
A STUDY ON THE IMPACT OF SERVICE QUALITY TOWARDS CUSTOMER LOYALTY

Dr.A.Kumudha, Ms.Barkath unissa.A**Associate professor, PSGR Krishnammal College for women, Coimbatore
Research scholar, Bharathiar University, Coimbatore****ABSTRACT**

Service quality is a very important dimension for a marketer. The success or failure of a business to a large extent depends on the quality of service offered by the marketer. Customers not only judge the brand by its products but also through its quality of services. No amount of advertisements and sales promotions can have a deeper impact on customer loyalty as the quality of services offered. The relationship between the retailer and the consumer has become more complex in today's service-oriented economy. Customer dissatisfaction is undoubtedly the major source of customer complaints and it occurs when the customer's experience with a retailer's product or service fails to live up to expectations which if not handled properly leads to customer not being loyal and in turn affects the profit margins. The liaison between service quality and customer satisfaction has a long-lasting effect on the purchasing behaviour of the consumer. The present study is to understand the dimensions of service quality followed by the apparel retail stores in Bangalore and to find out if it has an impact on customer loyalty.

Key words: Apparel, Loyalty, Retail, Service quality.

INTRODUCTION

In the era of stern competition, a retail organization, however big or small is anxious with the image that its stores carry in the minds of the customers. This image is largely influenced by the quality of service provided by the store and the experience of the customer. Hence a marketer should strive not just to satisfy customers but to exceed expectations by delivering excellent customer service; the service provider should realize that it is not just the point of contact with the customer that has an impact on customer service, but every aspect of business. To excel in delivering customer service, service provider should improve the core service as well as the supplementary services to improve the total service experience of the customer.

DIMENSIONS OF SERVICE QUALITY

Service Quality has become one of the most important issues for executives today, and the most researched subject in services marketing. The cost of non-quality is clearly higher than the cost of quality which makes service quality a key management objective for every service company. A service marketer builds his marketing strategies on five service quality dimensions to attain and sustain customer loyalty and zero defections. In marketing lexicon, it is known as RATER.

- **Reliability** refers to the ability to perform the service accurately and dependably.
- **Assurance** relates to knowledge and accuracy of employees and their ability to convey trust and confidence to the customers.
- **Tangibles** refer to the appearance of physical facilities, equipment, personnel and communication materials i.e. physical evidence of facilities.
- **Empathy** refers to dealing with customers in a caring and individualized manner.
- **Responsiveness** is the willingness to help customers and provide prompt service.

If a service marketer falters on any of these grounds, it creates service quality gaps in an organization. Service quality is essentially perception of service minus expectation of service by the customer.

OBJECTIVE OF THE STUDY

1. To study the service quality and define what customers value the most.
2. To analyse the effectiveness of service quality dimensions and its impact on customer loyalty.

NEED FOR THE STUDY

The role of service quality is very crucial in building customer loyalty and customer relationship. Because whenever there occurs a service failure it results in customer being dissatisfied and if the failure is not rectified or recovered in a proper manner the marketer ends up losing a valuable customer. In marketing, the most important strategy is to retain current customers and to attract new ones. As a result, most sellers attempt to deliver first-class service to customers because high-quality service is likely to strengthen customer satisfaction. Companies that successfully implement this will reap the rewards in customer loyalty and long term profitability.

RESEARCH METHODOLOGY

The Research design used for this study is descriptive in nature and the study is confined only to apparel retail stores in top 10 malls in Bangalore, and the customers who visit these stores. A sample size of 250 customers was used for this study. Data was collected by using a questionnaire, a simple tool of mean, standard deviation and correlations were used for the analysis of the study.

FINDINGS OF THE STUDY**TABLE 1: DESCRIPTIVE STATISTICS SHOWING THE SERVICE QUALITY DIMENSIONS**

Factor	Mean	Standard deviation
Tangibility	3.8424	.47665
Reliability	3.7166	.50210
Responsiveness	3.6253	.51071
Assurance	3.6446	.48386
Empathy	4.0160	.60658

Empathy has a greater mean value, followed by tangibility factor and then the reliability, responsiveness and assurance. This implies that the customers feel that the retailers are highly empathic towards their problem. Since they are empathic it is obvious that they are reliable and responsive in nature. This also ascertains that they own the issue and give assurance to rectify the complaint. There by making the customer happy and satisfied. This score also states us that the retailers are emphasizing on providing quality service to their customers.

