

The Effect of Perceived Service Quality on Customer Satisfaction and Customer Loyalty in Organised Retail Chains

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Abstract

Purpose – The main aim of this study is to find out the relationship between the five dimensions of service quality, customer satisfaction and customer loyalty and to identify which dimension of service quality has the strongest relationship with customer satisfaction.

Design/methodology/approach – The paper is based on a sample of 180 customers of electronics durables retail chains viz. Croma, Reliance digital, Next and E-zone in Delhi-NCR who have responded to a self administered questionnaire. Descriptive statistics and regression analysis have been used to analyse the data and propose the conceptual model.

Findings – The paper concludes that personal interaction, reliability and policy are the three dimensions which are positively related to customer satisfaction which in turn is positively related to customer loyalty.

Originality/value – The paper provides certain suggestions to managers of retail chains regarding the relationship between service quality dimensions, satisfaction, and loyalty.

Keywords: Service quality dimensions, Customer satisfaction, Customer loyalty, Electronics Durables, Retail Chains

Introduction

The Indian consumer electronics and appliances market is around \$9.7 billion at present and is expected to reach \$ 20.6 billion by 2020.(Economic Times, 2015).Although Indian markets have grown at a CAGR of 9.7 per cent over the 2010-2014 period (Economic Times, 2015), still its share in organised retail market is at a nascent stage. The consumer durables retail market constitutes only 12% of the total organised retail market of India. (TechSci, 2016). Organised retailing can be defined as sale and purchase related activities undertaken by licensed retailers who are registered for sales tax, income tax, etc. Examples of such retailers are corporate-backed hypermarkets and retail chains, and also the privately owned large retail businesses. Unorganised retailing can be defined as traditional retailing consisting of low cost formats such as kirana shops, hand carts, roadside vendors, and small shops owned and managed by private vendors etc. Organised retailing formats such as, shopping malls are gaining importance in Indian market which has streamlined the supply chain and has also led to increased demand especially for branded products. But due to high degree of homogeneity in case of consumer durables, consumers can choose from a wide range of brands thus leading to intense competition. As a result , retailers can dominantly

influence the customer's buying decision.(Sharman, 1984).Researchers have demonstrated that as a result of increasing products homogeneity, brands have almost lost their image which has led to decreasing brand loyalty.(Thomason et al 2006).However, consumers tend to become loyal to a particular store rather than a particular brand.(Lincoln, 2006).Consumer electronics such as television, refrigerator, DVD players, computer related devices etc are sold by retail stores of different formats. Thus, retail chains which generally sell homogenous products need to differentiate themselves by improving their service quality attributes such as environment, accessibility, employees attitude and behaviour , appearance of tangibles etc. which will directly affect the perceptions of customers further affecting their satisfaction and loyalty intentions.(Jamal and Anastasiadou, 2007).In order to achieve competitive advantage, retailer must focus on three important factors viz service quality, customer satisfaction and customer loyalty(Rust et al 1994, Zeithaml, 1996). The studies related to finding out the relationship between service quality and satisfaction have always attracted the interest of a large number of researchers (Tan,2004).Most researchers have found that service quality positively influences customer satisfaction (PZB, 1985, 1988), which in turn has a positive influence on customer loyalty. Therefore, as service quality is the primary factor influencing both customer satisfaction and customer loyalty, retailers must understand the customer's perceptions of service quality to further understand the consequential influences. (Olorunniwo et al 2006).Despite a large number of researches on service quality, there are only a limited number of studies finding out the relationship between service quality, customer satisfaction and customer loyalty. (Jamal and Anastasiadoou, 2007). Also, no consensus has been achieved on their relationship as to whether consumers' service quality evaluations impact customer loyalty or whether satisfaction is an antecedent to service quality. (Brady and Robertson, 2001)Therefore, the main purpose of this study is to find out the relationship between service quality, customer satisfaction and customer loyalty in case of organised electronics consumer durables retailers as we have not come across any such study in Indian context. Also, we aim to find the most important factors of service quality affecting the consumer's choice of retail store.

