

Measuring Service Quality Effect on Consumer Purchase Intention in Retailing

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Abstract

The objective of this research is to measure the impact of service quality on consumer purchase intention in the retail environment. Implicitly, natural and informative focus has an effect on the customer's buying intentions. For qualitative analysis, data were collected from 477 customer surveys in large retail stores. The findings of the study indicate that quality of service have a positive effect on the purchase intention of the consumer. The results also showed that consumers do not intervene with pricing in large retail stores, as consumers feel that fair pricing are charged by retailers. Most consumers depend on the reputation and efficiency of the service quality.

Keywords: *Service quality; Purchase intention; Retail environment; Targeting; Segmentation; Consistency.*

Introduction

Service quality has become a significant research subject in the last decade. The competitive retail landscape now recognizes the high quality of service delivery as a critical retail strategy. Retailers should use the warehouse to enhance their retail strategy. The retail sector, therefore, needs inspection and evaluation. High-quality service delivery has been seen as a critical retail strategy in today's dynamic retail climate. In this case, companies rely more on consumer loyalty and customer retention for the new marketing model. Value is an ambiguous term to define as an observable, intangible, and even subjective time that people can perceive differently. Consumers can focus on the quality of a service or on the competition with market rivals. Producers may calculate the level of conformity or the degree to which the service was correctly established

(Dedeke, 2016). Quality practitioners define quality in many ways, but in the most common interpretation, describing the condition as: 'meeting the needs of the client or the consumer.' After manufacturing the product and before delivering the services companies check the product and services to the required standard and then delivered to the market and that rules should be established according to the customer expectations because customer gives the tag of the quality product only when that product or services satisfies the level of expectation (Haaker *et al.*, 2006). Quality can also be characterized as monitoring of product and service output to the expected level. (Meesala and Paul, 2018) points out that performance monitoring of design, development, or engineering processes can be carried out in the same way as time and cost management.

Success can be seen from a variety of perspectives. Let's take a different perspective. Innate quality is a motivating concept of integrity. All of them believe that the price is absolute and recognizable (Fileri *et al.*, 2018). According to (Dai and Lee, 2018), the definition of consistency as quality means that it is "before definition ... as a concrete fact independent of and before theoretical abstraction." The degree of product-based insight is derived from the appropriate content. The differences in material quantity or attribute are qualitative (Garvin, 1984). This methodology is more formal than the physical features of the product. Performance is the degree to which the product/service meets or exceeds the expectations of the consumer (Panigrahi *et al.*, 2018). Performance is at the heart of production and service. Consistency is defined as the key (Crosby, 1979). The efficiency of compliance ensures that the product meets the design requirements. This shows that precision is an integral part of engineering and technology. The prices are given at a fair price. This statement supports the claim that the cost-effectiveness of purchasers must be weighed down.

Literature Review

Value is the basic subjective concept of each person. Quality may have two technical meanings: first, the quality of the product or service, which depends on the ability of the product or service to meet actual or implicit requirements, and second, the poor quality of the product or service (Brady *et al.*, 2001). Price may have two technological implications. Quality may be term as "The totality of features and characteristics of a product or service that bear upon its ability to satisfy or implied needs." Quality is the presence or absence of various characteristics. Quality is

not cheap, but it is less expensive than scrap. So the management must emphasize quality and consider it as a cultural requirement in any enterprise. (Hamari *et al.*, 2017).

Performance is one of the strategic objectives of shifting from development literature to service. The costs, time, flexibility, and quality suggested by Hayes and Wheelwright (1984) are competing priorities for the US and foreign producers. The description includes the different metrics from which the quality tests are carried out. Various definitions have led to the creation of quality concepts, 'quality is desirable,' 'quality is of interest,' 'quality meets and exceeds consumer standards' (Reeves and Bednar, 1994). The first two principles do not guide quality control, and the third one is used more extensively in quality management. The latter description was considered appropriate in the setting of the service (Kuo *et al.*, 2009).

Performance is descriptive, not only about the nature of the product, but also about the service environment, but both opinions differ. Manufacturing performance is an objective calculation and a subjective evaluation in the service sector. Heterogenic, personal output, and goods (services) are inseparable from development and operation (Soltani *et al.*, 2016).

