How do Service Quality Influence Customer Satisfaction? A Study in Big Bazaar in Raipur City

Dr. Dipti Baghel, Dr. Archi Dubey

[1]*Assistant Professor, Management Department*
Raipur Institute of Technology, Raipur
[2]*Assistant Professor Mats University, Raipur*
Corresponding Author: Dr. Dipti Baghel

Abstract: *To satisfy the customer and retain them is the major task of marketing personnel is very tiff jobs, due to large number of alternatives are available for them. The study is justifying towards the modern concept of marketing of satisfying the customers through the service quality. The study was conducted to examine the impact of service quality on customer satisfaction in Big Bazaar in Raipur City. The study examined the impact of each antecedent of service quality on customer satisfaction through SERVQUAL model of Persuraman et. al, (1988). The result revealed a positive impact of service quality on Customer Satisfaction. This study shows a significant impact of tangibility (p= 0.005) and empathy (p=0.005) on customer satisfaction.*
Keywords: *SERVQUAL, service quality, customer satisfaction, tangibility*

I.   Introduction

In recent year's customer's preferences, tastes and demand are changing very rapidly. Today customers are very aware about each and every brand; they want quality product and reasonable price. For this reason, organization has to work very hard to make their product according to the needs and demand of the customer. To satisfy the customer and retain them is the major task of marketing personnel is very tiff jobs, due to large number of alternatives are available for them.

 The Indian Retail industry has grown in very rapid pace in last decades. Indian retail is undeniably rapidly growing retail in world. By 2020, The retail market of India is supposed to increase by 60 percent. In US$ 1.1 trillion (www.ibef.org). A range of agencies are foretelling about high growth of retail market in India especially e-Commerce. It contributes 10% of the India's Gross Domestic Product (GDP) and 8% of the employment. (Foundation, 2018). Indian retail market is expected to become world's largest and fastest growing sector both online and physical stores. There is various retail stores running in India, one of the most prominent name is Big Bazaar. Big Bazar is one of the popular supermarkets in India. A Supermarket is a grocery based large store market offering an assortment of food, grocery, and household products and extensive range of non-food products. It is one of the types of organized retailing. (worldbank.org).

The conventional retailing was embraced with small and medium grocery stores and was comprehensively unorganized. The mounting coverage of international brands popularizing among youth, rising income of middle class society, shifting lifestyle of middle class people and increased online purchasing by digital campaigning promotion of Government are some of the factors responsible for amplifying the retail sector in India (www.ibef.org). Moreover, entry of leading world outlet like Wal-Mart, Tesco, Spencer etc, multi-outlet retailing Concept, high disposable income of consumers, rational and aware consume rs due to widespread use of internet mannered for momentous growth and development of India's organized retailing in India. Hence, India is world's fifth largest retail destination.

Big Bazaar was founded by Kishore Biyani in the year 2001 as a retail chain, operated under the Future Group. It is the oldest hypermarket that has more than 250 stores in the country. It deals with three basic categories, viz; home, food, and fashion at reasonable price range. (Bazaar, 2017). At present, there are more than 210 stores across 80 cities and towns in India. Big bazaar is designed as an urban store for Indian market with a wide range of merchandise including fashion and apparels, food product, general merchandise, furniture, electronics, books, fast food, and entertainment section.


1.1 Customer Satisfaction

Customer satisfaction is important for every business; it cannot be ignored or overlooked. Every firm has to be measure customer satisfaction proactively, to retain and maintain loyal customer.

Customer satisfaction is a comparison of customer expectations to perceptions regarding the actual service encounter. It is calculated by comparing predicted service and perceived service (K. DOUGLAS HOFFMAN, 2010)

(Claes Fornell, 1996), in their CSI model defined customer satisfaction as a function of customer expectations, perceived quality, and perceived value.(Faizan Mohsan, 2011) , stated that customer satisfaction is very important it does not guarantee repeat purchases