Literature Review and hypotheses development

Firstly, we have tried to explain the meaning of perceived quality and have then explained the relationship between perceived service quality and customer satisfaction and then between customer satisfaction and customer loyalty.

Perceived service quality

Kotler (2000) has defined service quality as the summation of all the attributes of a product or service that have an ability to satisfy both the explicit and implicit needs. Quality can be of two types: objective and subjective. Objective quality refers to the actual quality while subjective quality refers to the perceived quality(Kotler, 2000).Parasuraman et al(1988) define service quality as "an anticipated judgement as a result of appraisal but refer to quality as an ambiguous and indefinite construct."

Lewis and Booms (1983) stated that service quality is a measure of how well the service level delivered matches the customers' expectations. Gronroos (1984) contended that it is very important for the service firms to define perceived service quality and determine its influence in order to attain competitive advantage. Thus, according to Gronroos(1984), perceived service quality is the outcome of an appraisal wherein customer compares expectations and perceptions resulting in perceived service quality. This was further supported by Parasuraman, Zeithaml and Berry (1985) who defined service quality as the difference between customer's expectations and perceptions. Within the frame of reference of

European thought process also known as Scandinavian school, Gronroos (2001) stated that service quality can be defined in terms of technical quality, functional quality and the image. Technical quality refers to the traits related to the interactions between the customer and the service provider and functional quality refers to the characteristics of the outcome whereas image which is a dynamic factor is actually the combination of both functional quality and technical quality.

The thought process of North American school has focussed upon intangible factors assuming the scarcity of tangible factors in case of service encounter process.(Perez et al, 2007)).Parasuraman et al have made a great contribution in the field of service quality by developing a widely accepted measurement tool called as SERVQUAL by extending the thought proposed by Gronroos of Scandinavian school(Chowdhary and Prakash, 2007). The Gap model which was pioneered by Parasuraman et al puts light on the differences between service providers and customers perceptions (Svenson, 2006). Parasuraman et al advocated five gaps viz. Consumer expectations Vs Service quality specifications, Management perceptions Vs Service quality specifications, Service Quality specifications, Service encounter process Vs outsider communication and Expected service Vs perceived service such that they have a negative relationship with service quality. The wider the gap, the more is the need to improve service quality by the service providers. After many revisions and modifications, PZB (1988) laid the foundation of a 22 item scale called SERVQUAL which consists of five dimensions: Reliability, assurance, tangibles, empathy and responsiveness. Babakus and Boller(1992), Babakus and Mangold(1992) have pointed out the ambiguity in the five factor structure of SERVQUAL(Carman, 1990).PZB's view to measure service quality as the difference between perceptions and expectations of consumers has also not been supported because researchers (Buttle 1995, Cronin and Taylor 1992) argue that customers do not use expectations to measure service quality as there is no defined tool to measure expectations(Buttle, 1995).Babakus and Boller, 1992 argue that SERVQUAL model focuses only on the process of service and ignores the outcome. The concept of service quality mainly emphasises on how the service provider fulfils the demands of customers (Lewis et al 1994). With the growing importance of service quality, a large number of researchers have exhibited their interests in the topic by developing numerous multi dimensional models.(Haywood-farmer 1988, Brogowicz et al 1990, Babakus and Mangold 1992, Mattsson(1998), Teas(1993), Cronin and Taylor(1992), Philip and Hazlett(1997), Mei at (1999), Bahia and Nantel(2000), Brady and Cronin(2001), Long and Mc Mellon(2004), Shahin and Samea(2010).One of the measurement models which has been widely recognised and admired has been given by Dabholkar et al (1996) called as RSQS model. This model is more comprehensive and specific to retail services (Das et al 2010). This model consists of a total of 28 items out of which 17 items came from the existing SERVQUAL scale and remaining 11 have been developed from literature review and qualitative research. The items are attributed to five dimensions namely: physical aspects, reliability, personal interaction, problem solving and policy and six sub dimensions namely appearance, convenience, promises, doing it right, inspiring confidence and courteous/helpfulness

