

QUALITY MEASUREMENT AND CONSUMER SATISFACTION WITH MODERN RETAILING

AN ANALYTICAL STUDY

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IN India, the retail sector is the second largest employer after agriculture. Globally India has the highest absolute number and the highest per capita number of retail formats, India is the fifth-largest retail destination in the retail outlets. The Indian retail industry has been growing at a compound annual growth rate (CAGR) of 28 per cent for the last five years and provides employment to 8 per cent of India's working population. Organized retail formats including departmental stores, hypermarkets, supermarkets and specialty stores are fast replacing traditional retail formats such as stores (small 'mom-and-pop' general stores). The boom in this sector started after the liberalization in 1991 in the country (Singh 2003). Several large chains have entered the bandwagon and have achieved fair to significant success. The changes in the nation's social structure such as; improvement of the economy, consumerism, urbanization, the increasing number of nuclear families, double income households, improvement in literacy rates and working women profusion of brands have been the main causal factor for the development of these modern formats.

The present study is an attempt to measure the quality of the services rendered by modern retail stores in India and find out the satisfaction level of the consumers in comparison to the traditional stores.

Key Words: Modern Retailing, Traditional Retail Stores, Consumer Satisfaction, Expectation, Quality.

Introduction

The market is witnessing a migration from traditional retailing to modern/organized retailing formats, with an explosive proliferation of malls and branded outlets. Modern retailing outlets in India are increasingly becoming global in standards and are witnessing intense competition, with the expanding middle and upper class consumer base, there will also be opportunities in India's tier II and III cities. The greater availability of personal credit and a growing vehicle population to improve mobility also contribute to a trend towards annual retail sales growth of 11.4 per cent. Mass Grocery Retail (MGR) sales in India are forecast to undergo enormous growth over the forecast period. Brand Marketing India (BMI) further predicts that sales through MGR outlets will increase by 154 per cent to reach US\$ 15.29 billion by 2014. This is a consequence of India's dramatic, rapid shift from small independent retailers to large, modern outlets (www.ibef.org). For the 4th time in five years, India has been ranked as the most attractive nation for retail investment among 30 emerging markets by the US-based global management consulting firm, A T Kearney in its 8th annual Global Retail Development Index (GRDI 2009). India remains among the leaders in the 2010 GRDI and presents major retail opportunities. India's retail market is expected to be worth about US\$ 410 billion, with 5 per cent of sales through organized retail, it confirms that the opportunity in India remains immense. Retail should continue to

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grow rapidly — up to US\$ 535 billion in 2013, with 10 per cent coming from organized retail, reflecting a fast-growing middle class, demanding higher quality shopping environments and stronger brands (BMI 2010 <http://www.eindiaretail.blogspot.com/>&<http://www.ibef.org/industry/retail.aspx>).

The growth and development of retail brands has experienced considerable change over the last few decades. For many retailers, the strategy of offering a lower quality, lower price own-brand alternative has altered to one of directly competing with manufacturer brands in terms of quality, design and packaging (Broadbridge and Morgan, 2000). Laaksonen (1994) and Laaksonen and Reynolds (1995), reported that consumer acceptance of retail brands has grown, with many consumers now believing they represent good value for money and having as much confidence in retail brands as in manufacturer brands. Baumgarten and Yucetepe, (2007) found that Consumers are likely to have a consideration set of retail store brands and are likely to think which ones to patronize in terms of how similar they are. The success of a brand in the long term is not based on the number of consumers that buy it once-off, but on the number of consumers who become regular buyers of the brand, repeat purchases and customer loyalty are prioritized by retailers, (Odin et al., 1999).

Expectations

Expectations of consumer behavior in retailing are broadly composed of three dimensions, namely, expectations from the retailer about the consumer, the individual's expectations of their fellow consumers, and expectations from consumers regarding the responsibilities of the retailer (Fullerton and Punj 2002). The 'kirana' store is a key element in the retail in India due to the housewife's unwillingness to go long distances for purchasing daily needs. Sinha et al. (2002) identified factors that influenced consumers' choice of a store, convenience and merchandise were the two most important reasons for choosing a store. Convenience was indicated by consumers as the most important reason in the choice of groceries and fruit outlets, chemists and lifestyle items while merchandise was indicated as the most important in durables, books and apparel.

