

# Measuring the Effect of Retail Service Quality Dimensions on Customer Satisfaction and Loyalty: The study on the Super Shop in Bangladesh

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**Abstract:** The number and size of supermarkets in Bangladesh has increased recently. Despite, the level of customer satisfaction has not increased that much compared to supermarket growth. The aim of this study is to measure factors of retail service quality that has impact on customer satisfaction and also on the increased earnings in terms of generating store loyalty among urban customers. The primary data has been used for this study. The primary data were collected through personal interview while respondents were getting service in their super shop. It has covered the opinion of customer of different super shop like as Shwapno, Agura, Mina Bazar in Dhaka city. A total of 400 respondents were taken as sample based on probability sampling technique. Simple random sampling technique was used for selecting sample. A structured questionnaire has been formulated to collect data on customers' satisfaction with the retail service quality. Both descriptive and inferential statistics were used for explaining the demographic data and measuring factors of retail service quality of the customers. Partial Least Squares (PLS) method was used to do structural equation modeling for doing the path model. The SEM results show that only one factor (Physical Aspects) has a significant relationship with Customer Satisfaction. Another factor named as store loyalty has positive relationship with customer satisfaction and that is positively linked to store loyalty.

**Keywords:** Super shop, Service Quality, Satisfaction, Loyalty, Structural Equation Model (SEM)

## INTRODUCTION

The existing market condition is becoming more competitive because customers continuously expect retailers to value their expectations (Wong and Sohal, 2003). To maintain a growing degree of similarities between retail offerings of merchandising, super-shops are trying to deliver effectively the customer services to make a competitive advantage (Ellram et al, 1999). It is vital for such retailers to maintain customer satisfaction because they execute in a very competitive world (Fonseca, 2009). Bangladesh supermarket sector includes large super-shops which dominate the local retailing sector. In this respect, Meena Bazar, Showpna, Agora is treated as the controller of supermarket business in Bangladesh. Store loyalty is tremendously an important financial consideration for all supermarkets (Knox and Denison, 2000), as gaining new customers is costly because of advertisement, promotion, and establishment operating expenses. Similarly, loyal customers show better repurchase intentions, a reduction in price sensitivity, and

positive oral communications (Varela-Neira et al, 2010). Therefore, it is more reasonable to serve existing customers (Tepeci, 1999). In Bangladesh, dissemination in the grocery sector means that the struggle for customers is mostly furious. As scope for natural growth scatters, these retailers are forcing to roll their consideration harshly towards promoting goodwill and customer loyalty (Martinez-Ruiz et al. 2010). Even though, the relationship among retail service quality, customer satisfaction and loyalty are deemed to be well understood in some eras, there is still more extent for further research in this aspect (Bodet, 2008).

## **LITERATURE REVIEW**

### **Customer Satisfaction choice**

Customer satisfaction was defined by the early customer satisfaction research as a post-selection evaluative judgment regarding a particular purchase decision (Homburg and Giering, 2001). Other research on customer satisfaction argues that satisfaction should be observed as a decision based on collective experience with a particular product or service rather a transaction specific meet (Anderson et al., 1994). It was recommended by Tse and Wilton (1988) that satisfaction is a normal emotional fact, explaining the psychological condition that is resulting from an assessment of the perceived difference between previous expectations and actual performance obtained from the product of service. Customer satisfaction was monitored on a continual basis by several individual companies, industries, and even countries (Fornell, 1992). Since satisfaction is a serious measure of an organization's success, customer satisfaction is treated as an important construct for that (Fonseca, 2009). The level of customer satisfaction was shown to affect attitude and oral communication (Sivadas and Baker-Prewitt, 2000); to take as a good indicator of future purchase behavior (Garbarino and Johnson, 1999; Kasper, 1988); to influence profit (Anderson et al., 1994); and, ultimately to lead to store loyalty (Oliver, 2010). Moreover, satisfied customers are ready to pay premium prices and their appearance also to be continuous interest in customer satisfaction as a way of assessing performance (Huber et al. 2001). Kotler and Keller (2001) argue that, lofty customer satisfaction scores are broadly accepted as a key indicator of a firm's financial growth. A lot of organizations apply customer satisfaction to be criteria of identifying product or service performance and yet bind customer satisfaction ratings for compensating the executives and employees (Anderson and Sullivan, 1993). However, customer satisfaction is recognized by retailers as main criteria of successful business strategy (Gomez et

al, 2004) and it is also important for management to realize what leads customer satisfaction (Martinez-Ruiz et al, 2010).

