

EXPLORATION ON CUSTOMERS' PERCEPTION ON THE SERVICE EXPERIENCE PROVIDED BY THE RETAILERS

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ABSTRACT

Customers look for service experience from retailers irrespective of their size, format and ownership. It is the responsibility of the retailer to provide customer service qualitatively. In fact, the qualitative customer service serves as a competitive advantage to small scale retailers. The small scale retailers are facing competitive challenges from corporate retailers. The big retailers are trying to attract the hitherto loyal customers of the small scale retailers. Against this threat, the small scale retailers can retain the loyal customer base only by providing customer services qualitatively. This paper examines

the customers' perception on the service experience provided by the small scale retailers. The parameters used to assess the customers' perception include quality of the sales force, accessibility of salesperson, timeliness of the service, ability to understand customer problems, support in shopping and buying and quality after sales service. The findings of the empirical study are tabulated and analyzed to draw conclusions.

KEYWORDS: After Sale Service, Customer Problems, Quality Sales Force, Shopping and Buying, Timeliness of Service.

INTRODUCTION

Every visit to a retail store is an experience to the customer. The experiences of the customers with a retail store can be identified broadly as shopping experience, buying experience, service experience and relationship experience. The experience a customer gains in each of these factors contributes to overall customer experience. Retailers require the ability to recognize a customer irrespective of the channel that he wants to use. To create enhanced customer loyalty retailers have expressed a desire to recognize high value customers and treat them appropriately (Sat Vijayaraghavan 2008). Satisfying the expectations of today's complex customers requires retailers to more closely align their offerings to their target customers' needs and to provide them with options for how they like to shop (Joseph L. Gagnon, Herb Kleinberger and Gina Paglucia Morrison 2005). The retailers should learn customer expectations and provide customer service accordingly. The small scale retailer either himself/herself or through sales personnel needs to provide quality service experiences to the customers. A good salesperson must have at least two basic qualities: empathy and ego drive. Empathy, the important central ability feel as another person does in order to be able to sell him or her product or service, must be possessed in large measure. The second of the basic qualities absolutely needed by good salespeople is a particular kind of ego drive which makes them want and need to make the sale in a personal or ego way, not merely for the money to be gained. Their feelings must be that they have to make the sale; the customer is there to help them fulfill their personal needs (David Mayer and Herbert M. Greenberg 1964). Many service providers recognize the value created by

providing unique or memorable customer experiences and emotions. Value can also be created by involving customers in the co-creation and/or personalization of their experiences (Bendapudi and Leone 2003; Normann 2001; Prahalad and Ramaswamy 2004).

Service experience is a service process that creates the customer's cognitive, emotional, and behavioral responses, resulting in a mental mark, a memory. The role of the prepurchase service experience is to help customers assess the quality and value of the service in context, thus facilitating assessment and decision making by the customer (Johnston and Clark 2001, Bo Edvardsson, Bo Enquist and Robert Johnston 2003). Service experiences are the outcomes of interactions between organizations, related systems/processes, service employees and customers. Considerable research in marketing and management has examined customer satisfaction with service experiences (Arnold and Price, 1993; Bitner, Booms and Mohr, 1994; Bitner, Booms and Tetreault, 1990; Keaveney, 1995; Ostrom and Iacobucci, 1995; Surprenant and Solomon, 1987; Zeithaml, Parasuraman and Berry, 1990). Voss (2003) argues that organizations are "focusing more and more on experiences in order to engage customers . . . to differentiate themselves." It is also recognized that functional qualities are not enough: an emotional reaction forms part of a quality and favorable experience (Cronin 2003; Sherry 1998). What distinguishes the excellent from the average service organisation often has to do with these experiences and not just a logical value for money outcome and cognitive assessment of the service (Johnston and Clark 2001). Predominantly, the research has focused on the roles of service processes, employees and tangibles in creating quality service experiences for customers (Mary Jo Bitner, William T. Faranda, Amy R. Hubbert and Valarie A. Zeithaml 1997).