The retailers, who focused on developing only supply-side efficiencies in terms of reaching retail productivity targets, need to think about demand side efficiencies in terms of satisfaction of customers' needs in order to optimize business performance, Sanghavi (2007). Blose et al. (2005) reported that it is important to identify efficient levels of the various dimensions of satisfaction of customers' needs that directly link to measures of specific firm outputs that firms intend to maximize in addition to supply side efficiencies.

Modern trade outlets have deeper pockets and can afford to make mistakes and get away with it in the short term, but kiranas have to stay alert, try to upgrade and continue to serve customers well, while concentrating on innovating, evolving and remaining efficient on retailer productivity scores, Goswami (2008).

The expectations of the consumers are tough to meet but the retailers are aiming to make efforts and find ways to win customers trust and keep them permanently happy (Parikh, 2006). As the consumers are becoming more demanding and knowledgeable; they are tough critics, savvy purchasers, value-driven spenders, and practical thinkers when it comes to shopping. Buying from a retail store is much more than just buying, it is an experience in itself. To have best utilization of the available time, the consumers are looking for the avenues that would give them the maximum value for their money and time (Parikh, 2006). Parikh (2006) found that retail stores in India will have to improve the quality of their services significantly in order to compete successfully in the global marketplace.

Retail Growth in India

The study has identified 20 top Indian cities, which though accounting for only 10% of the country's population, generate as much as 60% of its surplus income and 31% of its disposable income. The 20 large cities, which accounted for nearly \$100-billion of consumption expenditures are divided into three groups comprising; Mega cities (8), Boomtowns (7), and Niche Cities (5). The eight Mega

cities apart from large population also have large consumer markets, are: Mumbai, Delhi, Kolkata, Chennai, Bangalore, Hyderabad, Ahmedabad and Pune. The seven Boomtowns that have big population and high expenditure per household are: Surat, Kanpur, Jaipur, Lucknow, Nagpur, Bhopal and Coimbatore. The five Niche cities that are relatively smaller in population but have above national-average household spent are: Faridabad, Amritsar, Ludhiana, Chandigarh and Jalandhar. According to the report, these 20 cities despite impending economic slowdown, for the next eight years (2008-2016), will grow at a healthy rate of 10.1% per annum, compared to other cities growing at 7.9% per annum. In the past three years (2005-08), the top 20 have registered a growth of 11.2% per annum (Images F&R Research 2008). According to a report by McKinsey, India's overall retail sector is likely to grow to US\$ 419.93 billion by 2015. India has moved up to the 39th most preferred retail destination in the world in 2009, up from 44 last year. The turnover of the organized retail segment in India is pegged at around US\$ 8.1 billion. It is expected to reach US\$ 51 billion by the end of 2010 (Images F&R Research 2009).

The total Private Consumption for the year 2009-2010 is of Rs.3,679,000 crore (Rs.36,790 billion) out of which the consumption from Retail is Rs.2,000,000 crore (Rs.20,000 billion) and the size of consumption from Modern Retail is of Rs.164,000 crore (Rs.1,640 billion) which accounts 8.2% of Total Retail. Employment in modern retail is 10 direct and 100 indirect per Rs.1 crore (Rs.10 million) sales and total employment in modern retail is 1.65 million, estimated indirect employment in modern retail is 16.5 million and total dependents in modern retail so far is over 18 million people (www.indiaretailforum.in).

The rural retail market is currently estimated at US\$112 billion, or around 40 percent of the US\$ 280 billion retail market. Major domestic retailers like AV Birla, ITC, Godrej, Reliance and many others have already set up farm linkages. Hariyali Kisan Bazaars (DCM) and Aadhars (Pantaloons-Godrej JV), Choupal Sagars (ITC), Kisan Sansars (Tata), Reliance Fresh, Project Shakti (Hindustan Unilever) and Naya Yug Bazaar are established rural retail hubs (www.in.nielsen.com).

It is clear from the growth of the modern retailing in India that the consumers are using the services of these stores and buying products from these stores. Keeping the growing size of the modern retail in the mind following objectives are formulated.

Objectives

1. To study the growth factors of modern retailing in India.
2. To measure the consumer perception about these stores.
3. To find out the satisfaction level of the modern retail consumers.
4. To prepare a profile of the modern retail consumers.
5. To find out the relationship between demography and consumption pattern of the modern retail consumers.