### **Customer Satisfaction versus Perceived Service Quality**

Researchers usually terms service quality and customer satisfaction exchangeable (Caruana, 2002). There are some distinctions can be identified between customer satisfaction and perceived service quality. These indicate that satisfaction is an after-decision customer experience, whereas service quality is not (Caruana, 2002; Oliver, 1993). Expectations are also stated in another way for satisfaction and perceived service quality. Boulding et al (1993) stated, expectations reveal anticipated performance in satisfaction literature, where in service quality literature, expectations are categorized as a normative standard of future needs. Zeithamal and Bitner (2006) believe service quality and customer satisfaction have some common things, but normally satisfaction is affected by service quality. Churchill and Suprenant (1982) first recognized the direct relationship between perceived service quality and customer satisfaction. Modeling perceived service performance as direct forecaster satisfaction trails directly from the idea of a value-percept assortment (Szymanski and Henard, 2005). A huge number of studies have discovered this relationship, with many (e.g. Tse and Wilton, 1988 and Halstead et al, 1994) reaching the conclusion that the direct relationship between perceived service quality and satisfaction is not essentially strong.

### **Retail Service Quality Dimensions**

Retail stores have developed from serving only substantial products that fulfill consumers' needs (Pan and Zinkhan, 2006) to offer a solution center that integrate the sale of both substantial products and value-added services to obtain competitive advantages (Davies et al, 2006). Speeding this system can lead to higher levels of customer retention, increased sales volume, as a result improved profits (Parasuraman, 1988). Many studies, such as Long and McMellon (2004), Kim and Jin (2002), Siu and Cheung (2001), Sweeney et al (1997) and Dabholkar et al (1996), have discovered significant dimensions of service quality within the retail sector. Particularly, within the supermarket sector, Vazquez et al (2001) and Huang (2009) stated Physical Aspects, Reliability, Personal Interaction, Problem Solving and Policy as important. These dimensions are stated below and have been adopted for the purpose of this study.

## Physical Aspects

**Physical Aspects:** The concept of physical aspects is explained as the retail store appearance and store design (Huang, 2009 and Vazquez et al, 2001). The store environment, conveniences and even descriptions are also factors which retailers can apply to get the competitive frame and affect customer satisfaction (Dabholkar et al, 1996). Physical environment plays a crucial role in service providing of the retail sector (Keillor et al, 2004) and perfect retailers emphasize on store cleanliness and design that allows customer orientation and product detection (Vazquez et al, 2001).

As said by Abu (2004), a well structured store layout that is convenient to find the way will reduce a customer's search time. Moreover, Fisher et al. (2006) argue that due to poor store layout customers often do not find the products they look for, although these products are still in the store and this turns to poor perceptions and the customer turning to another shop for solutions. Perceptions of store layout provide real signs about service quality (Yan et al. 2011; Dholakia & Zhao, 2010; Binter, 1990) and it was stated by Dabholkar et al. (1996) that the layout of the store is commonly accepted as an essential determinant of the shopping experience.

H<sub>1</sub>: Physical aspects have a direct effect on customer satisfaction within the supermarket sector.

## Reliability

The construct of reliability measures the store's capability to provide the service that was committed to customers exactly, and without any fault (Huang, 2009 & Vazquez et al, 2001). This means that the store must follow an attitude of getting it right first time, and all the time. It must be capable to fulfill its commitments, meet deadlines and disseminate timely and exact information to customers (Newman, 2001). Exact information includes unambiguous product pricing and proper and specific information concerning the product (Vazquez et al. 2001). Moreover, reliability also refers the stores' ability to have goods available when required. Interviews run by Dabholkar et al, (1996) exposed that, customers think reliability as combination of keeping commitment and 'doing it exact'. In the supermarket environment, unavailability of stock or long line for the cash register indicates a lack of reliability of the retailer. It was shown that lengthy waits for the cash register can result in consumer negative perceptions and dissatisfaction (Rigopoulou et al, 2008; Grewal 2003). Zinn and Liu (2001)

stated that, an inventory shortage can result in the consumer exit the store and go without purchase to search for the product in a different place. Moreover, in the long run, frequent stock outages will cause a harmful effect on future loyalty, and result in damaging perceptions and negative talking (Grant & Fernie, 2008).

