

Service Quality Dimensions: A Study on Various Sizes of Grocery Retailers – A conceptual Paper

Nor Khalidah Abu

Faculty of Business Administration
Universiti Tun Abdul Razak
Kelana Jaya, Selangor, Malaysia

ABSTRACT

The slow growth of grocery products in Malaysia since the Asian financial crisis and the influx of multinational and large scale retailers since early 1990s allow Malaysian consumers to be more selective of their choice of grocery stores. Smaller grocery stores in Malaysia are seen as offering more personal services but with inadequate stocks and facilities; a contrast to the larger retailers which are seen as offering better merchandise choice and public amenities but with standardized and non-personalized services. As grocery retailers are seen as offering similar products in the store, improving service quality is seen as critical to ensure customer loyalty. Despite the extensive research on the measures used by consumers to measure service quality in the service sector, there is lack of empirical studies on it in the retail sector. A need to look into service quality dimensions for each country is called for, as each country is believed to have its own unique set of quality dimensions. This conceptual paper identifies the service quality dimensions critical to urban grocery shoppers for small, medium, and large-sized grocery stores. It will identify the critical quality dimension of Malaysia urban grocery shoppers based on the Retail Service Quality Scale by Dabholkar *et al.*, (1996) that takes into account the retail setting. The instrument will be modified based on literature review.

INTRODUCTION

Unlike the food retail scenario in the West, where the traditional food retailers disappeared with the entrance of more modern food retail establishments (Osman M. Zain & Ismail Rejab, 1989), the traditional grocery stores in Malaysia are expected to be in existence for quite sometime as the shift of grocery shopping to modern stores in Malaysia is expected to be slow (Sabry Tahir, 2003). The traditional store outlets and provision shops capture high percentage of groceries purchased (57%), while the modern trade outlets, which includes hypermarkets and supermarkets stood at only 31% (Izwan Idris, 2002). Another report by the research firm Taylor Nelson Sofres shows that hypermarkets gained only 12% of total household spending on packaged food, toiletries, and household goods in West Malaysia (Prystay, 2002). This situation has been observed earlier in the local retail scene with the entrance of the more modern supermarkets into the retail scene in the 1980s (Osman M. Zain & Ismail Rejab, 1989). They observed that both modern supermarkets and smaller traditional outlets coexist within a growing retail sector of the economy.

Since the study by Osman M. Zain & Ismail Rejab (1989) there has been a large influx of large scale multinational retailers (Rosmimah Mohd. Roslin, 2000). The number of hypermarkets increases tremendously from only 1 in 1995 to 21 in 2002 (Prystay, 2002) and to 30 in 2003 (Moreira, 2003). The growing number of the larger grocery retailers has been a concern of the Ministry of Domestic Trade and Consumer Affairs (MDTCA) who felt that hypermarkets are affecting local retailers as they operate on low margins in a slow growing grocery market. The slow growth of grocery products in Malaysia happened since the Asian crisis. In 2001, the growth of grocery products is only 3% (Euromonitor, 2002). In addition, hypermarkets like Tesco, Carrefour, and Giant are creating price war as they continuously cut down prices on daily use essentials including grocery products (Moreira, 2003).

In an effort claimed by MDTCA to protect small retailers, Guidelines for the Establishment of Hypermarkets were issued (Moreira, 2003). The retail industry has witnessed the high rate (38%) of traditional provision stores closure from 46,544 in 1992 to 28,659 in 2001 (Prystay, 2002). Another observable result is the closure of 16 Tops supermarkets in 2000 and another 6 at the end of 2002 (Ganesan, 2003a). Furthermore, the sales revenue of Ocean supermarkets in Klang Valley in 2002 reduces by 38% from the previous year due to competition from hypermarkets (Moreira, 2003).

Facing price competition and slow growth of the food retail, small retailers have been suggested to improve their business strategies and use different retail approach as not to depend on government's protection for a long time (Moreira, 2003). Due to the price war among hypermarkets, grocery retailers should not depend on price for competitive advantage.

PROBLEM STATEMENT

Smaller grocery stores in Malaysia are seen as offering more personal services (Osman M. Zain & Ismail Rejab, 1988) but with inadequate stocks and facilities (Moreira, 2003); a contrast to the larger retailers which are seen as offering better merchandise choice and public amenities (Moreira, 2003) but with standardized and non-personalized services (Osman M. Zain & Ismail Rejab, 1988). As competition is higher in the urban area especially in Klang Valley where the number of hypermarket is the highest (Izwan Idris, 2002), grocery stores should be looking for strategic options to increase patronage. Indeed, retaining current customers leads to a gradual increment in the retailer's customer base and profits gained from the customers grow with the loyalty of the customers (Sirohi *et al.*, 1998).

Service quality has been seen as critical for service firms to position themselves strongly in a competitive environment (Parasuraman, *et al.*, 1985, Shemwell *et al.*, 1998; Mehta *et al.*, 2000) and also as indicators of business performance (Hurley & Estelami, 1998). When faced with larger, powerful retail competitor, smaller stores could compete by improving service instead of competing on price (Klemz & Boshoff, 1999). Concentrating on service quality is seen as critical in markets that offer similar products in the store (Berry, 1995), commonly seen in grocery retail stores. However, improvement of the quality of services requires identification of the service quality attributes - the so-called dimensions- that are important to retail customers.