Quality service experiences result not only in customer satisfaction but also in building customer loyalty. Bearden and Teel (1983) have shown a relationship between satisfaction and loyalty. Szymanski and Henard (2001), in their meta-analysis, indicate 15 positive and significant correlations between the two constructs. The ability to satisfy customers is vital for a number of reasons. It has been found that dissatisfied customers tend to complain to the establishment or seek redress from them more often to relieve cognitive dissonance and failed consumption experiences (Oliver, 1987; Nyer, 1999). Customer satisfaction is the consumer's fulfillment response (Oliver, 1997). It is a judgment that a product or service feature, or the product or service itself, provides a pleasurable level of consumption related fulfillment (Syed Saad Andaleeb and Carolyn Conway, 2006). Companies are searching for new and better ways to create value and differentiate their market offerings to attract and keep customers and make a profit (Bendapudi and Leone 2003; Shaw and Ivens 2002).

Retailers, therefore, need to recognize these areas in the service process and manage them effectively to maximize the experience quality of the customers. This paper concentrates on service experience of the customers in relation to small scale retail stores. The variables used to assess the service experience of the customers include quality of the sales force, accessibility of salesperson, timeliness of the service, ability to understand customer problems, support in shopping and buying and quality of after sale service.

OBJECTIVE

The objective of this study is to measure the respondents' perceptions of service experience in small scale retail stores and identify the key factors contributing to quality in service experience.

RESEARCH METHODOLOGY

The study is based on primary data sources. Survey method is used to collect data from the sample respondents. Questionnaire is the research instrument used. The sample units are customers of small scale retailers. Five

categories of small scale retailers are identified to assess quality of service experience. The retail categories selected for the study includes food & grocery, textile & apparel, electrical & electronics, jewellery and footwear. A sample of 450 respondents spread in three districts of Andhra Pradesh, was selected by using stratified sampling technique. Scaling technique is used to ascertain opinions. The five point scale ranging from strongly agree to strongly disagree was used. The data obtained with the use of likert scale has been converted into weighed scores as shown below.

Scale	Weight
1. Strongly agree	5
2. Agree	4
3. Neutral	3
4. Disagree	2
5. Strongly disagree	1

Score: $n \times \text{rating} \times \text{weight}$

Wherever scores are calculated weighted mean, and percentage to Maximum possible score (MPS) are calculated for data analysis.

Likert scale: MPS of any variable = 5

n of variable $\times 5 = \text{MPS}$ of that variable.

$(\text{The score obtained by each variable}/\text{MPS}) \times 100 = \% \text{ to MPS}$

$(\text{Total number of respondents} \times \text{Maximum weight} = \text{MPS})$

For example:

Particulars	Food & Grocery
Score	64
Maximum Score	$n \times \text{max. weight}$ $= 45 \times 3 = 135$
% to MPS	$(64/135) \times 100$ $= 47.41$

The following are the findings of the study.

QUALITY OF SALES FORCE

Sales personnel are the people who interact with the customers directly when they visit the retail store. The quality of the sales force can be directly correlated with the quality of service that they provide to the customers. The knowledge of the job, work attitude and service inclination are the key elements of the quality of a salesman. The sales persons of the retail outlets should be capable of providing quality perceptions to the customers. In this respect assessment of the customers on the quality of the salespersons of a retail outlet stands as a bench mark reference.

The study revealed that the quality of the sales force in all the selected five retail categories was rated positively by the customers. The mean values of the data varied between 3.37 and 3.68. The scores as a percentage to MPS varied between 67.51 per cent and 73.56 per cent among the five retail categories (Table 1). The sales force in textile & apparel category is rated relatively more qualitative followed by electrical & electronics category and food & grocery category.

The quality of the sales force in footwear category is rated low compared to other categories. The jewellery category occupied fourth position as far as quality of sales force is concerned.