H<sub>2</sub>: Reliability has a direct impact on customer satisfaction within the supermarket sector.

### **Personal Interaction**

Personal Interaction: Sales persons play a vital role in customer service position, with the most significant aspects being store staff attitude and handling of customers (Gounaris, 2008; Gagliano, 1994). The service offered by sales persons to customers is possibly the most highly noticeable attribute of the service requirement. It was stated by Darian et al. (2001) that, sales personnel's awareness concerning new goods, prices, and other variations of store services is significant, and it is also vital to treat the customers with admiration. Sales personnel are frequently treated as facilitators of the sales process because they have an important role in improving the process. Moreover, salesmen also serve the customers with help in navigating store ways and choosing complementary substances when required (Jamal and Adelwore, 2008; Henning-Thurau, 2004; Sweeney et al, 1997).

H<sub>3</sub>: Personal interaction has a direct effect on customer satisfaction within the supermarket sector.

### **Problem Solving and Policy**

Problem solving means the store's ability to manage the returns and alterations and dealing customers' problems and objections. It involves the store's capability of sincere and gentle interest in solving the customer's problem and also the aptitude of employee to deal objections honestly and instantly (Swanson and Kelley, 2001; Vazquez et al, 2001). If the problem solving process is not effective, service failures will cause dissatisfaction and annoyance that will lead to devastating consequences for the store (Chang et al, 2008). This can be supported by evidence that customers have more positive perceptions of stores where efficient problem solving processes exist (Huang, 2009). Lewis and Spyropoulos (2001) stated that, an efficient problem solving procedure can detect and solve the problems, avoid dissatisfaction, as well as encourage

objections. It was found by Michel (2001), Halstead and Page (1992), and Singh and Widing (1981) that, dissatisfied customers were more likely to repurchase if their objections were solved satisfactorily. It can be the best attention of the stores to ensure the adequacy and efficiency of measures in the problem solving facilitation. These measures can be customer care hot-lines, customer service desks, cooperative sales staffs or even a website. Furthermore, it was observed that the post-sales service of the store create a trustworthiness and affect in creating customer's favorable perception in the future (Lindquist, 1974). Store policy means a store's verdict (policy) regarding the top to bottom of their merchandise, their trustworthy programs and credit facilities, service hours, parking facilities and other customer services offered. It is also found that stores capable with excellent services most probably ensure a favorable consumer perception (Thang and Tan, 2003). Customers expect stores to be supportive to them, and service system that propose sympathy and understanding because favorable perceived service quality and satisfaction (Dabholkar et al, 1996). Brady and Cronin (2001) noted that the assessment of service quality is to include performance appraisal of the goods offered to customers and they are in accordance with policy. When customers recognize that the store has a wide range of product variation and also offer superior value, they experience positive sensation as happiness, thrilling, satisfaction, arrogance, and pleasure (Yoo, 1998). Stores that are supposed to have better merchandising are to be preferred by the customers (Thang and Tan, 2003). The performance of the products offered also includes the store's capability to stock variety of products; freshness of meat, fruit and vegetables; the collection of fresh goods available as well as excellent quality of brands products (Vazquez et al, 2001). If the store fails to meet the consumer expectations regarding the above areas, there will be high consumer dissatisfaction. It was noted that frequent objections of lower quality product result in pessimistic perception about the store (Bruhn and Grebitus, 2007) and that's why satisfaction levels reduce.

H<sub>4</sub>: Problem solving and Store policy has a direct effect on customer satisfaction within the supermarket sector.