Methodology

Measures: Consumer perception about the services of the modern retail store was measured with the help of a self designed structured questionnaire. The questionnaire was prepared on the pattern of RSQS; a service quality scale for retail sector, as retailing is different from any other product/service environment (Finn and Lamb, 1991; Gagliano and Hathcote, 1994). Retail Service Quality Scale (RSQS) for measuring retail service quality is developed by Dabholkar, Thorpe and Rentz (1996). The RSQS is mainly categorized into five broad categories such as; Physical aspect, Reliability, Personal interaction, Problem solving and Policy.

Scale: A questionnaire to measure the perception of the consumers about the services of a modern retail store was designed on a 5-point Likert type scale ranging from 'Strongly Agree(5) — Agree(4) —

Undecided(3) — Disagree(2) — Strongly Disagree(1)' on the five major area such as; physical aspect, reliability, personal interaction, problem solving and policy (Kaul 2005). Besides this consumer satisfaction and repurchase intention was also measured, in all 28 items were constructed for the purpose, and a few more for demographical information of the respondents was also prepared.

Sampling: The consumers who were visiting the retail store in Varanasi were contacted personally and a structured questionnaire was handed over them to record their perception/views about the retail stores. It was a systematic random sampling as the consumers making their purchases from a retail store were contacted/interviewed just after the completion of the purchase formality.

Sample Size: More than 125 questionnaires were distributed to the consumers who were making their purchase from the modern retail stores in Varanasi, but only 100 questionnaires were found suitable for analysis, rest of the questionnaires were rejected due to incomplete information.

Reliability: The reliability of the scale was computed to ensure its soundness and it was found reliable as the Cronbach alpha is 0.7607.

Sample Profile (Table 1)

Age: Majority of the respondents (45%) were from young age group i.e. 20 years to 30 years of age, and more than one fourth (28%) of the respondents were below 20 years i.e. teenagers.

Education: A great majority (79%) of the respondents were highly educated with (47%) graduation and around one third (32%) of the respondents post graduate and above than post graduation.

Gender: More than half (59%) of the respondents were male.

Occupation: A great majority (60%) of the respondents were from service class family with 41% private sector services. And 35% of the respondents were having their own business or professional occupation, rest 5% of the respondents was farmers.

Income: A great majority (64%) of the respondents were from middle income class i.e., monthly income from Rs.10001 to Rs.30000. while very low number of the respondents was from lower income group i.e., monthly income up to Rs.10000 per month and the number of respondents from higher income group was also very low as only 9% of the respondents was from the income group of more than Rs.40000 per month.

Family Size: Majority (43%) of the respondents were having middle family size i.e., three to five members family, while more than one third (37%) of the respondents were having large family size.

Marital Status: More than half (58%) of the respondents were unmarried and the rest 42% of the respondents were married.

Results

Consumer perception about the services of a modern retail store was measured on five-point Likert type scale, the results obtained from the survey is presented into three categories; Agree, Neutral, and Disagree (agree and strongly agree was clubbed into one category (A), undecided (N) was the another category while the disagree, strongly disagree in one category (DA) to understand the clear view of the consumers. The result obtained from the survey is presented as below: and it was found that the items like; the quality of the goods being sold by modern retail stores is very good, the grocery items sold by modern retail stores are not being adulterated as it is adulterated in traditional stores, the modern retail store is protecting the interest of the consumers by delivering original goods, the behaviour of the employees working with modern retail store is very good, the after sale service of the modern retail stores is also very good, the remedy of the complaint in modern retail stores is very good, modern retail

Table 1: Sample Profile

Demography Factors	Category	Percentage
Age	Up to 19 years	28.0
	20 to 30 years	45.0
	31 to 40 years	14.0
	41 to 50 years	11.0
	51 years and above	2.0
Education	Up to High School	21.0
	Up to graduation	47.0
	Post Graduation and above	32.0
Gender	Male	59.0
	Female	41.0
Occupation	Government Service	19.0
	Private Service	41.0
	Business	19.0
	Professional	16.0
	Farmer	5.0
Income	Up to Rs.10000	8.0
	10001-20000	40.0
	20001-30000	24.0
	30001-40000	19.0
	40001 and above	9.0
Family size	Up to 3 members	20.0
	3 to 5 members	43.0
	above 5 members	37.0
Marital Status	Married	42.0
	Unmarried	58.0

stores are fulfilling the expectations of the customers, the seller-buyer relationship at modern retail store is very professional, modern retail stores are the brand one in today's society, shopping from modern retail store is an entertainment also, the overall environment of a modern retail store is very conducive and entertaining, and the overall services of modern retail stores are very good, are having mean value <4, this trend indicates that the performance of modern retail stores on these areas are better and it is as per the expectations of the consumers. It further also explains that the perception of the consumers towards retail store is good and it is succeeding in its mission of replacing the traditional stores in India, as none of the item score mean value >3 (Table 2).

