The organizations will have to take more measures, to provide quality as perceived by the customer, rather than what they can afford.

Krishna Naik and Swapna Bhargavi (2010) Gantasala, had conducted a study regarding the service quality and its effect on customer satisfaction, in retailing. The result of the study had revealed that, the services offered by the retail units have positive impact that is significant, in building customer satisfaction. This study had reiterated the importance of service quality dimensions, for customer satisfaction in retailing, the most developing sector with high growth potential and opportunities in India.

Thapliyal and Vikas Gairola (2012), in their study has categorically stated that reliability, trust, security and continuous improvement are the most important factors that influence customers attitude, to go for online shopping. The study has also helped to understand the attitude and the perception of people, about online shopping

Vinit.M. Mistri and Kumar H.Butt (2013), had pointed out in their study, about retail store service quality, that the transaction happened in the retail outlet in India are source of inefficiency and incompetence, that an organization belonging to either manufacturing or service sector, has to focus on service quality and it can result into various better results. As far as service organization is concerned, customer service quality has a leading role to play, in the business performance and hence the, retail business are considered to be service business.

Girish K Nair and Harish K Nair (2013), had conducted a study on customer perception, on Retailer Service Quality variables and concluded that, more international players expected to enter into the Indian market, due to the introduction of Foreign Direct Investment (FDI) in multi branding and this will lead to more competition in retail sector. For bench- marking themselves with global standards, the Indian retailers will have to improve their service quality

Ajmersingh (2014), has conducted a study about the service quality, satisfaction and behavioral intentions aspects, across different states in retailing and revealed that, the customer's purchasing as well as recommending decisions differ from place to place. Hence, the marketer should try to understand the customer behavioral aspects, across the different regions and accordingly, they need to serve the customers in that particular region.

Chavan R R and Anil Dongre (2015), have conducted a study on strategic factors of service quality, in organized retail and it was established that, the five dimension of SERVQUAL can be expanded to six factors, in relevance to organized retail sector. This study portrays the retailers, to focus on the important factors, for enhancing the customer quality and to suggest service marketing strategies, for better management of the retail store.

Statement of the Problem

A preliminary study was conducted in this field among a group of customers, in the premises of Dhanya Super Market (private, Kollam), Supplyco (public, Kollam), Triveni Super Market (public, Kollam) and Birla's More Super Market (private, Trivandrum). During the preliminary discussion, the customers consisting of 16 women and 6 men had expressed their grievances, in purchasing from public outlets. Some of the major complaints include:

Poor quality of goods, especially provisions and food items, damaged items, lack of speed and courtesy among the employees, lack of cleanliness in the shop floor and in the premises, faulty arrangement of things, thereby location of the goods wanted is made difficult, most of the sales personnel lack basic information, about the content and quality of the

products so that, they could not give proper advice to the customers, paucity of currency of different denominations, creating difficulty in providing balance after purchase, and inordinate delay in getting the bills prepared, and for clearing the payment. Added to these, there is lack of toilet facility, long queue and lack of space for parking vehicles.

It is obvious from the list of grievances of the customers that, there is a gap between their expectations of the ease of purchasing goods and services, from these public retail outlets and the poor quality of services they get. Among these random samples of 22 customers, most of them do purchase from the private sector outlet, also. According to them, the service offered by these shops is better in several respects, such as the freshness of vegetables; lays out of the product cupboards, courtesy of the sales personnel, better knowledge of the contents of the products, better parking facilities and sales promotion schemes.

This study intends to examine, in detail, the problem of the gap between the buyer's expectations and the services delivered by the retail outlets.

THE OBJECTIVES

The overall objective is to undertake a comparative assessment of the quality of services provided to the customers by the private organized super markets and that, by the Government sponsored public outlets, in terms of the parameters of SERVQUAL and to develop appropriate behavior norms and guidelines, for rendering services up to the satisfaction of the customers, on the basis of the findings of the study.

METHODOLOGY

Primary data, needed for the study was collected according to the SERVQUAL scale, developed by Parasuraman, A, Zaithamal.V.A. and Berry L.L. (1985). Multi-stage sampling was adopted: the first stage consists of dividing the total districts in Kerala into three zones, namely South, Central and Middle. From each zone two districts were selected. From each district 10 per cent of the total number of retail shops of each sector was selected and from each shop 6 customers were interviewed-as per simple random sampling.