Service quality and Customer Satisfaction

Researchers have suggested that it is necessary to monitor customer satisfaction on a continuous basis (Fornell, 1994) as it influences attitude and word of mouth communication (Sivadas and Baker prewitt, 2000), future purchase intentions (Garbarino and Johnson, 1999, Kasper, 1988) which in turn influences profit (Anderson et al 19994. Kotler and Keller, 2011), firm's success (Fonseca, 2009) and store loyalty (Oliver, 2010). Many firms relate the quality of service to customer satisfaction (Anderson and Sullivan, 1993) and therefore it is crucial for the retailers to recognise the importance of customer satisfaction and identify the

drivers of customer satisfaction. Churchill and Suprenant (1982) suggested that consumer satisfaction is the result of the difference between the expected reward and the actual cost borne by the consumer. According to Homburg and Giering (2001), 'satisfaction is a post choice evaluative judgement with regard to a specific purchase decision.' Lee et al (2011) defined consumer satisfaction as 'the summation of cognitive and affective reaction to a service situation.'

Some researchers are of the view that service quality is an antecedent to customer satisfaction (Parasuraman et al, 1985, 1988) while others suggest that good service quality leads to customer satisfaction which in turn influences the perceived service quality.(Bitner 1990).However, Cronin and Taylor(1994) opined that neither of the two constructs are antecedent of one another. Dabholkar (1996) suggested that the relationship between service quality and customer satisfaction is specific to a particular situation and thus depends on the process of service encounter. His notion is that if customer has cognitive orientation, then he/she will be of the view that service quality is an antecedent of customer satisfaction; however, if the customer has an affective orientation, then he will perceive that satisfaction leads to positive service quality perceptions. The relationship between service quality and customer satisfaction vary across national borders.(Murti, Deshpande and Srivastava,2013).However, not all dimensions of service quality may have an impact on customer satisfaction, hence it is imperative to identify such crucial factors which lead to satisfaction so as to deploy the limited resources efficiently. Even though, there are other factors also affecting customer satisfaction namely: price, situation and personality of the buyer (Natalisa and Subroto, 1998), but service quality is of prime importance as it within the service provider's control and by improving the level of service quality, its consequences on customer satisfaction and ultimately on customer loyalty can be improved.

Hence, our prior hypotheses are:

H1. Tangibles have a significantly positive influence on customer satisfaction.

H2. Reliability has a significantly positive influence on customer satisfaction.

H3. Responsiveness has a significantly positive influence on customer satisfaction.

H4. Assurance has a significantly positive influence on customer satisfaction.

H5. Empathy has a significantly positive influence on customer satisfaction.

Customer satisfaction and customer loyalty

Customer satisfaction can have a positive influence on profitability because satisfied customers are more more likely to become loyal to a particular service provider leading to repurchase, however, dissatisfied customers are prone to complain and switch to the competitors.(Lee et al , 2011).Researchers (Ueltschy et al., 2007) have argued that satisfied customers are even willing to pay a higher price for the service. Customer loyalty may be defined as the behaviour exhibiting repeated purchases from a service provider such that there is a positive attitude of the customer towards the service provider and only this provider is considered as and when the need for such service arises. (Gremler and Brown, 1996, p. 173).It can be concluded from the literature that customer loyalty can be attitudinal as well as behavioural (Kyner, 1973).Loyalty is exhibited in behaviour such as repeated purchases from the same supplier, increase in the amount of purchases and the act of recommending (Yi, 1990).Loyal customers indulge into positive word of mouth communication thus resulting into increased customer base for the company over a period of time. (Reichheld and Sasser,

1990 and also provokes others to become loyal customers. (Heskett et al.,1997).Although it is very important for all types of firms to attract and maintain loyal customers, however it is primarily more important for service firms because of three reasons: loyalty is more prevalent in consumers of services rather than goods(Zeithaml, 1981);service firms involve more face to face communication between the service provider and the customer thus increasing the probability for the evolution of loyalty(Parasuraman et al.,1985);and risk is perceived more by the customers in case of services rather than goods(Murray, 1991).Research on customer loyalty has focussed mainly upon products rather than services and thus research related to loyalty with respect to service organisation has remained under researched.