RSQS Measurement

The data obtained on these 28 items were categorized under five categories of RSQS as suggested by Dabholkar, Thorpe, and Rentz (1996), and the items of satisfaction and repurchase intention of the consumer's were also measured.

Table 2: Service Quality Evaluation of Modern Retail Stores

S.No.	Statements	A(%)	N(%)	DA(%)	Mean	S.D.	S.E.
1.	The quality of goods being sold by modern stores is very good.	90	7	3	4.41	0.830	0.83
2.	The price of the grocery goods available at modern retail stores is cheap in comparison to traditional stores.	66	5	29	3.66	1.54	0.154
3.	The grocery items sold by modern retail stores are not being adulterated as it is adulterated in traditional stores.	83	9	8	4.17	0.995	0.099
4.	The modern retail store is protecting the interest of the consumers by delivering original goods.	77	14	9	4.10	1.064	0.106
5.	The behaviour of the employees working with modern retail store is very good.	83	10	7	4.23	0.993	0.099
6.	The after sale service of the modern retail stores is very good.	80	14	6	4.00	1.01	0.101
7.	The remedy of the complaint in modern retail stores is very good.	82	11	7	4.10	1.05	0.105
8.	Customer care unit of modern retail store is very good.	77	14	9	3.95	1.12	0.112
9.	The modern retail stores are providing the actual benefit to the customers by providing total quality of goods and service.	76	16	8	3.93	0.987	0.099
10.	Modern retail stores are fulfilling the expectations of the customers.	80	12	8	4.07	1.03	0.103
11.	Modern retail stores are maintaining the social status of the consumers.	76	11	13	3.82	1.26	0.126
12.	The seller-buyer relationship at modern retail store is very professional.	83	9	8	4.07	1.02	0.102
13.	Modern retailers are more beneficial to the consumers in comparison to the traditional retailers.	72	11	17	3.69	1.28	0.128
14.	The quality of the goods and services available at modern retail stores is as par the promise made by these stores.	72	18	10	3.88	1.04	0.104
15.	Modern retail stores are the brand one in today society.	75	19	6	4.01	0.969	0.097
16.	After purchasing from modern retail store I will never visit any traditional retail store for purchase of grocery items.	50	31	19	3.43	1.29	0.129
17.	The quality of the grocery items available at traditional retail stores is not very good as it is in the modern retail stores.	58	26	16	3.52	1.25	0.125
18.	Shopping from modern retail store is an entertainment also.	79	19	2	4.21	0.856	0.086

S.No.	Statements	A(%)	N(%)	DA(%)	Mean	S.D.	S.E.
19.	The overall environment of a modern retail store is very conducive and entertaining.	77	21	2	4.15	0.892	0.089
20.	The overall services of modern retail stores are very good.	75	20	5	4.00	0.958	0.096
21.	I am satisfied with the goods and services delivered by modern retail store.	74	20	6	3.97	0.958	0.096
22.	I am realizing actual value of money through shopping at modern retail stores.	69	24	17	3.55	1.23	0.123
23.	Modern retailers never cheat and exploit the consumers.	55	18	27	3.37	1.28	0.128
24.	I feel quite safe and confident about the quality and the reliability of the products at modern retail stores.	70	21	9	3.86	1.05	0.105
25.	Overall shopping from a modern retail store is worthy one.	72	22	6	3.93	.956	.096
26.	The packaging of grocery items available at modern retail store is very good.	71	22	7	3.92	1.01	0.101
27.	I am Completely satisfied with the modern retail store.	64	30	6	3.92	1.002	0.100
28.	I would Definitely purchase products from a modern retail store in future.	54	20	26	3.54	1.29	0.129

1. Physical Aspects

In this category four items were measured and it is found that the item, 'Modern retail stores are the brand one in today's society' were having mean value > 4, while rest three items' mean value was > 3. The respondents were agree with all the statements, cheap price of the products, retail brands, social status and packaging of the products at these stores (Table 3).