### **Store Loyalty**

Store loyalty offers the base of an organization's continuous competitive advantage, and is a vital indicator of the company's development and performance (Lee and Cunningham, 2001; Reichheld, 1996). It was argued by researchers that store loyalty is a vital aspect in explaining

customer withholding (Pritchard and Howard, 1997) and is specified by a combination of again purchase level and a general level of affection (Bodet, 2008 & Dick and Basu, 1994). The last one relates to an individual customer's approach on a product, service or organization (Hallowell, 1996). Other researchers stated that store loyalty is a behavioral aspect. Here, customer retention, repeat purchases and positive oral communication are included (Hallowell, 1996; Liu and Wu, 2007). Since there is a little difference, store loyalty and retention will be taken into consideration as synonymous for this study.

H<sub>5</sub>: Customer satisfaction has a direct effect on store loyalty within the supermarket sector.

## METHODOLOGY

The primary data has been used for this study. The primary data were collected through personal interview while respondents were getting service in their super shop. It has covered the opinion of customer of different super shop like as Shwapno, Agura, Mina Bazar in Dhaka city. A total of 400 respondents were taken as sample based on probability sampling technique. Simple random sampling technique was used for selecting sample. To determine the sample size of customer, published formula of University of Florida was used as a reference. According to this table, the sample size for the more than 10 lac population size with 95% confidence level and  $\pm 5\%$  precision level are approximately 400 using the formula

$$n = \frac{N}{1 + Ne^2}$$
; where n is sample size, N is the population size, and e is the level of precision.

Respondents were asked to respond about their perceptions of the quality of services provided by private hospital in Bangladesh in terms of the above mentioned six services quality dimensions. To confirmation the responses of the sample respondents, a structured questionnaire was used. In the questionnaire, seven statements were completed: six for the above mentioned six factors or service quality dimensions and one for the overall service quality of the private hospitals. Five point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) was used to collect data from respondents. Four demographic variables, namely, age, gender, education level, and occupation were taken to determine the variability of six dimensions across those variables. For analysis of the demographic information, we used SPSS software. The factor analysis adopted to determine the influential factors of the perceived service quality factors by using SmartPLS software.

### 3.2 Results and Data Analysis

The current study used smartPLS (Ringle, Wende & Will, 2005) partial least square structural equation modelling (PLS-SEM) tool to evaluate the manner in which the constructs presented in Figure 1 might relate to each other. The PLS-SEM method is a statistical method that has been developed for the analysis of latent variable structural models involving various constructs with multiple indicators. PLS-SEMs have a number of potential strengths, including the ability for the testing of the psychometric properties of the scales used to measure a variable, as well as the strength and the path of relationships among the variables (Akter et al., 2011).



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The PLS-SEM consisted of two sets of testing equations: First, the assessment of measurement model, and the second, the assessment of the structural model (Hair, Ringle & Sarstedt, 2011). The measurement model which is the process of calculating the item reliability and validity; and the structural model which is the method of determining the appropriate nature of the relationships (paths) between the measures and constructs (Hair et al. 1998). The estimated path coefficients indicate the sign and the power of the relationships while loadings indicate the strength of the measures (Hair et al., 2011). The confirmatory factor analysis was first conducted to assess the measurement model; then, the structural relationships were examined (Anderson & Gerbing 1988; Hair et al. 1998).

### 3.3 Measurement Model

The two main criteria used for testing the measurement model are reliability or internal consistency and validity. The reliability of a research instrument concerns the extent to which the instrument produces consistent results in repeated measurements, whereas validity is the degree to which a test of how well an instrument that is developed measures and what is supposed to measure (Sekaran & Bougie, 2010). To validate our measurement model, two basic approaches to validity were assessed: convergent validity, and discriminant validity.

### 3.4 Reliability Analysis

To analyze the reliability/internal consistency of the items, we used the Cronbach's alpha coefficient and composite reliability (CR) value. Table 2 shows all Cronbach's alpha values are above 0.6 cutoff values as suggested by Nunnally and Bernstein (1994). Another way to determine internal consistency is by looking at composite reliability values. The composite reliability (CR) values also ranged from 0.794 to 0.867 (Table-6). According to Fornell and Larcker (1981) a composite reliability value of 0.70 or greater is considered acceptable. As such we concluded that the measurement model were reliable.