Thus, the related hypotheses are:

H6. Customer satisfaction has a significantly positive influence on customer loyalty

Methodology

In our research, we have followed descriptive research design as the objective of our study is to test the relationship between service quality, customer satisfaction and customer loyalty in case of organised electronic retail chains in Delhi –NCR. While undertaking a descriptive study, we have followed cross sectional design which involves collection of data from only one sample of population at a single point of time. (Malhotra, 2010).Primary source of data has been used in order to achieve our objective to collect information about customer's current perceptions regarding service quality and their loyalty intentions with respect to four organised electronics retail chains viz. Croma, Next, Reliance digital and E-Zone. In order to collect data, we found survey approach as more suitable and carried out the survey by requesting the customers to give their responses in the store itself so that he/she is able to analyse the actual environment and give correct response. (Dabholkar, 1996)

Questionnaire development

The survey instrument consisted of items to measure service quality, customer satisfaction and customer loyalty. As researchers have argued that RSQS model is not a valid and reliable tool in all sectors of retail, we conducted confirmatory factor analysis to check its validity and reliability in context of organised electronics retail stores.The findings obtained by applying confirmatory factor analysis and reliability tests indicated that all the five dimensions i.e. physical aspects, reliability, personal interaction, problem solving and policy can significantly measure service quality particularly in electronics store. The findings of our study, thus, clearly support Dabholkar et al's (1996) claim that their instrument is appropriate to measure service quality of retailers that offer a mix of goods and services such as hypermarkets, supermarkets, discount stores, speciality stores etc.

In order to measure service quality, 27 out of 28 items of RSQS instrument developed by Dabholkar et al (1996) have been used. One item which stated 'The store has its own credit card' has not been considered because of its inapplicability in Indian markets. Only 1 statement is used to measure overall customer satisfaction as suggested by .In order to measure customer loyalty, a total of 13 items with dimensions such as word of mouth communication, purchase intentions, price sensitivity and complaining behaviour as given by Zeithaml et al(1996) has been used. A five point likert scale was used for data collection with '1' indicating completely disagree and '5' indicating completely agree (Likert, 1934).The data was collected from customers of electronic durables retail chains i.e. Croma, E-zone, Reliance Digital, Next etc.

Findings

The final sample of respondents comprises more number of males than females such that there are 102 males and 78 females. This may be because researchers have suggested that although females initiate the family purchase process but generally male member of the family is the decider and ultimate purchaser. (Burns, Alvin C. and Granbois, Donald H, 1980, Davis, Harry L, 1976, Jenkins, Roger L., 1985). Since the store was offering a wide range of products including the ones used for individual consumption also, it was interesting to note that nearly 85% of the total sample comprises of consumers in the age group of 19-30 years thus, supporting the view that brand awareness is being penetrated in the younger generation at an early age thus leading to an increase in the number of young consumers. (Sinha, 2012)

Results of descriptive statistics and cronbach alpha are indicated in table 1(Refer to Appendices). The cronbach alpha value for 13 items of customer loyalty is 0.875; for six items of physical aspects dimension of service quality, cronbach alpha is 0.862; for five items of reliability dimension, cronbach alpha is 0.822; for nine items of personal interaction, cronbach alpha is 0.929; for three items of problem solving, cronbach alpha is 0.860 and for four items of policy dimension, cronbach alpha value is 0.731. Thus, there is a high degree of reliability among all the variables. Table 1(Refer to Appendices) indicates that customers have given highest marks for the statements: This store accepts most major credit cards (3.83), The store layout at this store makes it easy for customers to find what they need (3.60) and Customers feel safe in their transactions with this store (3.60). Generally, arithmetic means of various variables are in the range of 2.67 to 3.83 and the standard deviation of individual items are in the range of 0.857 to 1.14.