The quality of care consists of three components: medical, technical goodness, determined by its efficacy, interpersonal virtue, assessed in part by its contribution to clinical treatment, and facility goodness (Avedis, 1989). This definition of quality gives the component of quality care. For enhancing quality care, marketers have to care about technical dimension measures by the effectiveness of the technical dimension added by the interpersonal relationship (Su *et al.*, 2016).

Service quality as an Antecedent of Consumer purchase intention

Frostig and Maslow (1970) put safety standards second only to psychological needs based on a 5-stage hierarchy of human needs via his theory of incentives Well-being is, as we know, one of the most critical factors in quality. Similarly, Vosen et al. (1992) found that bacteria and fat were among the most significant concerns among respondents in the consumer health purchase study. Garvin (1987) also offers a well-known product quality thinking model based on eight dimensions: efficiency, functionality, durability, compliance, longevity, serviceability, aesthetics,

and perceived quality. However, we need to consider service level determinants. Reliability, Tangibility, Efficiency, Empathy, and Sensitivity, Zeithaml et al. (1990) decide on the quality of service. Some of the prominent factors described as:

Quality: An Exploration through Literature

According to Businessdictionary.com, "Accomplishment of a given task measured against preset standards of accuracy, completeness, cost, and speed." This definition clearly mentioned performance is the value delivery with predetermined standards. There are so many variables to measure performance some of them are cost, speed, completeness especially in projects, accuracy etc. Some other researchers explain performance as a primary function of product and service (Dedeke, 2016). "Performance is the primary operating characteristics of a product" (Garvin, 1987). While several scholars have tried to establish a consistent meaning of success, the debate in academic literature continues today, particularly about certain aspects of language, the degree of understanding, and the conceptual basis for assessment (Ford and Schellenberg, 1982). There are three different degrees of success in Venkatraman and Ramanujan (1986). So we differentiate between financial performance, market success, and organizational efficiency, and later we were called organizational effectiveness. Manufacturing firms have identified "efficiency" as the main component of a competitive quality strategy. This aspect refers to the primary operating assets of a business, those that are important to the Customer's use of the product (Rose and Nabil, 2002).

Tangibility features are the secondary characteristics of a product that complement its core functionality. The Customer's criterion for measuring the quantity and quality of the products. If some product has relatively more features, then it may be a quality product. That is the only reason companies want to enhance the number of uses for a particular product to take competitive advantages (Huang *et al.*, 2014). To make a competitive advantage, companies either adopt cost leadership or product differentiation. In product differentiation companies promote their unique features which are not available in competitors' product. Features are those attributes of the product through which Customers understand precisely what the company offers. Marketers have to elaborate on every element of the product for enhancing the sale. Many firms give a detailed description of its product features since features project the benefits which

customers get at the time of using or consuming that product. Zhang and Dran (2000) aim to evaluate the efficiency of customer satisfaction on the website. Their work shows that hygiene and motivation factors contribute to website frustration and can be used as web design features. Based on this study, we can say that customer satisfaction, and dissatisfaction lead by consumer purchase intention has featured as a strong determinant.

The reliability of the probability of failure-free outcomes can be described in several ways over time. This shows a degree of trust in the efficiency of the client over time. Product reliability depends on how well it meets the design requirements. Garvin (1987) notes, however, that while enforcement includes "intended use" of drugs, reliability is related to "free use."

Reliability in the marketing of services is the ability to deliver a branded service consistently and precisely (Susan and McDaniel, 1995). This clearly shows in-service safety, dependability, and accurately is the two prominent attribute, reliability of the customers means providing service matched to the customers' expectations with a high level of accuracy.

Conformance in quality means at what degree the product and service matches to their prerequisites demand. The degree to which the physical characteristics and performance of the product meet the design requirements (Garvin, 1987). Producers and guardians aim to meet quality standards because they can generally be described and measured. Specifications are developed to ensure that goods and services do not have defects that may interfere with their function. The use of exercise can, therefore, be operated as a standard, since the rule is sufficiently defined. Service quality requires aspects relevant to the service delivery process and discusses intangible elements such as ease of operation, protection, and added value of customer information.