1.1.1. Determinants of Customer Satisfaction

A number of studies have identified the various factors that influence customer satisfaction (Claes Fornell, 1996); (Chwo-ming Joseph Yu, 2005); (Zeithaml et al., 2009). These factors are customarilyrelated in many aspect of customer satisfaction they are measuring; some of them include customer's expectation, perceived service quality, product quality, perceived value, and price. As shown in figure -1
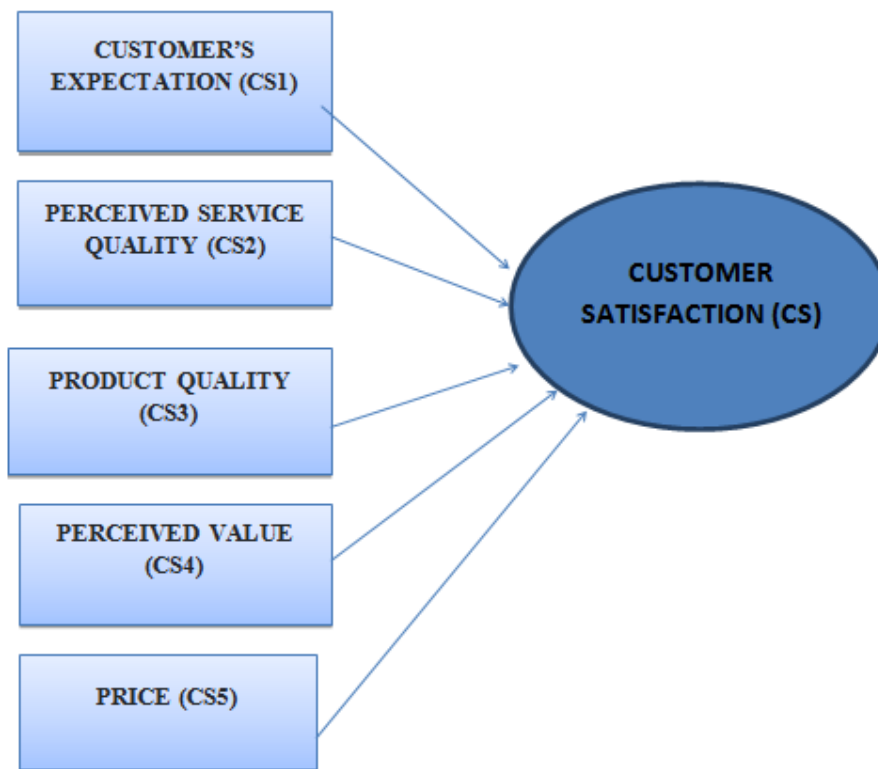
1.2 Service Quality

"An attitude formed by a long-term, overall evaluation of a firm's performance". (K. DOUGLAS HOFFMAN, 2010, p. 319). (Booms, 1983), defines service quality is a measure of how well the service level delivered matches the customer's expectation.(Gronroos, 1984), stated that the perceived service quality is an outcome of an appraisal wherein customer compares expectations and perceptions resulting in perceived service quality.

Service quality is the best means of achieving success in business. Every service provider should better quality services to their customer for the successful and long life of their business. The need of the customer should properly evaluate and delivered with utmost care.Customer satisfaction and service quality are both obtained by comparing customer perceptions tocustomer expectations. The most frequent used method to measure service quality is SERQUAL Model, which is developed by Zeithaml, Parasuraman and Berry to compare service quality performance with customer service quality needs. It is also called the GAP model; it is used to do a gap analysis of an organization's service quality performance against the service quality needs of its customers. SERQUAL scale consists of 44-item that measures customer expectations and perceptions regarding five service quality dimensions. The five dimensions include tangibles, reliability, responsiveness, assurance, and empathy.

II. Review of Literature

(Ojo, 2010)Define the relationship between service quality and customer satisfaction in the telecommunication industry with a focus on Mobile Telecommunication Network (MTN) Nigeria. The study reveals that there is a positive relationship between service quality and customer satisfaction. It was suggested in the study that, the organization should know the expectations of the customers and how it can be meet.

(Gong, 2015), evaluates the variables that are contributing to overall satisfaction of 36 Hostelling International USA (HI-USA) properties, by using the SERVQUAL dimensional model to assess service quality for Hostelling International USA. The study reveals that the attribute "comfort" is the most significant attributes among the six attributes survey by HI-USA. The study suggests that reliability, as an important dimension of service quality, and it should be the focus more to achieve customer satisfaction in hostels.

(Nadkarni, 2015),in his study analyze the components of retail service quality in the Indian scenario and compare them with the parameters of SERVQUAL and RSQS models. It was found from the study that the customers are not satisfied on certain parameters of service quality as it is observed when the customer satisfaction scores are negative.

(Bahraminasab, 2016)in his study reveals that the firm image is the most important parameters for customer satisfaction, then price and service quality are given last and least priority. It was found from the study that the firm should have a certain degree of service quality guaranteed in the highly competitive business environment. The result shows that service quality has a positive effect on customer satisfaction. The impact on satisfaction level according to customer's preference are overall firm image, price compared to quality and service quality.

(Claudia Miranda Veloso, 2017)in their study identify the dimensions of service quality and to evaluate the interrelationships among customer satisfaction, perceived value and behavioral intentions and service quality in the modern retail industry. It was found in the study that, service perceived quality significantly influences customer satisfaction. Secondly, perceived value and quality service is the main determinants of customer satisfaction. It was also found that customer satisfaction, retail service quality and perceived value significantly affect behavioral intentions of the customer towards the act of buying

(Arun Kumar .G, 2012), evaluates the consumer satisfaction of service quality offered at supermarket in Mysore city. It was found in the study that the parameters of service quality like tangibles, customer knowledge, convenience and competence were positively related to customer satisfaction. The firm should focus on more on competence dimensions to be ahead of the competitor

(A.Parsuraman, 1988), in the paper describes the development of 22-items instrument popularly known as SERQUAL model to assess customer perceptions of service quality in service and retailing organizations. The SERVQUAL scale has been very efficient for measuring perceptions and expectations of the users about service quality.