Table 2: The Sample Selection is Shown Below

Sl. No	Zone	Private	Consumerfed	Supplyco	Total
1	North	60	24	36	120
2	Middle	96	18	42	156
3	South	96	30	36	162
Grand total					**438**

THE SCALE

In order to study the service quality of retail super markets in Kerala, the viewpoints of respondents from 6 districts were collected and the SERVQUAL instrument was used to evaluate the service quality aspects of these out lets for comparative analysis.

Analysis and Interpretation

The analysis is limited to the data collected as per the servqual scale:

Analysis Based on Atmospheric Facility (ANOVA)

Consider the following null hypothesis:

H_0: There exists no significant difference in the tangibles level among various sectors.

H_1: There exists significant difference in the tangibles level among various sectors.

Descriptive

Table 3

Sector	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Government	114	-2.0183	.42920	.04020	-2.0980	-1.9387	-3.11	-1.00
Private	252	-1.0503	.59251	.03732	-1.1238	-.9768	-2.44	3.11
Cooperative	72	-2.4762	.41933	.04942	-2.5748	-2.3777	-3.11	-1.44
Total	**438**	**-1.5367**	**.78754**	**.03763**	**-1.6106**	**-1.4627**	**-3.11**	**3.11**

Based on the Data we obtained the following ANOVA Table

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	149.614	2	74.807	268.006	.000
Within Groups	121.419	435	.279		
Total	**271.033**	**437**			

Here, the p value is 0.0000007 and is less than 0.05. Hence, we reject the null hypothesis ie., based on the data we conclude that, there exists significant difference in the mean tangibles, among various sectors. From the table, it is seen that, co-operative sector reported high difference between perception and expectation, with respect to tangibles, followed by government sector. Among the three private sectors, it shows low difference. Comparatively, private sector provides better tangibles, up to people's expectation.

Analysis Based on Reliability

Consider the following null hypothesis:

H_0: There exists no significant difference in the reliability level among various sectors.

H_1: There exists significant difference in the reliability level among various sectors.

Descriptive

Table 4

Sector	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Government	114	-.6456	.40180	.03763	-.7202	-.5711	-1.40	.00
Private	252	-.6000	.47369	.02984	-.6588	-.5412	-4.00	.60
Cooperative	72	-1.0278	.38022	.04481	-1.1171	-.9384	-2.00	.00
Total	**438**	**-.6822**	**.46694**	**.02231**	**-.7260**	**-.6383**	**-4.00**	**.60**

Based on the data we obtained the following ANOVA Table

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	10.454	2	5.227	26.804	.000
Within Groups	84.827	435	.195		
Total	**95.281**	**437**			

Here, the p value is 0.01, which is less than 0.05. Hence, we reject the null hypothesis i.e., based on the data we conclude that, there exists significant difference in the mean reliability scores, among various sectors. From the table it is seen that co-operative sector reported high difference between perception and expectation, with respect to reliability services, followed by government sector. Among the three, private sector shows low difference. Comparatively, private sector provides better reliability services, up to people's expectation.

Analysis based on Responsiveness

Consider the following null hypothesis:

H_0: There exists no significant difference in the responsiveness level among various sectors.

H_1: There exists significant difference in the responsiveness level among various sectors.

Descriptive

Table 5

Sector	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Government	114	-1.3230	.37199	.03484	-1.3920	-1.2540	-2.40	-.40
Private	252	-.8944	.77210	.04864	-.9902	-.7987	-11.00	.60
Cooperative	72	-1.6167	.42160	.04969	-1.7157	-1.5176	-2.40	-.20
Total	**438**	**-1.1247**	**.69841**	**.03337**	**-1.1903**	**-1.0591**	**-11.00**	**.60**

Based on the data we obtained the following ANOVA Table:

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	35.269	2	17.634	43.122	.000
Within Groups	177.888	435	.409		
Total	**213.157**	**437**			

Here, the p value is less than 0.01. Hence, we reject the null hypothesis ie., based on the data we conclude that there exists significant difference in the mean responsiveness score, among various sectors. From the table, it is seen that, co-operative sector reported high difference between perception and expectation, with respect to responsiveness, followed by government sector. Among the three, private sector shows low difference. Comparatively, private sector provides better responsiveness, up to people's expectation.

Analysis Based on Assurance

Consider the following null hypothesis:

H_0: There exists no significant difference in the assurance level among various sectors.