### 3.5 Convergent Validity

When multiple items are used to measure an individual construct, the item (indicator) convergent validity should be one of the main concerns to the researcher. The measurement model was tested for convergent validity which is the extent to which multiple items to measure the same concept are in agreement (MacKinnon, 2008).

Anderson and Gerbing (1988) stated that convergent validity is established if all factor loadings for the items measuring the same construct are statistically significant. According to Hair et al. (1998) convergent validity could be accessed through factor loadings, composite reliability and the average variance extracted. The results of the measurement model (Table 6) show that the loadings for all items exceeded the recommended value of 0.5 (Hair et al. 1998). Composite

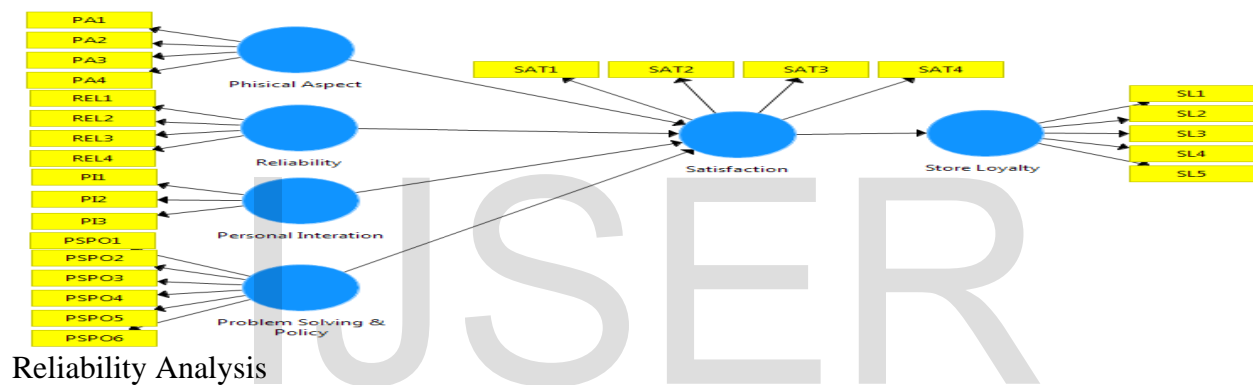


reliability (CR) values ranged from 0.794 to 0.867 which exceeded the recommended value of 0.7 (Hair et al. 1998).

All values of the average variance extracted (AVE) which measures the variance captured by the indicators relative to measurement error were greater than 0.50 to indicate acceptability of the constructs (Fornell&Larcker, 1981; Henseler, Ringle, &Sinkovics, 2009). The table indicates that these indicators satisfied the convergent validity of the constructs.

## 2.5 Conceptual Framework:

The objective of this study is to investigate the impact of service quality factors like as physical aspect, reliability, personal interaction, problem solving and policy on customer satisfaction of super shop. In the literature, the related studies suggest that the types of factors in SERVQUAL model applications in different super shop are physical aspect, reliability, personal interaction, problem solving and policy. The theoretical model is presented in Figure 1. We will look at the theoretical model for each of the hypotheses in the following bellow.



Reliability Analysis

In order to test the internal reliability of the constructs that were used, a series of Item Reliability tests were conducted. Cronbach Alphas of 0.6 and above are deemed acceptable in emerging markets (Burgess & Steenkamp, 2006) although the researchers used their discretion and included the Reliability construct (0.58) as it only marginally missed the critical threshold. The respective Cronbach Alphas are reflected in Table 3.