(Kee-Luen Wong, 2012), in his paper describes the service quality of lecturers of a private university. It was found from the study that there are four threats to reliability and six threats to validity. The four threats to reliability are participant error, participant bias, interviewer error, and interviewer bias. The six threats to validity are history, testing, instrumentation, mortality, maturation, and ambiguity about the causal direction.

(Archi Dubey, 2016), in this paper identify the impact of service quality on customer relationship management and customer loyalty in the Indian telecom sector. Five antecedents of service quality have been considered in this study viz. empathy, assurance, responsiveness, tangibility and reliability based on SERVQUAL model. It was found from the study that the service quality has significant and positive impact on customer relationship management and customer loyalty. Out of the four antecedents of service quality, tangibility and assurance has significant and positive impact on customer relationship management, while tangibility has a significant impact on customer loyalty.

III. Research Methodology

3.1   Objectives of the Study:
- To study the Customer Satisfaction towards Service Quality of Big Bazaar in Raipur City.
- To study the satisfaction level of customer with regard of big bazaarin Raipur City.
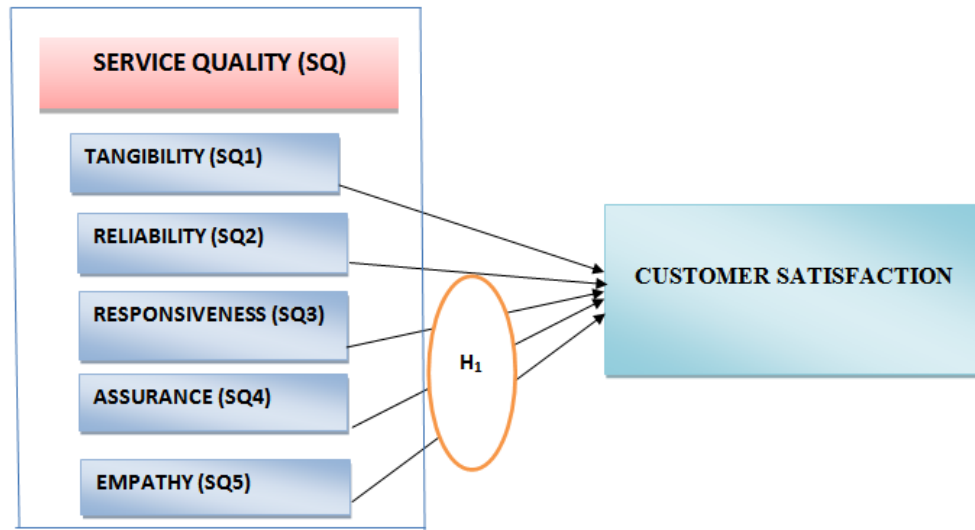- To determine the relationship between service quality and customers' satisfaction inBig Bazaar at Raipur City

3.2 Hypothesis of the Study
H_1 = service quality has significant impact on customer satisfaction in Big Bazaarat Raipur City.

3.3Research Model
The present study is based on the SERVQUAL model propounded by Persuraman, Zeithaml and Berry (1988) for assessing customer's satisfaction towards service quality. The model consisted of five antecedents of

service quality i.e. Tangibility, Reliability, Responsiveness, assurance and empathy as independent variable and one dependent variable customer satisfaction as shown in figure 2.

3.4 Research Variables
The independent variable and dependent variables for the purpose of the study considered is mentioned in table 1 along with the various researchers who agree with the relationships between service quality and customer satisfaction

TABLE-1 Research Variables

Research Variables		
Independent Variables	**Source**	**Dependent Variables**
Service Quality	(I MING WANG, 2006)**,** (Archi Dubey, 2016)	Customer Satisfaction

3.5 Research instrument
The present study is based on the SERVQUAL model proposed by Persuraman, Zeithaml and Berry (1988) for measuring customers" perception towards service quality. as shown in table 2.