Against the alternative

H_1: There exists significant difference in the assurance level among various sectors.

Descriptive

Table 6

Sector	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Government	114	-1.4573	.41161	.03855	-1.5337	-1.3809	-2.64	-.57
Private	252	-.7901	.44734	.02818	-.8456	-.7346	-1.92	1.57
Cooperative	72	-1.6393	.36194	.04266	-1.7244	-1.5543	-2.28	-.20
Total	**438**	**-1.1034**	**.56268**	**.02689**	**-1.1562**	**-1.0505**	**-2.64**	**1.57**

Based on the data we obtained the following ANOVA Table

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	59.685	2	29.843	165.005	.000
Within Groups	78.674	435	.181		
Total	**138.359**	**437**			

Here, the p value is less than 0.01. Hence, we reject the null hypothesis ie, based on the data we conclude that, there exists significant difference in the mean assurance scores, among various sectors. From the table, it is seen that, co-operative sector reported high difference between perception and expectation, with respect to assurance level, followed by Government sector. Among the three, private sector shows low difference. Comparatively private sector provides better assurance services up to people's expectation.

Analysis Based on Empathy

Consider the following null hypothesis:

H_0: There exists no significant difference in the empathy among various sectors.

H_1: There exists significant difference in the empathy among various sectors.

Descriptive

Table 7

Sector	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Government	114	-2.2896	.55686	.05215	-2.3930	-2.1863	-3.33	.33
Private	252	-1.4116	4.81362	.30323	-2.0088	-.8144	-77.00	.11
Cooperative	72	-2.8114	.41124	.04846	-2.9081	-2.7148	-3.44	-1.33
Total	**438**	**-1.8703**	**3.70533**	**.17705**	**-2.2182**	**-1.5223**	**-77.00**	**.33**

Based on the data we obtained the following ANOVA Table

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	136.833	2	68.416	5.076	.007
Within Groups	5862.943	435	13.478		
Total	**5999.776**	**437**			

Here, the p value is 0.007 and is less than 0.05. Hence, we reject the null hypothesis ie., based on the data we conclude that, there exists significant difference in the mean empathy level, among various sectors. From the table, it is seen that, co-operative sector reported high difference between perception and expectation, with respect to empathy, followed by government sector. Among the three, private sector shows low difference. Comparatively, private sector provides better empathy, up to people's expectation.

Analysis based on Servqual Score

Consider the following null hypothesis:

H$_0$: There exists no significant difference in the servqual score, among various sectors.

H$_1$: There exists significant difference in the servqual score, among various sectors.

Descriptive

Table 8

Sector	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Government	114	-29.9942	6.50752	.60984	-31.2017	-28.7867	-46.60	-14.30
Private	252	-17.2936	7.76106	.48890	-18.2564	-16.33007	-37.36	3.92
Cooperative	72	-37.7999	5.77480	.68057	-39.1569	-36.4428	-47.00	-23.82
Total	**438**	**-23.9701**	**10.84664**	**.51827**	**-24.9887**	**-22.9515**	**-47.00**	**3.92**

Based on the data we obtained the following ANOVA Table

ANOVA

Score

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	29141.118	2	14570.559	284.584	.000
Within Groups	22271.774	435	51.199		
Total	51412.892	437			

Here, the p value is 0.000, which is less than 0.05 and based on the data, we reject the null hypothesis ie., their existing significant difference in the mean servqual score, among different sectors.

CONCLUSIONS

From the study, it can be concluded that, there exists significant differences between customer's expectations and perceptions, in terms of service quality dimensions like tangible, reliability, responsiveness, assurance and empathy. It is found that, the co-operative sector reported high differences between customer's expectations and perceptions, in respect of all the service quality measures, given in the scale, followed by the Government sector and the private sector. In other words, the private sector provides comparatively better services, up to customers' expectations. This can be attributed to the strong profit- motive of private business. It is well- known that, the employees in the Government sector outlet is devoid of any profit motive. He is only a wage labourer.

RECOMMENDATIONS

The authorities of the Kerala State Civil Supplies Corporation and the Kerala State Co–operative Consumers' Federation Ltd. should ensure that, the services offered to the customers should be satisfactory to them. For this,   appropriate norms for guiding the behaviour of the sales personnel, towards the customers should be worked out and strictly enforced by the officer, in charge of the outlet. Based on these norms, periodic training programs should be arranged for the staffs, in all these outlets.

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