Despite the extensive research into the dimensions used by consumers to measure service quality in the service sector, there is lack of empirical studies on factors of quality improvement strategies (Odekerken-Schröder *et al.*, 2001), especially the service quality dimensions (Dabholkar *et al.*, 1996) for the retail sector. The most famous and well discussed service quality model in the 1990s (Robinson, 1999) –SERVQUAL - by Parasuraman *et al.* (1985) failed to be fully adopted and validated in a retail setting (Dabholkar *et al.*, 1996, 1996). Service quality measurement of the retail stores, unlike the pure service setups, should include the measure of service quality and product quality as retail stores offer a mix of services and products (Mehta *et al.*, 2000; Dabholkar *et al.*, 1996).

Finally, a need to look into quality dimensions for each country is called for, as each country is believed to have its own unique set of quality dimensions (Xiande Zhao *et al.*, 2002) with different levels of importance (Feinburg and de Ruyter, 1995). Consumers' attitudes towards food shopping are associated with culture (Samsinar *et al.*, 2001) and therefore, any findings from previous studies in other countries may be irrelevant in Malaysia. Currently there is lack of research on service quality of retail stores in Malaysia specifically consumers' service quality perceptions of the different sizes of stores. Several researches have concentrated on service quality of businesses namely courier companies (Norbani Che Ha & Sharmila Sinnathurai, (1999), automotive industry (Tan, 1998), and financial institution (Ndubisi, 2003) and service quality of government department (Sharifuddin Zainuddin, 1997). There is also a gap in the literature on the measure of service quality among competing retailers (Dabholkar *et al.*, 1996) in particular of different sizes. Hence, this research will identify the critical service quality dimensions of different grocery store sizes from the perspectives of the urban grocery shoppers in Malaysia.

LITERATURE REVIEW

SERVICE QUALITY

Ghobadian *et al.* (1994) posit that most of the service quality definitions fall within the "customer led" category. Juran (1999) elaborates the definition of customer led quality as "features of products which meet customers' needs and thereby provide customer satisfaction." As service quality relates to meeting customers' needs, we will be looking at "perceived service quality" in order to understand consumers (Arnauld *et al.*, 2002). Grönroos (1984) and Parasuraman *et al.*, (1985) looks at perceived quality of service as the difference between customers' expectation and their perceptions of the actual service received.

Other researchers look at perceived service quality as an attitude. Arnauld *et al.*, (2002) defined perceived quality "whether in reference to a product or service" as "the consumers' evaluative judgment about an entity's overall excellence or superiority in providing desired benefits" (p. 327). Hoffman & Bateson (2001) defines service quality as an attitude "formed by a long-term, overall evaluation of a performance". Attitude is defined as "a consumer's overall, enduring evaluation of a concept or object, such as a person, a brand, or a service." (Arnauld *et al.*, 2002) Service quality as "an attitude" is consistent with the views of Parasuraman *et al.*, (1988), Cronin & Taylor (1992) & Sureshchandar *et al.*, (2002). Basis of the view is elaborated by the latter:

"As perceived service quality portrays a general, overall appraisal of service i.e. a global value judgment on the superiority of the overall service, it is viewed as similar to attitude." (p. 364)

Feinburg & de Ruyter (1995) pointed the importance of adapting the definition of service quality in different cultures. Ueltschy & Krampf (2001) contended that differences in culture affect measure of quality in a service sector. They encapsulated service quality measures as “culturally sensitive” and “may not perform properly or comparatively in a culturally diverse group domestically or abroad” (p.22). Cultural factors are said to have greater influence on people’s evaluation of services than on their evaluations of physical goods due to involvement of customer contact and interaction with employees while a service is delivered (Mattila, 1999). Feinburg & de Ruyter (1995) postulated that the differences “require adapting service quality to an international setting” (p. 4). Furthermore, the service quality dimensions that are critical most to consumers vary according to culture and industry (Winsted, 1999). Hence, there is a need to find the service quality measurement for grocery retail industry in Malaysia.

SERVICE QUALITY MEASUREMENT

It is difficult to measure service quality as compared to good’s quality. The difficulty to measure is due to fewer tangible cues available when consumers purchase services (Parasuraman *et al.*, 1985), fewer search properties, but higher in experience and credence properties (Zeithaml, 1981 in Parasuraman 1985), as compared to goods. It also requires higher consumer involvement in the consumption process (Grönroos, 1984).

Researchers operationalize the service quality construct either as a gap between expectation of service and perceived performance of service, or just perceived performance alone (Hurley and Estalami, 1998). On the other hand, service quality dimensions are seen as the criteria to assess service quality (Parasuraman, Zeithaml, and Berry, 1985). Feinburg, and de Ruyter (1995) supported this idea as they postulate that the dimensions are instruments for measuring perceived service quality. They also posit that consumer-perceived service quality is usually seen as a multi-dimensional construct.