Table 1: Opinion on Quality of Sales Force

Particulars	Score	AM	% to MPS
Food & grocery	1535	3.41	68.22
Textile & apparel	1655	3.68	73.56
Electrical & electronics	1561	3.47	69.38
Jewellery	1522	3.38	67.64
Footwear	1519	3.37	67.51

Source: primary data

ACCESSIBILITY OF SALESPERSON

Accessibility of salesperson is yet another determinant of the quality of customers' service experience. After entering into the store the customer looks for contact with salesperson. The accessibility of salesperson to the customers may depend upon the number of salespersons, the number of customers, the time taken by each customer and the speed at which the salesperson perform the job. The retailer may have many reasons for not making salesman readily accessible to customers. But the customers have nothing to do with the reasons of the shop keeper. They look at the facility at personal level. The findings of the study reveal that the customers have positive perceptions on accessibility of sales persons against all the five retail categories under the study (Table – 2). However, the respondents rated high on the accessibility of sales person in food& grocery retail category. Electrical & electronics category secured second place in this respect. Footwear occupied third position, textile & apparel occupied fourth position and jewellery category was rated last in respect of accessibility of salesperson. The mean value of the five categories varied between 3.22 and 3.56 while the score as percentage to MPS varied between 71.20 per cent and 64.44 per cent.

Table 2: Opinion on Accessibility of Salesperson

Particulars	Score	AM	% to MPS
Food & grocery	1602	3.56	71.2
Textile & apparel	1452	3.23	64.53
Electrical & electronics	1586	3.52	70.49
Jewellery	1450	3.22	64.44
Footwear	1531	3.4	68.04

Source: primary data

TIMELINESS OF SERVICE

The opinion of the customers on timeliness of service provided by small scale retailers is ascertained and the data are presented in Table 3. The mean values of the customer rating varied between 3.00 and 3.23 among the five retail categories. The scores as percentage to MPS varied between 60.04 per cent and 64.53 per cent. The study revealed that the customers perceived the factor timeliness of service positively in all the categories. However, the customers rated timeliness of service in textile & apparel category as the highest followed by food & grocery and electrical & electronics. The footwear category was rated the lowest while jewellery category occupied the fourth position on this parameter.

Table 3: Opinion on Timeliness of the Service

Particulars	Score	AM	% to MPS
Food & grocery	1428	3.17	63.47
Textile & apparel	1452	3.23	64.53
Electrical & electronics	1399	3.11	62.18
Jewellery	1394	3.1	61.96
Footwear	1351	3	60.04

Source: primary data

ABILITY TO UNDERSTAND CUSTOMER PROBLEMS

Customer problems are unique to each and every customer and the problems vary from time to time. The employees of the retail organizations should have ability to understand the customer problems and respond accordingly. The customers perceive service quality when the sales person attached to the customer has the ability to understand the customer mind. The findings of the study on this issue revealed positive ratings by the customers. All the retail categories under the study were given the rating at >3 mean value. The mean values varied between 3.17 and 3.25. The scores as percentage to MPS varied 63.42 per cent and 64.98 percent. A category wise analysis reveals that the employees of between electrical & electronics category were rated better in having the sales persons with the ability to understand customer problems followed by jewellery and footwear categories. The textile & apparel category secured fourth place on this issue while the employees of food & grocery category got the lowest rating.

Table 4: Opinion on Ability to Understand Customer Problems

Particulars	Score	AM	% to MPS
Food & grocery	1427	3.17	63.42
Textile & apparel	1428	3.17	63.47
Electrical & electronics	1462	3.25	64.98
Jewellery	1457	3.24	64.76
Footwear	1457	3.24	64.76

Source: primary data

SUPPORT IN SHOPPING AND BUYING

Customer often looks for support from retail employees in shopping and buying. They look for variety and choices, product information, relative benefits, techniques of usage, cautions and warnings, etc. while making a purchase. They expect that the sales person is responsible for providing the support that is needed to take quality decisions and optimize shopping benefits. The study revealed that the retail categories secured positive ratings from the customers in respect of support provided to them in shopping and buying. The mean values of the ratings varied between 3.20 and 3.51. The scores as percentage to MPS varied between 64.09 per cent and 69.69 per cent. The customers gave highest rating to electrical & electronics category in respect of providing support in shopping and buying. The jewellery retailing got the second place and footwear category got third place in this respect. The textile & apparel category occupied the fourth position while food & grocery was rated the lowest.