Instead of product features, image-based costs, brand names, or advertisements are subjectively assessed (Garvin, 1987). Also, customers viewed the price as true to their experience. Perception is the stage in which a person gathers, arranges, and interprets stimuli in a meaningful image. Some studies combine perceived performance and service quality. Parasuraman et al. (1985) describe service quality as "a global opinion or attitude about service superiority." They also

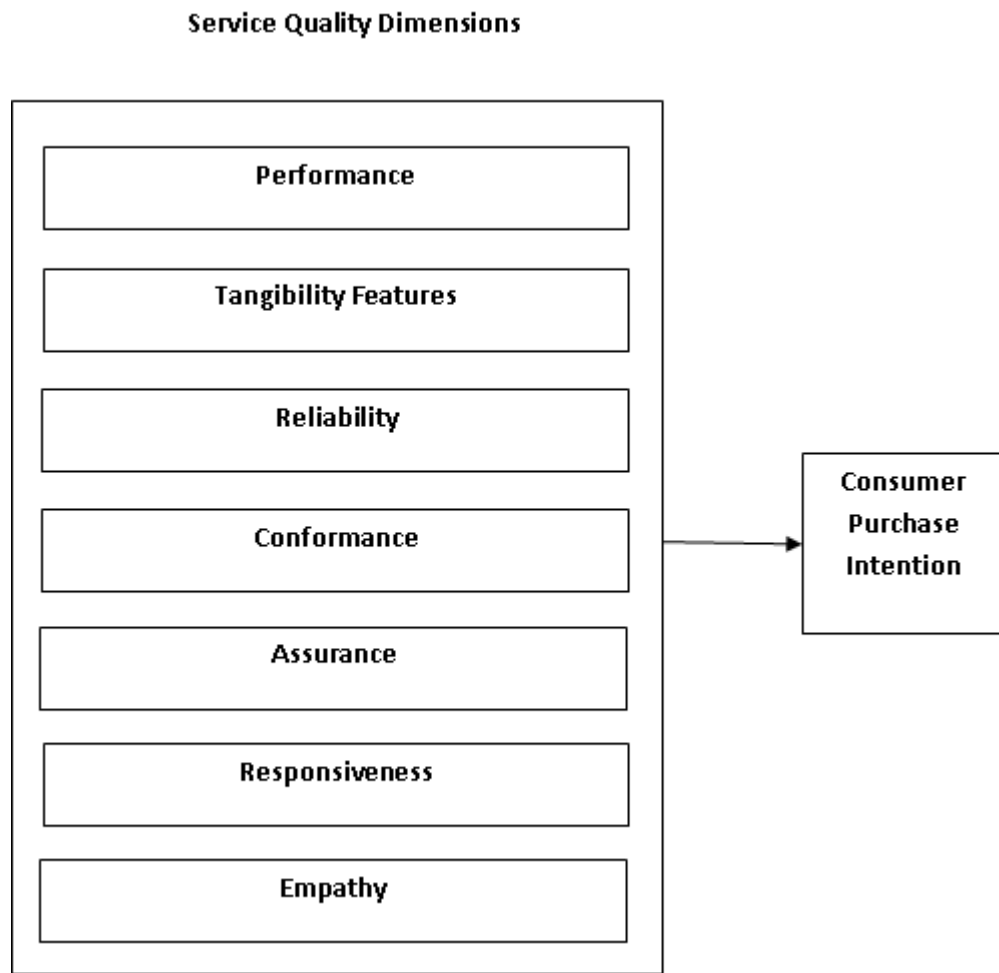
refer to the sense of service quality perceived as concepts and perceptions of perception: "perceived quality is seen as the degree and direction of the discrepancy between customer perception and perception."