The earliest research on service quality dimensions was done by Grönroos (1984). He found that the perceived quality of a service is affected by the experience that the consumer went through for a service. Therefore, he encapsulated the perceived quality of a given service as the outcome of an evaluation process; a comparison between the consumer expectations of the service with his perceptions of the service he has received. He also pointed that expectation is influence by traditions, ideology, word-of-mouth communication, and previous experience with the service and the consumer’s perception of the service itself determines his perceived service. However, he did not discuss the relationship between perception and expectation and how it influences service quality.

Grönroos (1984) found that “service quality” comprises of three global dimensions. The first dimension is the technical quality. This dimension refers to the outcome or what is delivered or what the customer gets from the service. For a retail store, technical quality may include the range of products offered and the availability of parking space. The next dimension is the functional quality which refers to the manner in which the service is delivered or how it is delivered. Customers of a retail store will measure whether the salespeople are friendly or whether products are easily returnable. Finally, the last dimension is the corporate image. The store’s image is built by mainly both technical and functional quality and to some extent other factors like the traditional marketing activities.

The most popular service quality model in the 1990s (Robinson, 1999) is the model by Parasuraman *et al.*, (1985). Their model supported Grönroos’ findings on as the models are based on these three underlying themes:

- “1) Service quality is more difficult for the consumer to evaluate than goods quality; 2) Service quality perceptions result from a comparison of consumer expectations with actual service performance; 3) Quality expectations are not made solely on the outcome of the service; they also involve evaluations of the process of the service” (Parasuraman *et al.*, 1985, p. 42)

Unlike Grönroos (1984) who used global measure of service quality, Parasuraman *et al.* (1985) identified 97 items or criteria in measuring service quality. They argued that consumers used similar criteria irrespective of the type of service in measuring service quality. They then group these criteria into 10 key categories which they labeled as “service quality determinants” (p. 48). The determinants are reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding/knowing the customer, and tangibles. Later in another research (Parasuraman *et al.*, 1988), they refined the dimensions as shown in Table 1 into only five dimensions - tangibles, reliability, responsiveness, assurance, and empathy

Table 1: SERVQUAL's Five Dimensions

Dimensions	Definitions
Tangibles	The appearance of physical facilities, equipment, appearance of personnel, and communication materials
Reliability	The ability to perform the promised service dependably and accurately
Responsiveness	The willingness to help customers and provide prompt service
Assurance	The knowledge and courtesy of employees and their ability to inspire trust and confidence
Empathy	The caring, individualized attention the firm provides to its customers

Source: Parasuraman, Zeithaml & Berry, 1988, p. 23. and Parasuraman, Berry, and Zeithaml, 1991, p. 41.

Due to the failure of SERVQUAL to be fully adapted and validated in a retail store setting that offers a mixture of services and merchandise, Dabholkar *et al.* (1996) developed the Retail Service Quality Scale (RSQS). Taking into account retailing-related dimensions retailing existing literature, the researchers adopted 17 items from SERVQUAL and added 11 new items based on their research. The scale that has high construct reliability and validity in measuring service quality in department stores include:

1. Physical aspects – Retail store appearance and store layout.
2. Reliability – Retailers keep to their promises and do the right things.
3. Personal interaction – Store personnel are courteous, helpful, and inspire confidence in customers
4. Problem solving – Store personnel are capable to handle returns and exchanges, customers' problems and complaints.
5. Policy – Store's policy on merchandise quality, parking, operation hours, and credit cards

SERVICE QUALITY DIMENSIONS

Physical Aspects

Service is said to be distinguished from goods due to its intangibility (Santos, 2002). The tangibility aspects of a service have a significant effect on perceived service quality (Santos, 2002). The tangibility importance varies according to types of service (Santos, 2002). For a retail store, the tangibility aspect will be critical as the retailers offer a mix of merchandise and service quality (Dabholkar *et al.*, 1996). Specifically, the physical environment plays an important role in the service encounter of the grocery industry (Keillor, *et al.*, 2004).

The importance of physical environment in a service setting is due to its ability to influence consumer attitudes (Koernig, 2003), behaviour intention (Keillor, *et al.*, 2004) and behaviour (Bitner, 1992; Koernig, 2003). As customers are involved in the production and consumption process of a service conducted within a physical environment, the physical environment will have a deep impact on customers' perception of service experiences (Bitner, 1992). Bitner (1992) also noted that physical environment is often used as cues of a firm's competences and quality by consumers before a purchase. Specifically, proper layout in a store will reduce shopper's search time (Sirohi *et al.*, 1998), colour combine with lighting were suggested to "affect consumers' cognitive representation and affective reaction" (Babin *et al.*, 2003, p. 549), and a light and pleasing scent affects shoppers' perceptions of a shopping environment in which the latter will have a significant effect on shoppers' mood (Chebat & Michon, 2003).

Researchers have given several names with different interpretations to the "physical" elements of service quality measure. Dabholkar *et al.* (1996) used the term "physical aspects" to refer to the physical appearance of store and layout convenience. Parasuraman *et al.* (1988) called it as "tangibles" adding appearances of staff besides physical facilities and equipment. Baker (1986) and Santos (2002) acknowledged the appearance of staff as part of tangibles. They also added existence of other customers in the service facility onto the interpretation. Bitner (1992) dropped the social environment as listed by Baker (1986), Parasuraman *et al.* (1988), and Santos (2002) but focus instead on the "built environment" or what she called as "servicescape". She categorized the servicescape to include ambient conditions, spatial layout and functionality, and signs, symbols, and artifacts. Ambient conditions include colour, music, temperature, lighting, and scent. Spatial layout refers to the arrangement, size, shape, and spatial relationships of machinery, equipment, and furnishings. Functionality refers to the capability of machinery, equipment, and furnishings to enhance performance and achieve customer goals. Lastly, signs, symbols, and artifacts act as signals that communicate information about the service place to customers.