Table 3: Physical Aspects

S.No.	Statements	A(%)	N(%)	DA(%)	Mean	S.D.	S.E.
1.	The price of the grocery goods available at modern retail stores is cheap in comparison to traditional stores.	66	5	29	3.66	1.54	0.154
2.	Modern retail stores are maintaining the social status of the consumers.	76	11	13	3.82	1.26	0.126
3.	Modern retail stores are the brand one in today's society.	75	19	6	4.01	0.969	0.097
4.	The packaging of grocery items available at modern retail store is very good.	71	22	7	3.92	1.01	0.101

2. Reliability

In the reliability category five items were constructed and it is found that except two items rest of the items mean value was < 4. The item, the modern retail stores are providing the actual benefit to the customers by providing total quality of goods and service, and the quality of the goods and services available at modern retail stores is at par with the promise made by these stores were having > 4 mean value. This shows the high reliability of modern retail store in India (Table 4).

Table 4: Reliability

S.No.	Statements	A(%)	N(%)	DA(%)	Mean	S.D.	S.E.
1.	The grocery items sold by modern retail stores are not being adulterated as it is adulterated in traditional stores.	83	9	8	4.17	0.995	0.099
2.	The after sale service of the modern retail stores is very good.	80	14	6	4.00	1.01	0.101
3.	The modern retail stores are providing the actual benefit to the customers by providing total quality of goods and service.	76	16	8	3.93	0.987	0.099
4.	Modern retail stores are fulfilling the expectations of the customers.	80	12	8	4.07	1.03	0.103
5.	The quality of the goods and services available at modern retail stores is as par the promise made by these stores.	72	18	10	3.88	1.04	0.104
6.	The overall services of modern retail stores are very good.	75	20	5	4.00	0.958	0.096

3. Personal Interaction

Personal interaction of modern retailers with the consumer is good as the result indicate that all the three items in this category are having mean value > 4. This trend of interaction/relationship will be helpful to win the confidence of the consumer and retain them for life long (Table5).

Table 5: Personal Interaction

S.No.	Statements	A(%)	N(%)	DA(%)	Mean	S.D.	S.E.
1.	The behaviour of the employees working with modern retail store is very good.	83	10	7	4.23	0.993	0.099
2.	The seller-buyer relationship at modern retail store is very professional.	83	9	8	4.07	1.02	0.102
3.	The overall environment of a modern retail store is very conducive and entertaining.	77	21	2	4.15	0.892	0.089

4. Problem Solving

Two items were used to know the problem solving system of modern retailers and it was found that a great majority (82%) of the respondents reported that the remedy of the complaint in modern retail stores is very good with 4.10 mean value. The S.D. of the item is 1.05 with 0.105 S.E. and 77% of the respondents reported that the customer care unit of modern retail store is very good, the mean value of the item is 3.95, with 1.12 S.D. and 0.112 S.E. (Table 6).

Table 6: Problem Solving

S.No.	Statements	A(%)	N(%)	DA(%)	Mean	S.D.	S.E.
1.	The remedy of the complaint in modern retail stores is very good.	82	11	7	4.10	1.05	0.105
2.	Customer care unit of modern retail store is very good.	77	14	9	3.95	1.12	0.112

5. Policy

To measure the policy of modern retail stores eight items were constructed for this purpose and it was found that the mean value of the items; the quality of the goods being sold by modern retail stores is very good, the modern retail store is protecting the interest of the consumers by delivering original goods, and shopping from modern retail store is an entertainment also was > 4. For the rest of the items, i.e., modern retailers are more beneficial to the consumers in comparison to the traditional retailers, the quality of the grocery items available at traditional retail stores is not very good as it is in the modern retail stores, modern retailers never cheat and exploit the consumers, I feel quite safe and confident about the quality and the reliability of the products at modern retail stores, and overall shopping from a modern retail store is worthy one was > 3 (Table 7).