TABLE – 2 RESEARCH INSTRUMENTS

RESEARCH INSTRUMENTS				
Variables	**Antecedents**	**Items**	**Scale**	**Sources**
SERVICE QUALITY (SQ)	Tangibility (SQ1)	SQ11	Physical facility	Persuraman et al.(1988)
		SQ12	Appearance of personnel	
		SQ13	Equipment used to provide service	
		SQ14	Physical representation of the service	
	Reliability (SQ2)	SQ21	Accuracy in billing	
		SQ22	Keeping records correctly	
		SQ23	Performing the services at designated time	
	Responsiveness (SQ3)	SQ31	Immediate mail of a transaction slip	
		SQ32	Quick customer calling	
		SQ33	Prompt services	
	Assurance (SQ4)	SQ41	Easy accessibility of services	
		SQ42	Less waiting time to get the services	
		SQ43	Convenient hours of operations	
		SQ44	Convenient location for service facility	
	Empathy (SQ5)	SQ51	Comfortable services	
		SQ52	Good information for any change	
		SQ53	Good service for customer	
		SQ54	Good relationship between officer and consumer	

Customer Satisfaction (CS)		(CS1)	Customer's Expectation	(Claes Fornell, 1996), (Claudia Miranda Veloso, 2017)
		(CS2)	Perceived Service Quality	
		(CS3)	Product Quality	
		(CS4)	Perceived Value	
		(CS5)	Price	

IV. Data Analysis and Interpretations

Table-3 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.623
Bartlett's Test of Sphericity	Approx. Chi-Square	1.886E3
	Df	231
	Sig.	.000

Table-3 shows two tests that indicate the suitability of the data for structure detection. The Kaiser-Meyer-Olkin Measure of Sampling Adequacy indicates the proportion of variance in the variables that might be caused by underlying factors. If the value is close to 1.0, itindicate that a factor analysis may be useful with the data, if the value is less than 0.50, the results of the factor analysis will not be possible.

Bartlett's test of sphericity tests the hypothesis that your correlation matrix is an identity matrix, which would indicate that your variables are unrelated and therefore unsuitable for structure detection. If the value is less than 0.05 of the significance level indicate that a factor analysis may be useful with your data.(Center)

Table - 4 Regression Statistics

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.421[a]	.177	.161	.41669	1.952

a. Predictors: (Constant), SQ5, SQ1, SQ2, SQ3, SQ4

b. Dependent Variable: CS

Table -4 depicts the value of R and adjusted R value. Regression statistics in table 4 shows that correlation value R is 0.421, which depicts that there is weak relationship between Service Quality and Customer Satisfaction. The value of R Square is 0.177 i.e. the model explains only 17% of variables and there may be many other parameters of Customer Satisfaction. The value of Durbin Watson test (1.952) depicts that the model is good as the value is near to 2.

Table -5 ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	9.140	5	1.828	10.528	.000[a]
	Residual	42.367	244	.174		
	Total	51.506	249			

a. Predictors: (Constant), SQ5, SQ1, SQ2, SQ3, SQ4

b. Dependent Variable: CS

Table -5 reveals that Service Quality has a significant impact on Customer Satisfaction as F (calculated value) (10.528) which are greater than F (table value) (2.184), moreover, the p value (significant value) is 0.000 which is less than 0.05 significance level. Therefore, research hypothesis H1 is accepted

Table-6 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.502	.361		9.689	.000
	SQ1	-.213	.075	-.173	-2.834	.005
	SQ2	-.070	.057	-.079	-1.239	.217
	SQ3	.052	.055	.062	.951	.342

SQ4	.033	.064	.036	.515	.607
SQ5	.315	.060	.379	5.281	.000

a. Dependent Variable: CS

Table -6 depicts that the beta coefficients for significant antecedent of Service Quality i.e. Tangibility (SQ1) and Empathy (SQ5) are 0.213 and 0.315 respectively. It depicts that if Tangibility of brand is increased by 0.213 units, the customer satisfaction will be increased by 1 unit and if Empathy increased by 0.315 units, the customer satisfaction will be increased by 1 unit.

V. Results And Discussion
The study was conducted to examine the impact of service quality on customer satisfaction in Big Bazaar in Raipur City. The study examined the impact of each antecedent of service quality on customer satisfaction through SERVQUAL model of Persuramanet. al, (1988). The result showed a positive impact of service quality on Customer Satisfaction. This study shows a significant impact of tangibility (p= 0.005) and empathy (p=0.005) on customer satisfaction.

VI. Conclusion
Customer satisfaction plays an important role in the success of any organization. Customer satisfaction is based on various factors like customer's expectation, perceived service quality, product quality, perceived value, and price. This paper deals with the impact of service quality of Big Bazaar on customer satisfaction. It was found from the study that two variables of service quality viz; tangible and empathy has major impact on customer satisfaction in Big Bazaar. Big Bazaar has to focus on variety of goods and work on to improve the quality of the goods available in the stores. They have to give utmost importance to what customer needs and wants. They have to empathize towards the customer's demand, their expectation towards quality, price of the product, responsiveness of supporting staff or salesmen.

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Author's Profile
Dr. Dipti Baghel

Assistant Professor, Management department Raipur Institute of Technology

Dr. Archi Dubey

Assistant Professor, Management MATS University, Raipur