Multiple regression analysis has been done in order to find out the relationship between various variables i.e. service quality, customer satisfaction and customer loyalty. According to Nakip, 2003, multiple regression is generally used to test the relationship between dependent variable and several independent variables.

The various assumptions of regression analysis have been verified. In order to check if there are any outliers present, cook's distance test was done. As the max. Value =0.371 which is less than 1, we can conclude that no outliers are present in the data. The co linearity statistics (Physical aspects, Tolerance=0.382, VIF=2.907, Reliability, Tolerance=0.283, VIF=3.245, Personal interaction, Tolerance=0.249, VIF=2.456, Problem Solving, Tolerance=0.461, VIF=2.190 and Policy, Tolerance=0.345, VIF=1.567) indicated that multicollinearity is also not a concern. The data also met the assumption of independent errors(Durbin-Watson value=1.916). The histogram of residuals indicated that the errors are normally distributed and the same is also supported by the P-P plot of standardised residuals which showed the most of the points were on the line. As all the assumptions of regression analysis are met, there is no need of any further transformations in independent variables.

The results in Table 2(Refer to Appendices) show that independent variables together account for 69% variability of customer satisfaction .The value of R^2 coefficient is significant ($F = 77.394, p = 0.01$). There is a significant impact of three out of five service quality variables on customer satisfaction. The Beta coefficients of reliability, personal interaction and policy are 0.220, 0.192 and 0.562 respectively. Reliability dimension ($t = 2.327, p = 0.021$), personal interaction ($t = 2.021, p = 0.045$) dimension and policy dimensions ($t = 7.1098, p = 0.000$) are significantly related to customer satisfaction. It can be clearly concluded from the Beta estimates that policy dimension has the greatest influence on customer satisfaction. However, two dimensions namely physical aspects and problem solving were found to have no significant impact on customer satisfaction.

The results in table 3(Refer to Appendices) shows that there is a significant relationship between customer satisfaction and behavioural intention ($t=10.263$, $p=0.000$) at 1% significance level. The results also suggest that customer satisfaction account for 37.2% variance of customer loyalty. Beta value of 0.447 indicates that 1 standard deviation increase in customer satisfaction (independent variable) will lead to 0.447 standard deviation increase in customer loyalty (dependent variable).

In fig1(Refer to Appendices), all significant paths along with their coefficients are illustrated such that reliability and personal interaction are significant at $p<0.05$ whereas policy is significant at $p<0.01$

Conclusion and Discussion

This paper has focused on finding out the relationship between three important constructs of service marketing i.e. service quality, customer satisfaction and customer loyalty. The results of our study suggest that only three out of five dimensions of service quality as measured using Retail Service Quality Instrument(RSQS) developed by Dabholkar have a significant relationship with customer satisfaction. Dimensions namely reliability, personal interaction and policy were found to have a significant positive relationship with customer satisfaction. In order to find out the probable reasons for the same, we conducted in depth interviews of 10 customers who recently visited organised electronics durable stores. The results were found to be true in context of organised electronics retail stores .Reliability refers to the ability of the retailers to keep their promises. Consumers stated that they most of the stores under study sell genuine products and ensure accuracy in billing. These retail chains deliver the products timely and always keep their promises thus making their customers satisfied. It has also been contended in the literature that when consumers are presented with plenty of choices with regard to products and the products offer value for money along with quality, positive emotions like pleasure, excitement and satisfaction will be aroused among the shoppers(Yoo, 1998).Not only this, customers also mentioned that that the employees are very generous and have knowledge which helps them make the right choice while making a purchase related decision. Customers also revealed their positive perceptions regarding the policy dimensions such as convenient operating hours, high quality merchandise; easy payment facilities etc. which has led to customer satisfaction. However, customers stated that theses stores need to improve their parking facilities.