Table 7: Policy

S.No.	Statements	A(%)	N(%)	DA(%)	Mean	S.D.	S.E.
1.	The quality of the goods being sold by modern retail stores is very good.	90	7	3	4.41	0.830	0.083
2.	The modern retail store is protecting the interest of the consumers by delivering original goods.	77	14	9	4.10	1.064	0.106
3.	Modern retailers are more beneficial to the consumers in comparison to the traditional retailers.	72	11	17	3.69	1.28	0.128
4.	The quality of the grocery items available at traditional retail stores is not very good as it is in the modern retail stores.	58	26	16	3.52	1.25	0.125
5.	Shopping from modern retail store is an entertainment also.	79	19	2	4.21	0.856	0.086
6.	Modern retailers never cheat and exploit the consumers.	55	18	27	3.37	1.28	0.128
7.	I feel quite safe and confident about the quality and the reliability of the products at modern retail stores.	70	21	9	3.86	1.05	0.105
8.	Overall shopping from a modern retail store is worthy one.	72	22	6	3.93	0.956	0.096

6. Satisfaction

Three items were in the scale to measure the satisfaction level of the consumer's with the modern retail stores and it was found that none of the items have mean value more than 4 but all the items having mean value more than 3 on a 5-point scale, this indicates that the consumers of the modern retail store are satisfied with the modern retailing but their level of satisfaction is not at the level of delight, it may be because of the high expectations about their services and it is to be fulfilled by those stores (Table 8).

7. Repurchase

The future repurchase intention of the consumer's from these stores were also measured, it was found that two items in the category were constructed and none of the item was having mean value > 4, this shows that the consumers' are willing to visit these stores again in future but the intensity for repurchase of the items from these stores is not very high (Table 9).

Table 8: Satisfaction

S.No.	Statements	A(%)	N(%)	DA(%)	Mean	S.D.	S.E.
1.	I am satisfied with the goods and services delivered by modern retail store.	74	20	6	3.97	0.958	0.096
2.	I am realizing actual value of money through shopping at modern retail stores.	69	24	17	3.55	1.23	0.123
3.	I am completely satisfied with the modern retail store.	64	30	6	3.92	1.002	0.100

Table 9: Repurchase

S.No.	Statements	A(%)	N(%)	DA(%)	Mean	S.D.	S.E.
1.	After purchasing from modern retail store I will never visit any traditional retail store for purchase of grocery items.	50	31	19	3.43	1.29	0.129
2.	I would definitely purchase products from a modern retail store in future.	54	20	26	3.54	1.29	0.129

Satisfaction & Repurchase Relationship with Demography

The relationship between satisfaction and demography was computed and it is found that education level of the respondents is having significant negative correlation with satisfaction ($r = -0.202$), rest of the demographical variables like: age, income, family size, occupation, and marital status were not having significant relationship with satisfaction level of the consumer. This relationship clearly indicates that the satisfaction level is not influenced with the demography of a consumer but it is based on the gap of post purchase product performance and pre purchase expectations of a consumer. The education level of the respondents' negative correlation shows that education can be one of the factors in expectation building of the consumers.

Further, the relationship of repurchase intention and demography of the respondents was also computed and it is found that there is no significant correlation between these two, this shows that the demography of the consumer's is not a determinant of their repurchase behaviour (Table 10).

Table 10: Relationship between Demography and Satisfaction & Repurchase Intention

Variables	Age	Education	Occupation	Income	Family Size	Marital Status
Repurchase	-0.065	-0.202*	-0.003	0.115	-0.160	0.072
Satisfaction	-0.002	-0.040	-0.022	0.027	-0.068	-0.044

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

- Correlation is significant at the 0.05 level (2-tailed).

RSQS Satisfaction, and Repurchase: Modelling

To study the contribution of RSQS factors with the satisfaction and repurchase intention of the consumers a SEM was computed with the help of AMOS, and it was found that three of the variables i.e., physical aspects, reliability and policy of RSQS were having significant correlation with repurchase intention of the consumers', only two variables i.e., personal interaction and problem

solving were not having significant correlation with repurchase intention. However, except one variable i.e., problem solving of the scale the rest of the variables was having significant correlation with satisfaction of the consumers (Table 11). The SEM modeling of repurchase and satisfaction model of modern retailing shows that physical aspect of a modern retail store contributes 33% to the repurchase intention of the consumers, and satisfaction contributes 44% to the repurchase intention (Figure 1).

Table 11: Retail Service Quality Relationship with Satisfaction and Repurchase Intention

		1	2	3	4	5	6	7
1.	Repurchase Intention	1						
2.	Physical Aspects	0.422**	1					
3.	Reliability	0.322**	0.509**	1				
4.	Personal Interaction	0.140	0.217*	0.370**	1			
5.	Problem Solving	0.000	-0.006	0.161	0.171	1		
6.	Policy	0.344**	0.497**	0.375**	0.380**	0.135	1	
7.	Satisfaction	0.508**	0.217*	0.275**	0.279**	0.055	0.262**	1

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

* Correlation is significant at the 0.05 level (2-tailed).