Reliability

The reliability dimension comprise of “promises” and “doing it right” subdimensions (Dabholkar *et al.*, 1996). Besides fulfilling promise and performing the right service as part of reliability, the researchers added the availability of merchandise as part of the “doing it right” subdimension. According to a survey by PricewaterhouseCoopers, consumers in Asia demand superb quality, especially the availability of merchandise in stores, much more than the Western customers (Maisara Ismail, 2002).

Inter-personal relationship

The interaction among store personnel and store customers are important as customers are more loyal to a store if the store is seen as warm, friendly, and impulsive. (Bellenger *et al.*, 1976) Several researchers has studied this dimension in different or across cultures and found that the interpretation of the dimension and importance of each item in the dimension is affected by the culture of the society studied (Feinburg & de Ruyter, 1995; Winsted, 1999; Imrie *et al.*, 2002).

Dabholkar *et al.* (1996), put forward that the personal interaction has two subdimensions namely inspiring confidence of customers by store personnel and courteousness/helpfulness of store personnel. Inspiring confidence of customers includes error-free sales transactions and record, the ability to answer customers' questions, the behaviour of employees in this store instill confidence in customers, and customers feel safe in their transactions with this store. Incorporated in the courteousness/helpfulness factor are employees are prompt service to customers, employees tell customers exactly when services will be performed, customers are given individual attention, employees are consistently courteous with customers, and employees treat customers courteously on the telephone. Darian *et al.* (2001) also pointed on the importance of sales personnel's knowledge who is aware of new products, technical developments, prices, and other variations of store offerings, who is responsive but provides only information required, and who is not talking down to a customer.

However, Imrie *et al.* (2002) found that researches utilizing Western samples did not discover the factors “sincerity”, “generosity”, and “courtesy/politeness” which he found to be critical to Taiwanese consumers. The interpretation of politeness by Imrie (2002) is similar to the interpretation of “formality” by Winsted (1999). She found that “formality is a critical service quality factor to Japanese customers. Odekerken-Schröder *et al.* (2001) in their research emphasized the importance of inter-personal relationship which refers to “the opportunity for customers to affiliate with other individuals during the retail encounter” (Odekerken-Schröder *et al.*, 2001, p. 310). They elaborated the interaction as both the customer-to-customer and customer-to-service provider social interaction. Previously, Harris *et al.* (1995) proved in their study that 48% customers of a retail store interacted orally with the service personnel while nearly 12% of the customers interact orally with other customers.

Feinburg & de Ruyter (1995) in their cross culture study of service quality conceptions of retail consumers in United States, Netherlands, and Taiwan found that although there are similarities of how consumers in one country define service quality, there are significant differences discovered in the importance placed on each dimension. The similarities discovered were the inclusion of friendly and knowledgeable salespeople in the definition of all groups. They also found that Taiwanese rate highly on the dimensions of polite/friendly sales people and respectful treatment received in the store, Americans rate highly on merchandise related dimensions, while Dutch consumers rate highly on personalized service and knowledgeable sales people.

Problem Solving

Dabholkar *et al.* (1996) proposed a new dimension “problem solving” which was not addressed in SERVQUAL. This dimension incorporated store's willingness to handle returns and exchanges, shows a sincere interest in solving customers' problems, and also store personnel's ability to handle customer complaints directly and immediately. They highlighted the need to have problem solving as a dimension by itself because of the importance of “service recovery” in providing good service.

Policy

Store policy influences various aspects of service quality (Dabholkar *et al.*, 1996). They elaborated store policy to include high quality merchandise, parking facilities, convenient operating hours, acceptance of major credit cards, and store's own credit card.

Mehta *et al.* (2000) seemed in agreement with Dabholkar *et al.* (1996) that the service quality measurement of the retail stores should include the measure of service quality and product quality as retail stores offer a mix of services and products. This view is shared by Brady & Cronin (2001), who stated that evaluation of quality of service should include evaluation on the performance of the physical goods offered to customers.

STORE SIZE

Store size is used as a critical basis of grocery stores categorization due to shoppers' preference to "form simple perceptual categories of grocery stores" (Uusitalo, 2001, p. 220). The researcher discovered that when grocery shoppers were spontaneously asked to describe the grocery stores they patron, they would first mentioned the size of the stores. Categorizing of grocery stores according to store type or store format is seen as ambiguous and complex by consumers (Uusitalo, 2001). As a result store, type or store format, as a basis of grocery stores categorization, was also linked to store size (Uusitalo, 2001).

Furthermore, consumers will use expectations of a store category (store size in this case) to guide their perception and evaluation of a particular store or a store choice (Uusitalo, 2001). Due to the importance of store size to in consumers' perception of grocery stores, this thesis will use store size as a basis of categorization for consumers' evaluation of a store's service quality. The definition and characteristics of a store size will be derived from literature on the topic.