Table 3: Item Reliability Analysis Results

	Average Variance Extracted (AVE)	Composite Reliability	Cronbach's Alpha	R Square	Adjusted R Square
Physical Aspect	0.547	0.783	0.717		
Reliability	0.547	0.775	0.715		
Personal Interaction	0.623	0.831	0.705		
Problem Solving & Policy	0.517	0.672	0.708		
Customer Satisfaction	0.584	0.812	0.749	0.279	0.248
Store	0.570	0.816	0.717	0.358	0.35

Loyalty					
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Note: AVE>0.50 (Fornell&Larcker, 1981); Henseler, Ringle, &Sinkovics, 2009), Composite Reliability>0.70(Hair et al. 1998), Cronbach's alpha> 0.60(Nunnally and Berstein (1994))

#### 4.1 Exploratory Factor Analysis

Exploratory Factor Analysis (EFA) is a widely utilized and broadly applied statistical technique in social science. A total of 400 usable survey responses were analyzed in this section. The factor analysis technique has been applied to examine the relationship between different factors in service quality and patient satisfaction. The five factors that are found from the rotated factor matrix are given below:

Factor-1 (Physical Aspect): This includes three variables like: convenient shopping environment attractiveness of appearance, desired products are found easily to customers. So, it provides a basis for conceptualization of a dimension which may be identified as physical aspect factor.

Factor-2 (Reliability): This includes three variables like: visible product price, stock of products is available, updated sales promotion information is available as the principal factors. So, it provides a basis for conceptualization of a dimension which may be identified as reliability factor.

Factor-3 (Personal Interaction): This includes three variables like: staffs' willingness to help, staffs' friendliness and politeness, and staffs are knowledgeable as the principal factors. So, it provides a basis for conceptualization of a dimension which may be identified as personal interaction factor.

Factor-4 (Problem Solving & Policy): This includes three variables like: authority's professional response to queries, safe and convenient parking facilities, and customer convenient operating hours as the principal factors. So, it provides a basis for conceptualization of a dimension which may be identified as problem solving and policy factor.

Table 04: Factor Analysis

	Physical Aspect	Reliability	Personal Interaction	Problem Solving and Policy
Attractiveness of appearance	0.756			
Convenient shopping environment	0.908			
Desired products are found easily	0.526			
Updated sales promotion information are available		0.576		
Stock of products is available		0.707		
Visible product price		0.891		
Staffs are knowledgeable			0.671	
Staffs' friendliness and politeness			0.837	
Staffs' willingness to help			0.848	
Authority's professional response to queries				0.862
Customer convenient operating hours				0.511

Safe and convenient parking facilities				0.513
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#### Measurement Model - Convergent & Discriminant Validity

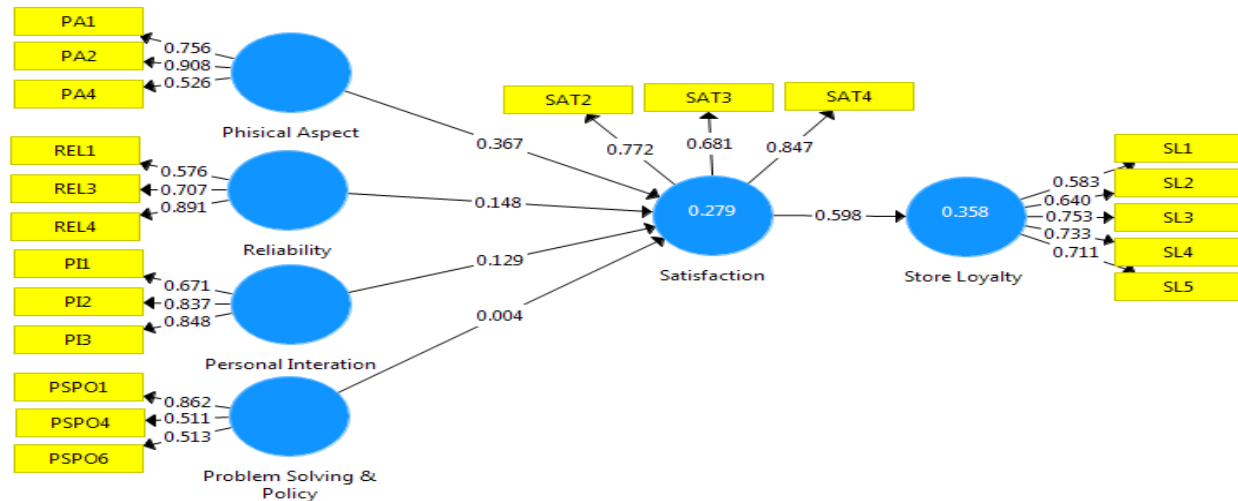
Convergent and discriminant validity were ascertained through Confirmatory Factor Analysis (detailed in Table 5) and the Fornell-Larcker test, respectively. In the case of the CFA, only one item ("Difficult to Reach") was removed as it failed to load on the factor (i.e. Store Loyalty).