Two of the dimensions namely physical aspects and problem solving exhibited no significant relation with customer satisfaction because of p values greater than the significance level. The dimension of physical aspects is related to the store appearance and layout (Huang, 2009 and Vazquez et al, 2001) .The results which indicated no relationship between physical aspects and customer satisfaction may be because of negligible impact of physical appearance and layout of stores in case of purchase decisions of high ticket items. Besides, customers also suggested that the service providers have failed to provide them a unique touch experience before purchasing the product which leads to no impact of physical aspects on customer satisfaction. The problem solving dimension of service quality relates to the proficiency with which the service provider handles situations such as returns and exchanges as well as complaints and problem of customers. No significant relationship of problem solving dimension with customer satisfaction is because situations related to returns, exchanges, complaints or any other after sales service is generally handled by the manufacturer rather than the seller who is the service provider in case electronics durable as concluded from the in depth interviews of select customers. Other probable reason could be the exclusion of variables such as installation, delivery and after sales service as a part of problem solving dimension. Even though some of the retail service quality dimensions were

found to be positively related to customer satisfaction but the degree of association is not very high. This is because of ignorance of some important variables of service quality such as store location, price, warranty, installation, after sales services etc which have a considerable impact on customer satisfaction. (Yuen and Chan, 2010).

The results of the study also indicate a strong positive relationship between customer satisfaction and customer loyalty with a beta value of 0.447. Thus, in case of electronics retail, it is very important for the service provider to formulate customer oriented policies so as to improve the level of satisfaction among the customers and achieve competitive advantage by maintaining loyalty among the existing customers and attracting new customers.

Suggestions

In the light of the findings of the study, we can conclude that organised electronic retail chains are not very successful in establishing customer satisfaction. Thus, it is imperative for the management to improve the various service quality dimensions so as to create long term relationship with customers. Walton stated that 'store's physical environment affects the ways in which shoppers interact with your merchandise, and it ultimately affects how much money customers spend.' Thus, in order to improve the physical appearance of the stores, the retailers must improve the various aspects of the store such as shelf placement, lighting, layout etc so as to encourage the customers to buy from the store. To improve the reliability dimension, the management of the stores must develop a comprehensive policy regarding each and every aspect of the service delivery process which must be completely followed by the staff. In order to bring about a positive change in personal interaction dimension, staff members must be trained more comprehensively and must be given continuous knowledge regarding new products and innovations. They must also be given special training to improve their sales skills. In order to improve the problem solving dimension and establish its relationship with customer satisfaction, store must keep a check on important factors such as on time delivery and installation and after sales service which is very important with regard to sector under study. Results show that policy dimension is the strongest predictor of customer satisfaction and thus service providers must continually improve their policies regarding parking, payment options, hours of operation, quality of products etc. by constantly tracking the current perceptions of customers on this dimension. Thang and Tan, 2003 have suggested that stores characterised with facilities such as parking lots, convenient operating hours, easy payment system etc. have a greater probability of achieving favourable consumer perception. Retail stores offering good quality merchandise will be preferred by the consumers. (Thang and Tan, 2003).

Limitations and future research

This study has some limitations. As the study is based only on organised electronics durables retail chains, the results cannot be generalised onto other sectors. Future research should focus on other areas also which have remained unexplored. As a result of resource and time constraint, the sample size was relatively small (n=180), as a result, findings cannot be generalised to the whole sector. Besides, the area of study is also very limited. Thus, in future, researchers must undertake a study with an adequate sample.