Table – 5: Opinion on Support in Shopping and Buying

Particulars	Score	AM	% to MPS
Food & grocery	1442	3.2	64.09
Textile & apparel	1519	3.38	67.51
Electrical & electronics	1568	3.48	69.69
Jewellery	1557	3.46	69.2
Footwear	1526	3.39	67.82

Source: primary data

AFTER SALE SERVICE

Research studies, time and again, proved that the customers look for quality after sale service and assign value to this service while assessing the value of a retailer. The study reveals that most of the retail categories rated relatively low compared to the other five parameters in respect of quality of after sale service. The mean value of the ratings varied between 2.69 and 3.51. The scores as percentage to MPS varied between 53.78 per cent and 70.18 per cent. Among the retail categories, jewellery retailing secured first position in rating. Electrical & electronics category secured second position in rating while textile & apparel got the third position. Footwear retailing got the lowest rating in quality after sale service.

Table 6: Opinion on Quality After Sales Service

Particulars	Score	AM	% to MPS
Food & grocery	1242	2.76	55.2
Textile & apparel	1345	2.99	59.78
Electrical & electronics	1570	3.49	69.78
Jewellery	1579	3.51	70.18
Footwear	1210	2.69	53.78

Source: primary data

The overall rating of the customers on the six parameters of the service experience with small scale retailers are presented in Table 7. Of the six parameters, accessibility of the sales persons got the highest rating followed by quality of the sales force and support in shopping and buying. The factor quality after sale service secured the lowest rating. It indicates that the small scale retailers need to focus on the after sale service, timeliness of the service and building competencies in employees to understand customer problems.

Table 7: Service Experience with Small Scale Retailers.

Particulars	Score	WM	% to MPS
Quality of the sales force	7792	3.46	69.26
Accessibility of salesperson	7825	3.48	69.56
Timeliness of the service	7024	3.12	62.44
Ability to understand customer problems	7235	3.22	64.31
Supporting shopping and buying	7676	3.41	68.23

Quality after sales service	6946	3.09	61.74
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Source: primary data

The category wise overall rating of the customers on service experience is shown in Table 8. Out of the five categories under the study electrical & electronics category got the highest rating on service experience by customers followed by jewellery category and textile & apparel category. Food & grocery category got the fourth position in rating while footwear retailing secured the last position. Though all the categories got >60 per cent rating, they need to go a long way in providing qualitative service experience to the customers.

Table 8: Category Wise Service Experiences

Particulars	Score	AM	% to MPS
Food & grocery	8676	3.21	64.27
Textile & apparel	8851	3.28	65.56
Electrical & electronics	9146	3.39	67.75
Jewellery	8959	3.32	66.36

Source: primary data

CONCLUSIONS

The entry of corporate retailers in Indian retailing created a challenging environment to the small scale retailers. To protect the existing loyal customer base, the small scale retailers need to offer high quality retail experiences to the customers. The customers of the small scale retailers are no doubt the targets of corporate retailers. The service experiences provided by small scale retailers certainly stand as competitive advantage, if done effectively. The findings of the study present a positive picture, but at the same time ring the danger alarm also. The small scale retailers should realize the importance providing service experience and focus on the specified areas that contribute to the quality of service experience. No doubt it costs a little more to the retailers. When we look at the long term benefits, the cost of providing better service should not be a cause of concern for the retailers.

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