Several researchers (Lim *et al.*, 2003; Nik Rahimah *et al.*, 1992) have categorized the size of the retail stores in Malaysia into only small-scale and large-scale retail establishments. However, Sieh (1974) and Lang (1985) had earlier proposed 3 sizes of retail establishments based on annual sales turnover. Sieh (1974) stated that a small store has less than RM 20,000 annual sales, a medium store has between RM20,000 to RM 100,000 annual sales, and a large store has more than RM 100,000 annual sales. Based on her definition, 69% of the 46,823 food stores in Malaysia in 1968 were the small stores, 25.5 % were the medium stores, while 5.5 % were large stores. Almost ten years later, Lang (1985) divided the store sizes according to higher level of annual sales turnover. This time, the definitions were as follows: small stores have annual sales turnover of less than RM 100,000, medium stores have annual sales turnover of between RM 100,000 to less than RM 500,000, while large stores have annual sales turnover of more than RM 500,000.

As consumers will be asked to determine the service quality dimensions for a specific store size, it will be difficult for them to visualize the store size according to sales figures (based on the definition by Sieh (1974). Furthermore, it is found that categorizing of grocery stores according to store type or store format is seen as ambiguous and complex by consumers (Uusitalo, 2001). As a result store, type or store format, as a basis of grocery stores categorization, was also linked to store size (Uusitalo, 2001). This study will also takes into account the definition of smaller grocery stores by Rosmimah & Noraini (2002) that categorize the smaller stores according to shop lot and the study by Khalifah Othman (1987) where the supermarket (a medium sized store) has centralized checkout counters. Therefore, the categorization of store size in this study will be on the floor size or the number of shop lot and the check out counter which will be easily identified by consumers.

SERVICE QUALITY AND STORE SIZE

Different sizes of firms were said to have several critical differences (Youssef *et al.*, 2002) The researchers posited that the flat structure of small to medium sized firms leads to a more flexible work environment where managers or owners will tend to interact directly with customers, tend to be 'people oriented' instead of 'system oriented', and tend to be more flexible. Large firms are typically highly structured with formalized procedure set for all activities with high emphasize on standardization and specialization (Youssef *et al.*, 2002). The effects of the structure in relations to the size of the firms are reflected in the retail sector.

The survival of the smaller, traditional food store in a competitive environment is attributable to the nature of the service structure. Smaller stores allows customers to purchase most goods at smaller amount, and promotes strong bond between shop owners and their customers (Osman M. Zain & Ismail Rejab, 1989) Odekerken-Schröder *et al.* (2001) elaborated that small, independent neighbourhood stores gives out more personal service, extra attention, and customized advice against the more anonymous, standard self-service that is offered in larger store chains. In another research, small grocery stores are perceived to provide personal contacts, personal attention and care, personal customer service, personal conversations and interpersonal relations, and convenience of being near and allow for quick and easy shopping (Uusitalo, 2001).

However, smaller stores have been viewed negatively as having cramped spaces, expensive products, product run outs, and narrow product range (Uusitalo, 2001). Malaysian consumers faced inconveniences like

‘insufficient parking facilities, inadequate stocks, price discrimination, excessive profiteering, getting short-changed in weight of products sold, and unsatisfactory service’ before the existence of hypermarkets (Moreira, 2003, p. 37)

On the other hand, the medium-sized grocery stores or the more modern supermarkets, capture the sales of food items due to shopping comfort and parking facilities (both related to service quality) although the prices of the similar items maybe relatively higher than smaller stores (Osman M. Zain & Ismail Rejab, 1989). A study on the service quality of supermarket in Singapore found that “personal interaction” and “physical aspects” were the only two important determinants in the respondent’s evaluation of the service quality of a supermarket (Mehta *et al.*, 2000). The other dimensions namely “Policy”, “Problem solving” and “Reliability” were found not to be important in the measure of service quality for a supermarket (Mehta *et al.*, 2000).

The existence of large format retailers is said to cause losses of the level of service to a community due to closure of the traditional stores (Arnold and Luthra, 2000). The larger store chains are seen as giving more anonymous and standard self-service (Odekerken-Schröder *et al.*, 2001). Size of a physical environment has been seen as a factor influencing the extent of social interaction between and among customers and employees (Forgas, 1979). The size of the larger store itself would prevent the store from focusing on “process and social aspects of retail encounters” (Odekerken-Schröder *et al.*, 2001, p. 312). Larger stores were perceived as requiring time and effort due to extensive walking and searching (Klemz & Boshoff, 2001).

Nevertheless, hypermarkets which are larger, tends to offer lower prices, provides more efficient climatically-controlled shopping area, and more consistency in its service offering as compared to supermarkets (Arnold and Luthra, 2000). Large store chains emphasize and compete on the basis of a wide and deep mix of merchandise (Klemz & Boshoff, 2001; Odekerken-Schröder *et al.*, 2001). Larger grocery stores provide convenience as large amounts of goods can be purchased during one shopping trip and can easily be transported by car (Klemz & Boshoff, 2001). This convenience is supported by increased mobility as consumers have more choices of where to shop and how much to shop (Clarke, 2000). Hypermarkets are claimed to be popular in Malaysia as they provide one-roof shopping convenience, reasonable prices, air conditioning and ample parking (Moreira, 2003).