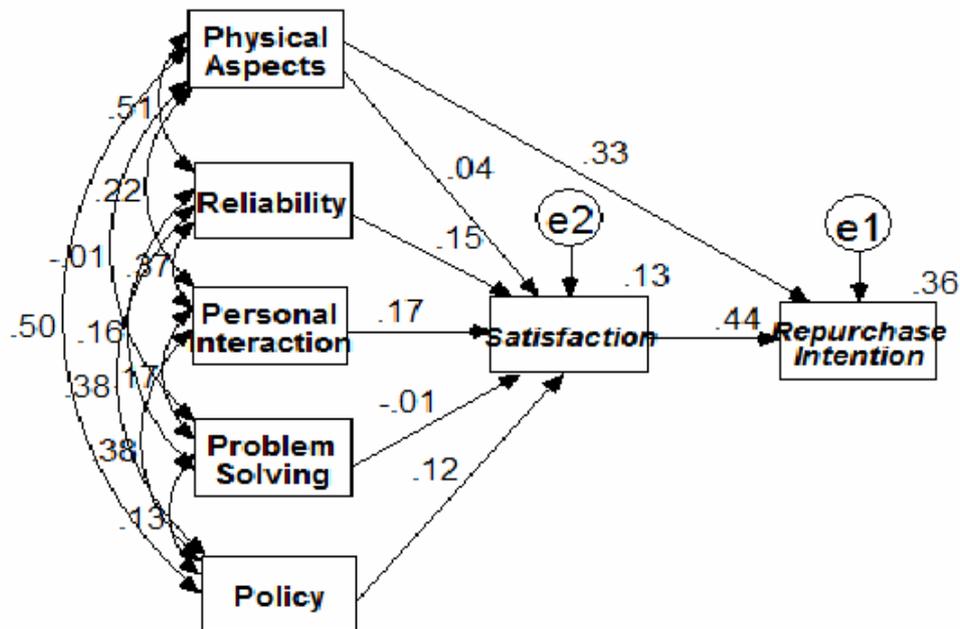


Figure 1: Retail Service Quality, Consumer Satisfaction, and Repurchase Intention Model

(Model fit measures NFI= 0.983, RFI= 0.909, IFI=1.009, TLI = 1.056, CFI = 1.000, and RMSEA = 0.000).

Model Summary(b)

Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	0.614(a)	0.377	0.336	1.55972	0.377	9.363	6	93	0.000

a Predictors: (Constant), Policy, Problem Solving, Satisfaction, Reliability, Personal Interaction, Physical Aspects

b Dependent Variable: Repurchase Intention

ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	136.667	6	22.778	9.363	0.000(a)
	Residual	226.243	93	2.433		
	Total	362.910	99			

a Predictors: (Constant), Policy, Problem Solving, Satisfaction, Reliability, Personal Interaction, Physical Aspects

b Dependent Variable: Repurchase Intention

Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-1.533	1.654		-0.926	0.357		
	Satisfaction	0.366	0.074	0.432	4.923	0.000	0.871	1.148
	Physical Aspects	0.179	0.074	0.254	2.427	0.017	0.615	1.627
	Reliability	0.040	0.058	0.071	0.699	0.486	0.644	1.553
	Personal Interaction	-0.098	0.089	-0.102	-1.092	0.278	0.763	1.310
	Problem Solving	-0.034	0.090	-0.032	-0.377	0.707	0.939	1.066
	Policy	0.067	0.056	0.121	1.203	0.232	0.658	1.521

a Dependent Variable: Repurchase Intention

Conclusion

It can be concluded that all the variables of retail service quality scale (Dabholkar, Thorpe, and Rentz, 1996) should be addressed and focused by the retailers as modern retail stores are coming up rapidly in each and every town of the country. This mushrooming growth of modern retail store will definitely lead to the stiff competition amongst the retailers. The modern retailers should have a provision of evaluation and measurements of the services rendered by them and accordingly improve the quality of the services at par with the expectation of the consumers. As the service quality factors of modern retailing are having significant relationship with the satisfaction and repurchase intention of the consumers.

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