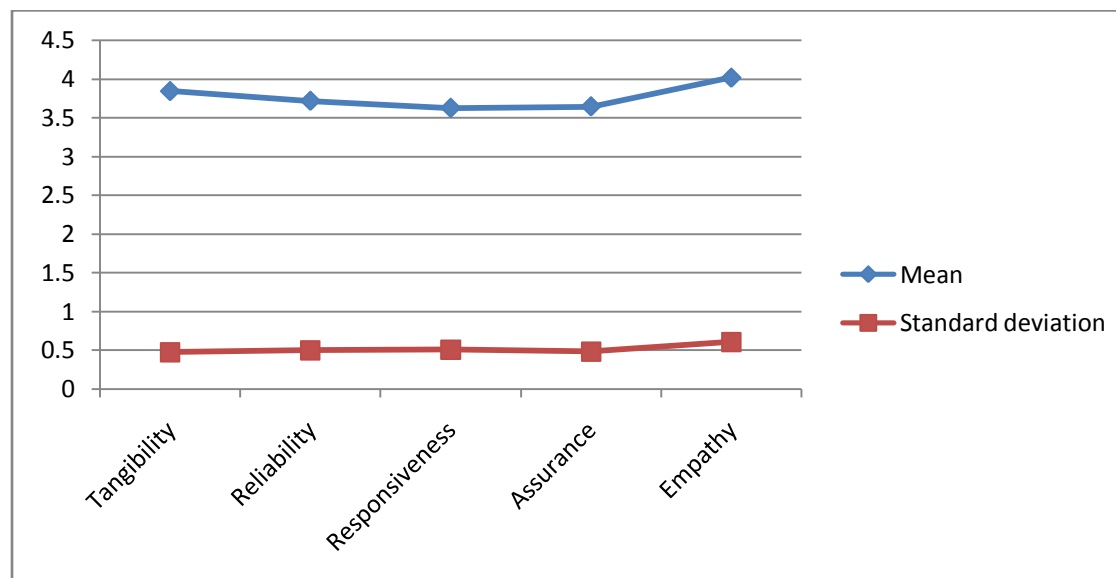
FIGURE 1: GRAPH SHOWING THE DESCRIPTIVE STATISTICS OF SERVICE QUALITY DIMENSIONS

TABLE 2: DESCRIPTIVE STATISTICS SHOWING THE RELATIONSHIP BETWEEN THE SERVICE QUALITY AND CUSTOMER LOYALTY(CORRELATIONS)

Factor		Service Quality Score	Customer Loyalty Total
Service Quality Score	Pearson Correlation	1	.611 **
	Sig. (2-tailed)		.000
	N	250	250

** . Correlation is significant at the 0.01 level (2-tailed).

The Karl Pearson's correlation coefficient for these two variables is 0.611 which is positive and is significant at 0.01 level. Hence it is concluded that these two characteristics are significantly positively correlated. And the null hypothesis is rejected and alternative hypothesis is accepted. This implies that if the recovery process of any complaint management is effective then the customer does not become a brand switcher in fact the customer stays loyal towards the retailer or brand.

RECOMMENDATIONS

1. Empathy has a greater mean value, followed by tangibility factor and then the reliability, responsiveness and assurance. This implies that the customers feel that the retailers are highly empathetic. But the other dimensions also should be good only then customer loyalty can be achieved. A continuous and comprehensive training program should be provided to the front line employees.
2. The mean scores of service quality dimensions are not significantly different due to gender. This indicates that gender has nothing to do with the service quality dimensions.
3. The mean score of Age group of (20 & 21-25) are significantly different from all other age groups in the service quality. It shows a greater value compared to all other age groups this signifies that they are satisfied with the dimensions of service quality. These groups do not rely much on the after sales service hence it is difficult for them to judge in the initial sales.
4. Correlation score between after sales service and service quality dimensions indicates that Responsiveness has the highest score, followed by reliability, assurance, tangibility and empathy. This signifies that the customers look for positive response shown by the service provider in after sales service than the outcome which has a direct impact on the customer loyalty.

CONCLUSION

To deliver a consistent set of satisfying experiences that can build into an evaluation of high quality requires the entire organization to be focused on the task. The needs of the consumer must be understood specifically, as much the operational constraints under which the firm operates. Service providers must focus on quality and the system must be designed to support that mission by being controlled and deliver as it was designed to do.

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