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Appendices

	Cronbach Alpha	Mean	Std. Deviati on
<u>Physical Aspects</u>	0.862	3.415	0.896
1. This store has modern-looking equipment and fixtures.		3.54	1.067
2. The physical facilities(washrooms) at this store are visually appealing.		3.08	1.129
3. Materials associated with this store's service (such as shopping bags, catalogs or statements) are visually appealing		3.31	.950
4. This store has clean, attractive and convenient public areas (restrooms, fitting rooms).		3.32	1.104
5. The store layout at this store makes it easy for customers to find what they need.		3.60	.997
6. The store layout at this store makes it easy for customers to move around in the store.		3.64	1.130
7. Reliability			
8. When this store promises to do something by a certain time (such as repairs, exchange etc), it will do so.	0.822	3.27	.940
9. This store provides its services at the time it promises to do so		3.29	.871
10. This store performs the service right the first time.		3.38	.925
11. This store has merchandise available when the customers want it.		3.42	.892
12. This store insists on error-free sales transactions and records.		3.38	1.017
13. Personal Interaction			
14. Employees in this store have the knowledge to answer customers' questions	0.929	3.53	1.035
15. The behaviour of employees in this store instils confidence in customers.		3.47	.990
16. Customers feel safe in their transactions with this store.		3.60	.939
17. Employees in this store give prompt service to customers.		3.50	.932
18. Employees in this store tell the customers exactly when services will be performed.		3.42	.917
19. Employees in this store are never too busy to respond to customers' request		3.29	.968

20. This store gives customers individual attention		3.38	1.081
21. Employees in this store are consistently courteous with customers.		3.50	.920
22. Employees in this store treat customers courteously on the telephone		3.31	1.007
23. Problem Solving			
24. This store willingly handles returns and exchanges.	0.860	3.00	1.033
25. When a customer has a problem, this store shows a sincere interest in solving it		3.15	.972
26. Employees of this store are able to handle customer complaints directly and immediately.		3.12	.916
27. Policy			
28. This store offers high quality merchandise.	0.731	3.48	.857
29. This store provides plenty of convenient parking for customers.		3.09	1.103
30. This store has operating hours convenient to all their customers.		3.46	1.001
31. This store accepts most major credit cards.		3.83	1.141
32. Customer loyalty			
33. This retailer will be my first choice to buy services?	0.875	3.44	1.076
34. I intend to do more business with this retailer in the next few years		3.28	.989
35. I intend to do less business with this retailer in the next few years		2.73	1.125
36. I will say positive things about this retailer to other people.		3.32	.940
37. I will recommend this store to someone who seeks my advice		3.44	.887
38. I will encourage friends and relatives to do business with this retailer.		3.37	.880
39. I will take some of your business to a competitor that offers more attractive prices.		3.14	1.064
40. I will continue to do business to a competitor that offers more attractive prices.		3.24	1.040
41. I will pay a higher price than competitors charge for the benefits I currently receive from this particular store/retailer.		2.67	.976
42. I will switch to a competitor if I will experience a problem with this store.		3.53	1.083
43. I will complain to other consumers if I will experience a problem with this retailer		3.31	1.044
44. I will complain to external agencies if I will experience a problem with this retailer.		3.19	.947

45. I will complain to employees if I experience a problem with this store's service. <u>Customer Satisfaction</u>	3.53	1.062
46. How satisfied are you overall with this store?	3.51	.878
Valid N (listwise)		

(Table1: Descriptive statistics)

Independent Variable	Beta coefficients	t-value	p-value
Constant	-.105	-.549	.584
Physical aspects	.087	1.191	.235
Reliability	.220	2.327	.021*
Personal Interaction	.192	2.021	.045*
Problem Solving	-.009	-.146	.884
Policy	.562	7.108	.000*