From the various factors of service marketing assurance related to the employee's performance. In service marketing, employees are one of the most prominent dimensions that are the only reason people are one of the parts of the service marketing mix. Assurance is directly proportionate to the employees' competences through which an organization generates trust and confidence. Warranty (Susan and McDaniel, 1995) can be described as awareness and courtesy of employees and how to foster faith and trust in the performance of employees. Many of the researchers' emphasized on staff training to develop this type of competence. The greatest obstacle to training personnel is the level of subjectivity and, therefore, the predictability of the process. The objective, reliable service can be assumed to follow a well-defined route with excellent results. This type of service may be considered appropriate for script-based use, as both the Customer and the service staff would be aware of the purpose of the service and the intended route for the service (Galloway and Ho, 1996).

Responsiveness often relies on the efficiency of the service. The desire to serve customers and to provide timely service should be reflected. Customers do not want to wait in any kind of advertisement; they just choose the service providers that offer their services promptly. Heinonen and Strandvik (2007) are proposing a mobile response measurement system. Reaction refers to the ability of the consumer to respond. It is a crucial aspect of the marketing of services. Empathy ensures that the company gives personalized attention to its customers. Customers will welcome service providers tailored to their needs. When a service provider provides unique or individual customer service, it is a premium service.

Customer satisfaction is the most important way to measure the performance of the quality assurance system of a product. (Cothran and Kaeter, 1992) announced that Globe Machining had to follow the quality assurance criteria of the Customer's dissatisfaction. The success of his program was evident in the successful adaptation of these needs. Many companies encourage the desire to work and benefit from competitive advantages. Xerox (Caudron, 1991) officially

embarked on a quality improvement program as its market share declined sharply due to Japanese competition. Xerox realized that customer loyalty increased by 40% and that complaints increased by 60%. (Galagan, 1990) estimates that 20% of manufacturing revenues have been lost because the goods have been handled unsatisfactorily, or the wishes of the consumer have been violated. Customer satisfaction is the primary way in which companies can measure, but not the only way, the service process. All these variables are equally relevant to the implementation of the customer satisfaction model by using 'scale,' 'product features' and 'product reliability' for their accuracy.



Conceptual Framework of the Study

Research Methodology

As mentioned earlier that this study measured the impact of service quality on consumer purchase intention in the retail environment. For this, seven service quality dimensions have

been extracted from Lang and McMellon (2004). Items for these dimensions have also been removed from the same study. The consumer purchase intention scale has been obtained from Porral and Mangin (2017). This questionnaire comprised 48 questions, 4 demographics (gender, age, occupation, and qualification) and 44 opinion-based questions where respondents have to answers on 5 points Likert scale where one means strongly disagree, and five means strongly agree. Reliability and validity have been established shown in table 1. All the reliability measures are more significant than 0.7 creates the safety of the scale. Efficacy has been calculated through the average variance extracted (AVE). AVE values of all the variables are above the threshold value i.e., 0.5.

Table 1: Reliability and Validity Measures

Variable Number	Variables taken for the study	Cronbach alpha statistics	AVE	No. of Items
1	Performance	0.851	0.644	6
2	Tangibility Features	0.802	0.582	5
3	Reliability	0.858	0.613	5
4	Conformance	0.785	0.687	4
5	Assurance	0.881	0.711	7
6	Responsiveness	0.914	0.572	7
7	Empathy	0.732	0.543	6
8	Consumer Purchase Intention	0.877	0.661	4

Respondents of this survey are comprised of the consumers who visited various malls in Delhi, Gurgaon, Noida, Agra, and Bangalore. Convenience sampling method has been used for data collection, and individual respondent was the sampling element. 477 responses have been taken during the period of November-December 2019.

Multiple regression analysis was used to measure the consumer's desire to purchase quality service dimensions. Composite performance of all service quality structures, considered to be independent variables, intended for acquisition as dependents. Before the study, data normality was defined as a prerequisite for multiple regressions.

Data Analysis and Interpretation

Data analysis has been done in two steps in first demographic analysis has been done through MS Excel and then multiple regression has been applied on Performance, Tangibility Features,

Reliability, Conformance, Assurance, Responsiveness and Empathy as a independent variables and Consumer Purchase Intention as a dependent variable. Data have been taken as a composite score for all the eight variables and data analysis has been done on SPSS 24 software.

Table 2 represents demographic profile of the respondents. This table clarify that 74.21 % of the respondents were male, 38% of the sample were from age group of 25 to 40 years.