DISCUSSION AND RECOMMENDATION

RSQS has been replicated in several studies outside United States. A study by Boshoff & Terblanche (1997) on hypermarket shoppers in South Africa proves the validity and reliability of the instrument in a different environment. However, replication of the scale in Hong Kong (Siu & Cheung, 2001), reveals its applicability with modification. The researchers did a survey on customers of a multi-national department store chain. They dropped three items from the scale because of the inappropriateness in terms of meaning in the study. First, the customers in Hong Kong seldom interact with store employees over the phone as they visit the store directly. Second, the chain store did not provide parking spaces for customers. Also, the store did not offer its own credit card in Hong Kong. The emerging dimensions in the study were personal interaction, policy, physical appearance, promises, problem solving, and convenience.

In another study using the scale in Singapore, Mehta *et al.* (2000) made two modifications. Firstly, the item “_____ accepts most credit cards” (policy dimension) was deemed inappropriate as the supermarket in Singapore do not normally accept credit cards and was changed to “_____ accepts cheques without hassle”. Secondly, the item “_____ offers its own credit card” (policy dimension) was also changed to “_____ offers a wide variety of merchandise” as very few retail stores in Singapore offers its own credit cards.

Table 2 highlight the dimensions, the relevant subdimensions, and perception items based on literature review and replication of the scale in other countries. However, the personal interaction in RSQS will be changed to “inter-personal relationship” taking into account findings in the literature review.

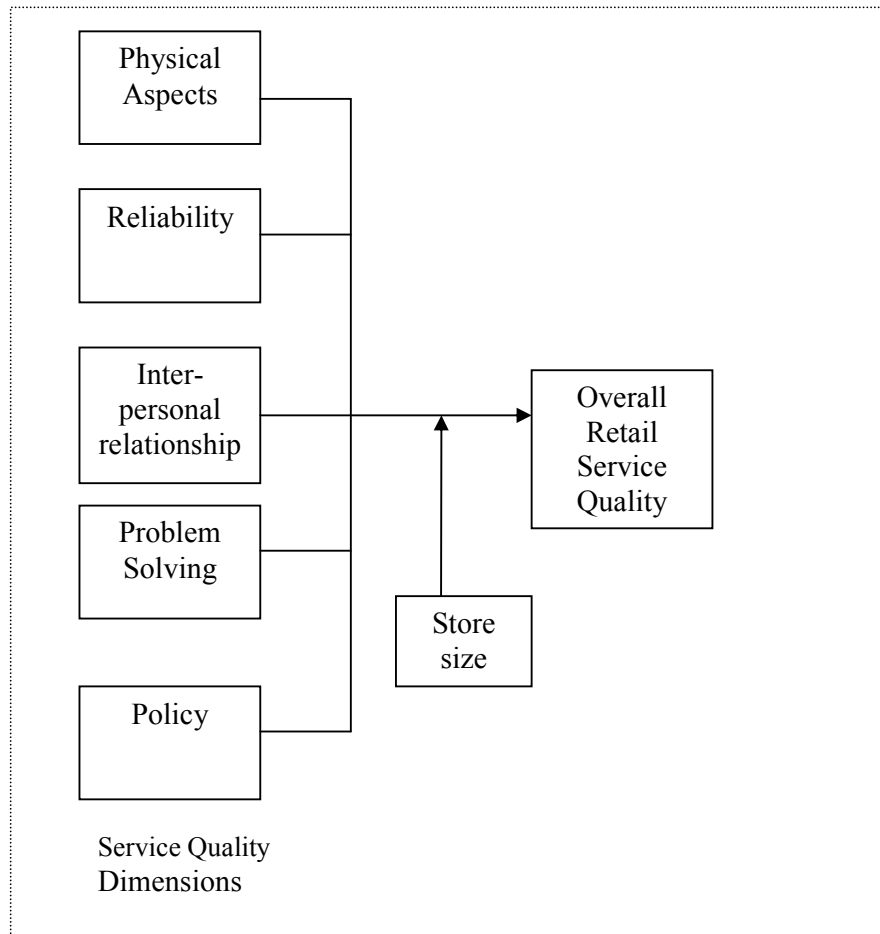
Table 2: Service Quality Instrument

RSQS Dimension	RSQS Subdimension	Perception item
Physical aspects	Appearance	P1: This store has modern-looking equipment and fixtures
Physical aspects	Appearance	P2: The physical facilities at this store are visually appealing
Physical aspects	Appearance	P3: Materials associated with this store’s service (such as shopping bags, catalogs, or statements) are visually appealing
Physical aspects	Appearance	P4: This store has clean, attractive, and convenient public areas (restrooms, fitting rooms)