Table 5: Confirmatory Factor Analysis including Scale Items

	Physical Aspect	Reliability	Personal Interaction	Problem Solving and Policy	Customer Satisfaction	Store Loyalty
PA2	6.08					
PA2	21.026					
PA4	2.267					
REL1		2.387				
REL3		4.905				
REL4		12.436				
PI1			6.145			
PI2			9.916			
PI3			11.977			
PSPO1				4.257		
PSPO4				1.826		
PSPO6				2.021		
SAT2					11.582	
SAT3					9.699	
SAT4					20.525	
SL1						5.340
SL2						6.966
SL3						14.391
SL4						10.398
SL5						12.049

From table-5 shows that, all of the T-Statistic are larger than 1.96 at 5% level of significance, we can say that the outer model loadings are highly significant. So, our SEM model is accepted for above evidence in this study.

Resulted Path Diagram of Superb Shop:



## Structural Model

The structural model is made up of the main constructs being tested and the relationships between them. Table 6, below, tabulates the PLS output generated for the direct relationships.

Table 06: PLS output testing the relationships

	Original Sample	Sample Mean	Standard Deviation	T Statistics	P Values
Physical Aspect → Customer Satisfaction	0.367	0.366	0.104	3.536	0.000***
Reliability → Customer Satisfaction	0.148	0.154	0.141	0.983	0.326
Personal Interaction → Customer Satisfaction	0.129	0.142	0.151	0.919	0.359
Problem Solving & Policy → Customer Satisfaction	0.004	0.028	0.116	0.032	0.974
Customer Satisfaction → Store Loyalty	0.598	0.586	0.108	9.367	0.000***

## Assessment of the Structural Model

Once all the constructs in the measurement model were validated, structural model was then to be tested. The bootstrapping technique was conducted to generate t-value for each of the hypothesized relationship and the potential impact of covariates. The researcher conducted the bootstrapping approach with 500 samples, with 0 cases per sample to test the path coefficient ( $\beta$ ) and proposed hypotheses. Table 6 and Figure 1 presented the results of the hypotheses testing. The findings revealed that physical aspect ( $\beta = 0.367$ ;  $t = 3.536$ ), reliability ( $\beta = 0.148$ ,  $t = 0.983$ ), personal interaction ( $\beta = 0.129$ ;  $t = 0.919$ ), and Problem solving & policy ( $\beta = 0.004$ ;  $t = 0.032$ ), were found to be related to customer satisfaction, with the evidence that only one formulated hypotheses is accepted at 1% level of significance but the remaining three hypotheses are not significantly accepted because the value of t are less than 1.96 at 5% level of significance. hence,  $H_1$ , was supported  $H_2$ ,  $H_3$ , and  $H_4$ , were not supported.

Table 05 also shows that the items of the constructs (Physical Aspect, Reliability, Personal Interaction, Problem Solving and Policy) were every valid measures of their respective constructs based on their loadings values (standardized estimates) and statistical significance (Chow & Chan 2008). T-value of every factor indicates that only one factor like as physical aspect which value is greater than 3.3, which measure is significant at the level of 0.001 that means this factor is highly significantly related to the customer satisfaction of super shop. On the other hand reaming three factors like as reliability, personal interaction, problem solving and policy whose values are not greater than 1.96, that measure is not statistically significant at the level of 0.05. That means those factor are not influential factors of customer satisfaction of super shop.

### Hypotheses Testing

Table 7 reflects the determination of the respective hypotheses. This is visually depicted in the conceptual model in figure 2. The discussion, below, considers the outcome of each hypothesis in turn.