Table 2: Demographic Profile

Demographic	N	%	Cumulative %
Gender			
Male	354	74.21	74.21
Female	123	25.79	100.00
Age			
Less than 25	164	34.38	34.38
25-40	182	38.16	72.54
40-60	84	17.61	90.15
Greater than 60	47	9.85	100.00
Occupation			
Employed	237	49.69	49.69
Self-employed	139	29.14	78.83
Unemployed	101	21.17	100.00
Qualification			
Intermediate	44	9.22	9.22
UG	236	49.48	58.70
PG	197	41.30	100.00

Multiple regression results have been shown in table 3 to 5. Table 3 represents the regression statistics for Consumer purchase intention and Quality. R^2 value is 67.1 % which means that 67.1% variance have been explained by independent variables for dependent variable or in simple words that predictability power is 67% which is good in case of management research. Standard error is 0.271 reflects good regression model. It shows the small difference or dispersion along the regression line.

Table 3: Regression Statistics for Consumer purchase intention and Service Quality in Retailing

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.819 ^a	.671	.666	.271

a. Predictors: (Constant), Empathy, Assurance, Performance, Reliability, Responsiveness, Conformance, Tangibility Features

Table 4 is an all-important regression model. The p-value here is p-000, which shows the overall significance of the reduction between the dimensions of the quality of the service and the intention to purchase the product.

Table 4: ANOVA table for Consumer purchase intention and Service Quality in Retailing

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	69.998	7	10.000	136.496	.000 ^b
1 Residual	34.359	469	.073		
Total	104.356	476			

a. Dependent Variable: Consumer Purchase Intention

b. Predictors: (Constant), Empathy, Assurance, Performance, Reliability, Responsiveness, Conformance, Tangibility Features

Table 5 shows the t-value and p-value of all independent regression variables when examining service dimensional output and customer purchase intent. All p-values are calculated below.05 by the input and effect of each independent variable on the purchase of the consumer. Multicollinearity has also been examined. No case of multicollinearity for all VIF values below 5 has been developed.

Table 5: *t – value* and *p – value* for the regression result between Consumer purchase intention and Quality in Metro city

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	-.151	.126		-1.197	.232		

Performance	.157	.016	.269	10.028	.000	.978	1.023
Tangibility Features	.147	.015	.259	9.513	.000	.944	1.059
Reliability	.170	.015	.294	10.994	.000	.979	1.022
Conformance	.155	.015	.285	10.586	.000	.972	1.029
Assurance	.156	.016	.266	9.806	.000	.955	1.048
Responsiveness	.124	.014	.232	8.606	.000	.969	1.032
Empathy	.144	.015	.268	9.885	.000	.952	1.050

a. Dependent Variable: Consumer Purchase Intention

Discussion and Implications of the Study

This research discusses a new issue: the efficiency of facilities being continually analyzed by researchers, administrators, and media commentators. This research aims to quantify and demonstrate the impact of service quality on consumer purchases by providing predictive models between service quality variables and customers.

$$CPI = -0.151 + 0.157 \text{ Performance} + 0.147 \text{ Tangibility features} + 0.17 \text{ Reliability} + 0.155 \text{ Conformance} + 0.156 \text{ Assurance} + 0.124 \text{ Responsiveness} + 0.144 \text{ Empathy}$$

The conceptual price model is shown in Figure 1. This conceptual model defines the variables that inspire the purchase of customers. Peoples become more mature in terms of consumers when they are spending money now more concern towards quality to get value for money. Consumers are always a concern for quality. Hammer (2001), an integrated community of similar activities that together generate value for customers, also describes the quality of service. There are various variables of defining quality dimensions. For taking marketing competitive advantage in understanding consumer purchase intention concerning quality, marketers have to focus on the variables such as performance, tangibility features, reliability, conformance, assurance, responsiveness, and empathy. Regression tests showed a significant linear correlation between the purchase intention and the quality of the retail service. Better product quality would undoubtedly lead to a higher degree of positive customer purchase intention. Marketers need to set high-quality deals for ambitious customer purchase intentions.

Limitation of the study

Reference

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