Physical aspects	Convenience	P5: The store layout at this store makes it easy for customers to find what they need
Physical aspects	Convenience	P6: The store layout at this store makes it easy for customers to move around in the store
Reliability	Promises	P7: When this store promises to do something by a certain time, it will do so
Reliability	Promises	P8: This store provides its services at the time it promises to do so
Reliability	Doing it right	P9: This store performs the service right the first time
Reliability	Doing it right	P10: This store has merchandise available when the customers want it
Reliability	Doing it right	P11: This store insists on error-free sales transactions and record
Inter-personal relationship	Inspiring confidence	P12: Employee in this store have the knowledge to answer customers' questions
Inter-personal relationship	Inspiring confidence	P13: The behaviour of employees in this store instill confidence in customers
Inter-personal relationship	Inspiring confidence	P14: Customers feel safe in their transactions with this store
Inter-personal relationship	Courteousness/helpfulness	P15: Employees in this store give prompt service to customers
Inter-personal relationship	Courteousness/helpfulness	P16: Employees in this store are never to busy to respond to customer's requests
Inter-personal relationship	Courteousness/helpfulness	P17: This store gives customers individual attention
Inter-personal relationship	Courteousness/helpfulness	P18: Employees in this store are consistently courteous with customers
Inter-personal relationship	Courteousness/helpfulness	P19: Employees in this store are use appropriate form of address with customers
Inter-personal relationship	Courteousness/helpfulness	P20: Employees in this store is willing and enthusiastic to respond to customer's request
Inter-personal relationship	Interaction	P21: This store provides conducive environment for chatting with other shoppers or store personnel
Inter-personal relationship	Interaction	P22: This store provides conducive environment for social contact with other shoppers or store personnel
Inter-personal relationship	Interaction	P23: This store provides conducive environment for friendship with other shoppers or store personnel
Problem solving	None	P24: When a customer has a problem, this store shows a sincere interest in solving it
Problem solving	None	P25: Employees of this store are able to handle customer complaints directly and immediately
Policy	None	P26: This store offers high quality merchandise
Policy	None	P27: This store provides plenty of convenient parking for customers
Policy	None	P28: This store has operating hours convenient to all their customers
Policy	None	P29: This store accepts most major credit cards
Policy	None	P30: This store willingly handles returns and exchanges

Figure 1 illustrate that store size will be the moderating variable in the relationship between the dimensions and the overall service quality perceptions measure. Based on the literature review, it is expected that the inter-personal relationship and problem solving dimensions will contribute significantly to the overall service quality measure of a small-sized grocery store, the physical aspects and inter-personal relationship dimensions contribute significantly to the overall service quality measure of a medium-sized grocery store, and the physical aspects, reliability, and policy dimensions will contribute significantly to the overall service quality measure of a large-sized grocery retailer.

Figure 1: Proposed Conceptual Framework



REFERENCES

- Arnould, E. J., Price, L.L., Zinkhan, G. M. (2002), *Consumers*, New York, NY: Mc-Graw-Hill Higher Education.
- Arnold, S. J. & Luthra, M. N. (2000), Market entry effects of large format retailers: a stakeholder analysis, *International Journal of Retail and Distribution Management*, 28 (4/5), 139-154.
- Babin, B. J., Hardesty, D. M., and Suter, T. A. (2003). Color and shopping intentions: the intervening effect of price fairness and perceived effect. *Journal of Business Research*, 56, 541-551.
- Baker, J. (1986) in Koernig, S. K. (2003), E-Scapes: The electronic physical environment and service tangibility. *Psychology & Marketing*, 20 (2), February, 151-167.
- Bellenger, D. N., Steinberg, E., and Stanton, W. W. (1976), The congruence of store image and self image. *Journal of Retailing*, 52 (1), Spring, 17-32.
- Berry, L. L. (1986). Retail businesses are services businesses. *Journal of Retailing*, 62 (1), Spring, 3-6.
- Bitner, M. J. (1992), Servicescapes: The impact of physical surroundings on customers and employees. *Journal of Marketing*, 56, April, 57-71.
- Boshoff, C., & Terblanche, N. S. (1997). Measuring retail service quality: a replication study. *South African Journal of Business Management*, 28, (4), Dec., 123 – 128.
- Brady, M. K., and Cronin Jr., J.J. (2001a). Customer orientation: effects on customer service perceptions and outcome behaviours. *Journal of Service Research*, 3 (3), February, 241-251.
- Chebat, J-C, and Michon, R. (2003) Impact of ambient odors on mall shoppers' emotions, cognition, and spending: a test of competitive causal theories. *Journal of Business Research*, 56, pp. 529-539.
- Clarke, I. (2000). Retail power, competition, and local consumer choice in the UK grocery sector. *European Journal of Marketing*, 34 (8), 975-1002.
- Cronin, J., and Taylor, S. (1992). Measuring service quality: a reexamination and extension. *Journal of Marketing*, 56, July, 55 – 68.
- Dabholkar, P. A., Thorpe, D. I., and Rentz, J.O. (1996). A measure of service quality for retail stores: scale development and validation. *Journal of the Academy of Marketing Science*, 24 (1), 3-16.

