Service quality in supermarket retailing: identifying critical service experiences

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Abstract

The present research attempts to clarify and extend the conceptualization and measurement of service quality in the retail environment. The review of the retail and service quality literatures and the findings from a qualitative study conducted by the authors reveal that service quality in retail companies adopting the commercial format of supermarkets has a four factor structure (physical aspects, reliability, personal interaction and policies). Various models are tested by means of confirmatory factor analysis and a measurement scale is proposed. We conclude the paper with an importance-performance analysis, a summary of the main results of the study and directions for future research. © 2000 Elsevier Science Ltd. All rights reserved.

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1. Service quality management

Researching service quality in retail companies first implies an understanding of quality. There are various approaches as to the concept of quality, which are summarized in Fig. 1. This article defends the conceptual framework of service quality based on the demand approach, recognizing that the quality of a service depends on its evaluation by the consumer. The retail company must analyse the aspects of service quality perceived (subjective quality), in an attempt to be efficient (ascertain the effect of such a quality strategy on company costs).

The concept of service quality is linked to the concepts of perceptions and expectations. Service quality perceived by the customers is the result of comparing the expectations about the service they are going to receive and their perceptions of the retail company's actions (Parasuraman et al., 1988; Grönroos, 1994). If perceptions exceed expectations, the service provided by the retail companies will be considered excellent; if it only

equals the expectations it will be regarded as good or adequate; if it does not meet them, the service will be classed as bad, poor or deficient.

From this perspective, a contribution which has aroused a great deal of attention is that of Parasuraman et al. (1988). These authors developed a scale termed SERVQUAL which operationalizes service quality by calculating the difference between expectations and perceptions, evaluating both in relation to the 22 items that represent five service quality dimensions known as tangibles, reliability, responsiveness, assurance and empathy. This scale or an adaptation of this has been used in a great number of studies (for a review of these see Buttle, 1996) that have provoked an interesting debate on the use and the explanatory power of expectations and the doubt as to whether to incorporate them or not (will it be enough with perceptions?) and how to do it (are direct measures more appropriate than difference measures?). The universality of the scale and its dimensions have also been the subject of criticisms (Lapierre et al., 1996) and it is suggested that they require customization to the specific service sector in which they are applied.

Paying attention to these opinions and results, the aim of the present research is to perform a review of the set of attributes which are capable of being incorporated in the

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OBJECTIVE QUALITY	SUBJECTIVE QUALITY
+ Internal View of Quality	+ External View of Quality
+ Production/Supply Approach	+ Marketing/Demand Approach
+ Adapting to Pre-established Specifications	+ Customer Real Judge of Quality
+ Error-free Service Transactions, Lowering Costs and Avoiding Deviations from the Set Standard	+ Company's Ability to Determine Customer Needs and Expectations
+ Appropriate for Standardized Activities	+ High Customer Contact Activities

Fig. 1. Approaches to the concept of quality. Source: Garvin (1988), Huete (1997) and James (1997).

measure of service quality for retail companies adopting the commercial format of supermarkets. Later, the possibility is posed of grouping these attributes into dimensions of quality, proceeding to value various alternative structures by means of confirmatory factor analysis methodology and testing their reliability and validity.

The article also compares the results obtained using perceptions only (like in the SERVPERF scale designed by Cronin and Taylor, 1992, 1994) and using direct measures — to what extent the consumers consider their perceptions to be superior, similar or inferior to the expected service — as it has been suggested, among other authors, by Carman (1990), Devlin and Dong (1990), Bolton and Drew (1991a), Babakus and Boller (1992), Hartline and Ferrel (1993), Vandamme and Leunis (1993), Parasuraman et al. (1994).

Finally, an expectation-performance analysis is developed and appropriate conclusions are drawn in order to orient future research works.

2. Service quality attributes of a retail company

The service categories that were used in the development of SERVQUAL are very different to goods retailing (they fall closer to the pure service end of the *pure service–pure goods continuum* than store retailing) and it may well be that consumers use different criteria to evaluate competing goods retailers who sell a mix of goods and services than they use to evaluate retailers that are primarily or exclusively service firms (Finn and Lamb, 1991; p. 489). And regarding how such attributes are combined in a few critical service quality dimensions, the components of service quality vary in terms of the service researched (Buttle, 1996, reports that the number and composition of the factors change from one service to another). Therefore it seems to be appropriate to adapt the scale to the service being studied.

One of the pioneer works in the field of retailing is that by Carman (1990). Its application to tyre retailers concluded, using principal axis factor analysis followed by oblique rotation that the five dimensions of the SERVQUAL instrument were not generic, suggesting adding new attributes or factors. Finn and Lamb (1991) developed a research work based on department stores and discount stores. Their confirmatory factor analysis was unable to obtain a good fit to the SERVQUAL instrument for either of these commercial formats. They affirm that this instrument, without modifications, cannot be used as a valid measurement of service quality in retail companies although they do not provide an acceptable alternative measure.

In the study by Teas (1993b,1994), developed for discount stores, the conjoint research of expectations and perceptions of the SERVQUAL scale is compared to the attitudinal models of the ideal point. The conclusions of this author indicate that considering ideal points instead of expectations gives better results in measuring service quality.

From another perspective, the research carried out by Bell et al. (1997) uses critical incident technique to identify and explore dimensions of service quality in food retail operations. Personal interviews generated 792 positive and negative incidents which were then categorized into six groups as follows: physical environment, merchandise-related, non-core services, interpersonal, process and price. Their findings confirm the recent emphasis on the use of critical incident technique as a complement to the SERVQUAL methodology (Koelemeijer, 1995; Stauss and Weinlich, 1997).

The methodology used and the conclusions obtained in three other studies which have modified the items of the SERVQUAL instrument for retail companies are summarized in Fig. 2.

Given the difficulty of adopting, without modifications, the SERVQUAL instrument, we propose