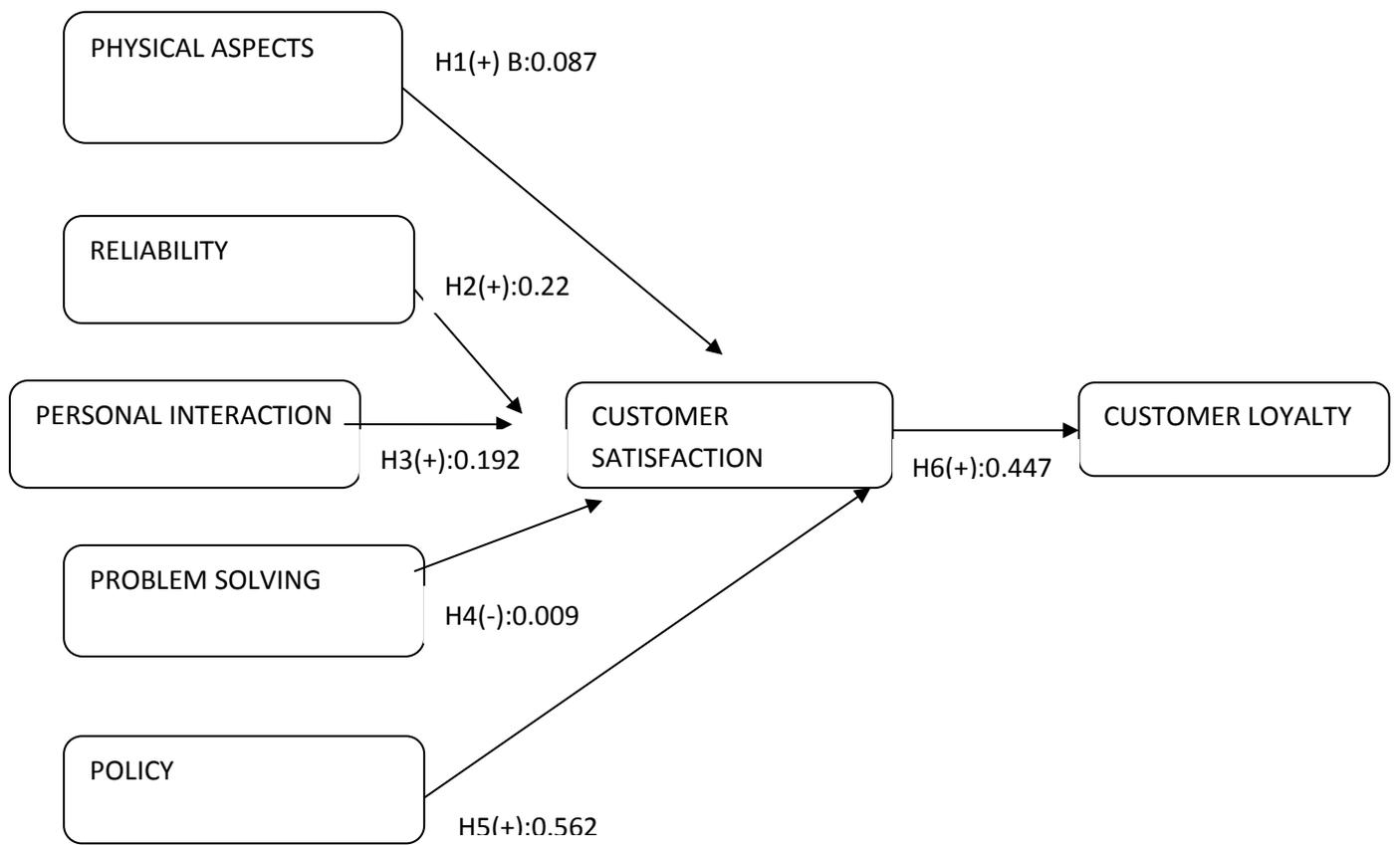
(Table 2: Multiple regression analysis of various dimensions of RSQS towards customer satisfaction)

Notes: Significant at $p < 0.05$ level; $R = 0.831$, $R^2 = 0.691$, $F \text{ value} = 77.394$, $\text{Sig } F = 0.000$

Independent Variable	Beta coefficients	t-value	p-value
Constant	1.680	10.654	.000
Customer Satisfaction	.447	10.263	.000

(Table 3: Regression analysis of customer satisfaction towards customer loyalty)

Notes: Significant at: * $p < 0.01$ level; $R = 0.610$; $R^2 = 0.372$; $F = 105.327$; $\text{Sig. } F = 0.000$



(Fig 1)