- Darian, J. C., Tucci, L. A., Wilman, A. R. (2001). Perceived salesperson service attributes and retail patronage intentions. *International Journal of Retail & Distribution Management*, 29 (5), 205-213.
- Euromonitor, Retail Trade International – Malaysia, October 2002.
- Feinburg, R. A. & de Ruyter, K. (1995). Consumer-defined service quality in international retailing. *Total Quality Management*, 6 (1), March,
- Forgas, J. P. (1979), Social Episodes, London, Academic Press, Inc., in Bitner, M.J. (1992). Servicescapes: The impact of physical surroundings on customers and employees. *Journal of Marketing*, 56 (April), 57-71.
- Ganesan, V. (2003a: April 2). Royal Ahold leaving Malaysia's retail scene? *Business Times*, New Straits Times.
- Ghobadian, A., Speller, S. & Jones, M. (1994). Service quality: concepts and models. *International Journal of Quality & Reliability Management*, 11 (9), 43-66.
- Grönroos, C. (1984). A service quality model and its marketing implications. *Journal of the Academy of Marketing Science*, 24 (1), Winter, 36 – 44.
- Harris, K., Baron, S. & Ratcliffe, J. (1995). Customers oral participants in a service setting. *Journal of Services Marketing*, 9 (4), 64-76.
- Hoffman, K.D. & Bateson, J.E. (2001). *Essentials of Service Marketing: Concepts, Strategies, and Cases* (p. 324). (2nd. Ed.). Australia: South Western Thompson Learning.
- Hurley, R. F. & Estelami, H. (1998). Alternative indexes for monitoring customer perceptions of service quality: a comparative evaluation in a retail context. *Journal of the Academy of Marketing Science*, 26 (3), 209 – 221.
- Imrie, B. C., Cadogan, J. W. & McNaughton, R. (2002). The service quality construct on a global stage. *Managing Service Quality*, 12 (1), 10-18.
- Izwan Idris (2002, March 23), Bigger share for hypermarkets. *The Star*.
- Juran, J.M. How to Think About Quality. In Juran, J. M., and Godfrey, A. B. (Eds.). (1999). *Juran's Quality Handbook* (p. 2.1 – 2.3.). 5th Edition. New York, NY: McGraw-Hill.
- Keillor, B. D., Hult, G. T. M., & Kandemir, D. (2004). A study of the service encounter in eight countries. *Journal of International Marketing*, 12 (1), 9-35.
- Khalifah Othman (1987). A strategy of supermarket use in Malaysia. Unpublished PhD Thesis, University of Stirling.
- Klemz, B. & Boshoff C. (2001). Environmental and emotional influences on willingness-to-buy in small and large retailers. *European Journal of Marketing*, 35 (1/2), 70-91.
- Koernig, S. K. (2003). E-Scapes: The electronic physical environment and service tangibility. *Psychology & Marketing*, 20 (2), February, 151-167.
- Lang, Chin Ying (1986). Patronage behaviour of supermarkets in Petaling Jaya and its managerial implications. *Malaysian Management Review*, 23 (3). 26-38.
- Lim Yoke Mui, Nurwati Badarulzaman, and A. Ghafar Ahmad (2003). Retail activity in Malaysia: from shophouse to hypermarket. Paper presentation at the Pacific Rim Real Estate Society 9th Annual Conference, Brisbane, 20-22 January.
- Maisara Ismail (2002, October 8). Retailers told to be cautious of global players' dominance. *Business Times*, p. 3.
- Mattila, A. S. (1999). The role of culture and purchase motivation in service encounter evaluations. *Journal of Services Marketing*, 13 (4/5), 376-393.
- Mehta, S. C., Lalwani, A.K. & Soon Li Han (2000). Service quality in retailing: relative efficiency of alternative measurement scales for different product-service environments. *International Journal of Retail & Distribution Management*, 28 (2), 62-72.
- Moreira, Debra (2003, November 15). Is Bigger Always Better? *Malaysian Business*. p. 37.
- Ndubisi, N. O. (2003). Service marketing: are perceptions of service quality predictors of behavioral intentions? The Malaysian Borneo banking industry perspective, *Proceedings of the Academy of Marketing Studies*, 8 (1), 37-44.
- Nik Rahimah Nik Yaacob & Mohamad Naim Ahmad (1993). Addressing the customers: the influence of status, physical contact, and age in customers level of irritation. *Malaysian Management Review*, 28 (2), June.
- Norbani Che Ha & SharmilaSinnathurai. (1999). Dimensions of service quality by courier companies: consumers' perception. *Malaysian Journal of Consumer and Family Economics*, 2, 129-141.
- Odekerken-Schröder, G., De Wulf, K., Kasper, H., Kleijnen, M., Hoekstra, J. & Commandeur, H. (2001). The impact of quality on store loyalty: a contingency approach. *Total Quality Management*, 12 (3), 307-322.
- Osman M. Zain & Ismail Rejab (1989). The choice of retail outlets among urban Malaysian shoppers. *International Journal of Retailing*, 4 (2), 35-45.
- Parasuraman, A., Zeithaml, V. A., & Berry, L.L. (1988). SERVQUAL: a multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing*, 64 (1), Spring, 12-40.
- Parasuraman, A., Zeithaml, V. A., and Berry, L.L. (1985) A conceptual model of service quality and its implications for future research. *Journal of Marketing*, 49, Fall, 41-50.
- Prystay, C., (2002, May 2). The retail shopping war. *Far Eastern Economic Review*.