Table 7: Outcome of hypothesized relationships

	Null Hypothesis	Accepted/ Rejected
H <sub>01</sub>	Physical aspects have no a direct effect on customer satisfaction within the supermarket sector	Rejected
H <sub>02</sub>	Reliability has no direct impact on customer satisfaction within the supermarket sector.	Accepted
H <sub>03</sub>	Personal interaction has no direct effect on customer satisfaction within the supermarket sector.	Accepted
H <sub>04</sub>	Problem solving and Store policy has no direct effect on customer satisfaction within the supermarket sector.	Accepted
H <sub>05</sub>	Customer satisfaction has no direct effect on store loyalty within the supermarket sector.	Rejected

The hypothesis testing was carried out by examining the path coefficients (beta) between latent constructs and their significance. To test the significance of the path coefficients the bootstrapping technique was utilized with a re-sampling of 500 (e.g., Bradley et al., 2012). The R<sup>2</sup>value of endogenous latent construct illustrates the predictive relevance of the model.

Table 05 presents the results and hypothesis testing. The findings show that the hypotheses H<sub>1</sub> was supported as the t-value is more than 3.3 at the 0.1% level of significance but H<sub>2</sub>, H<sub>3</sub>, and H<sub>4</sub> were not supported as the t-value is not more than or equal 1.96 at the 5% level of significance.

The R<sup>2</sup>value of Service Quality construct, customer satisfaction, and store loyalty were 0.279 and 0.358 suggesting that only 27.9% and 35.8% of the variance in Service Quality was explained on customer satisfaction respectively by Physical Aspect, Reliability, Personal Interaction, Problem Solving and Policy.

### Discussion

The PLS analysis results into the path model indicate that only one of the five Retail Service Quality Dimensions and Satisfaction has statistically significant relationship at or below 5% significance level. This is Physical Appearance/aspect factor. The rest of three factors as Reliability, Personal Interaction, and Problem Solving and Policy showed insignificant effect on satisfaction.

As predicted, the analysis exposed that Customer Satisfaction and Loyalty has a strong relationship, although, this is not surprising at all because the previous studies also documented this relationship.

**Physical Aspects** was discovered as the most important predictor of Customer Satisfaction. The result was significantly stronger than any of the other relationship exposed. This emphasizes the view that, clean, well-structured and adequate physical environment should be maintained. As the grocery sale is supermarket's core activity, regarding this customers like to have a safe and healthy environment. In addition, to maximize convenience the design should be optimized. As grocery shopping is perceived as unglamorous by many purchasers, it is expected by customers to have a harassment free experience.

### **Conclusion:**

**Reliability:** A customer with his intellectual ability decides to do transaction in a super-shop which is fully reliable. So that, customers expect a super-shop where the sales promotional information is updated and available, sufficient stocks of products are available, and the price list is publicly hanged and clearly noticeable. This study reveals that absence of the above criteria in a super-shop causes the customers uncertainty in their decisions of shopping transactions.

**Personal Interaction (PI):** Regarding any business PI is an important way of attracting the customers. For example- knowledgably answering the questions asked by the customers by the staff members, friendly behavior of staff members with customers, helping attitude of staff members to the customers, etc. This study exposed that lacking in the above aspects cause a negative sense among the customers about the super-shop.

**Problem solving and Policy (PSPO):** In a business organization problem is an important issue. Customers always seek solutions of the problems. So that some problem-related questions are introduced in this study such as – skill of store authority regarding response to customer objections and queries, store open at customers' convenient time, and sufficient and secured parking facility etc. This study discovers that absence of the above issues cause negligence among customers to do shopping in the super-shop.

### **Recommendation:**

People go to market with their earnings to do shopping from a reliable place where staffs are friendly & co-operative. The staff members of the super shop are to be sincere to solve any kind of problem of the customers so that, customers will be appreciated to purchase from that shop. Regarding this some recommendations are given below:



1. The super shop should keep accurate and up-to-date information regarding their sales promotion activities.
2. The demanded products should have sufficient stock.
3. The price list should be noticeably hanged.
4. The queries or questions asked by the customers should be answered by the staff members with knowledge and sincerity. The staff members should help the customers professionally.
5. The store should be opened at the time convenient to customers. The store should have sufficient and secured car parking facilities.

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