MEASURING THE GAP BETWEEN CUSTOMERS’ PERCEPTIONS AND CUSTOMERS’ EXPECTATIONS TOWARDS THE ORGANIZED RETAIL STORES IN GWALIOR

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ABSTRACT

Researcher aims to measure the gap between customers’ expectations and perception towards the services offered by the organized retail stores of Gwalior. Study was based on the opinions of the customers of organized retail stores. Thus the data used in the study was primary and has been collected with the help of survey approach. Total five organized retail stores of Gwalior were surveyed during current study namely; Big Bazaar, Vishal Mega Mart, Rawalda’s True Mart, Anand Stores and Gwalior Basket. From each of the five retail stores total 100 customers were personally contacted and questionnaire were got filled up. It was found from the study that there is a gap between the customer expectations for service quality of retail stores and customer perception or actual service quality experienced by the customers in organised retail stores. This gap is a matter of concern for the retailers while making strategies to increase their customer data base or to retain the existing customers, by increasing the level of satisfaction of existing customers.

KEYWORDS: Organized retail stores, customers’ expectations, customers’ perceptions, gap analysis and service quality.
INTRODUCTION

Retail sector in India is well developed and growing further at a sustainable rate. India, with its demographic dividend, increasing economic growth and rising income levels, is bound to fuel the retail sector to newer and greater heights. Indian retail sector is the fifth largest sector of by size and its market size is US $641 Billion as on 2016. The retail sector in India is expected to grow at a compound Annual Growth Rate (CAGR) of 10% in the near future and estimated to reach a market size more than US $1 trillion by 2026. Indian retail sector can be broadly divided as organized retail sector and unorganized retail sector. The organised retail sector is just a mere 9% of the total retail market in India. But the organized retail sector is well poised to expand as the Indian economic development results in increased urbanization and income levels.

The organised retail sector’s growth will also depend on the new capital investments, improved supply chain and logistics, innovation in products and marketing, strategic sourcing and pricing and moreover, above all these, customer attraction, retention and satisfaction. The high growth prospects and promise of a stable profitable market has indeed attracted many new players in the organized retail sector. The increased competition has led to an intense focus on customer and cost structures. The organized retail chains are competing to attract more customers to reach more sales volumes and at the same time reduce cost though innovations. The reduced cost of products and operations are transferred to the customer, thus ultimately benefitting the customers.

The organized retail sector has become customer centric. Retail chains and outlets are increasingly focus on attracting customers by strategic location, pricing, product offerings, improved quality, marketing and providing a unique and seemly shopping experience. Customer retention is another big challenge facing the sector. This has resulted in the retailers to compete for customers. Most of the retailers have started running a full-fledged loyalty program for customers to retain them. This includes special discounts and services for repeating customers. All these factors have empowered the customers to shop at ease and choose right products at the right price.

Customers too are evolving as the organized sector itself is trying to expand. The perception and expectations of the customers too has changed. India has a very young population in the world and a fastest growing economy which has made people aspirational. Expectations of customers have increased from the past and are going to continue to change as the population and country grow. The organized retailers have opened up a new wave of customer friendly market. The retailer provides a vast variety of products of different nature at the same roof and it has affected the choice and preferences of the customers. The attractive pricing of products has profited the
customers monetarily and has influenced their consumption pattern. Focus on increased quality products by the organized chains has also benefitted the consumers and made them realise value for money spent. The organised retailers have also spent a considerable capital on marketing to influence the consumer choice, perception, preference and expectation. As competition increase in the sector, the marketing efforts to influence customers are bound to grow. At last the organized retailers have also increasingly focusing not only on selling products but also to give customers a complete shopping experience. Retail shops with their strategic locations, strategic product placements in the stores, minimal and receiving staffs and less time consuming shopping are competing to provide a lasting shopping experience for the customers.

REVIEW OF LITERATURE

Pucinelli et al. (2009) have studied the customer experience management in retail sector. The research identifies various behavioural aspects of consumers at various stages of consumer decision making process - goals, schema, information processing, memory, involvement, attitudes, affective processing, atmospherics, and consumer attributions and choices. The study aims to create an understanding of the consumer behaviour so that it can be leveraged by the retailers. Reinartz et al. (2004) have provided a detailed account on customer relationship management concepts and also studied empirically its role in organizations performance. RajShekhar et al. (2006) states that customer relationship needs to be supplemented by active market research for effective implementation. Lal and Prabhakar (2007) have given a basic framework for customer relationship management in Retail. They have broadly focused on customer loyalty, lifetime value, profitability and retention. Vemaraju (2011) has studied the customer perception and customer relationship in the changing environment of the retail sector. The research states that the movement to organized retail sector by the customer in India indicates the expectations of consumer for better service and products. The researcher also highlights about the untapped potential of organized sector in other regions of India apart from cities. Khan et al. (2014) have studied the consumer buying behaviour and the factors influencing them in India from the perspective of various marketing strategies followed by the organized retail sector. The study finds that the demography of the consumers plays an important role in determining the preferences of customers and their buying pattern. Product quality and service quality has a significant role in shaping customer perception. Ngai et al. (2009) research focuses on data and the use of technology tools for better customer relationships. Triznova et al. (2015) study finds a strong relationship between customer relationship and the employees and organization culture. Ghosh et al. (2009) have studied the customer expectations of various store
attributes of a retail stores in India. They have identified eleven factors that customer seek in a retail store classified under three broad areas – Convenience and merchandise mix, store atmosphere and services.

Prasad and Aryashri (2008) have studied customer relationship marketing practices among organized retail food and grocery sector. The study highlights the importance of customer satisfaction as a single largest factor, followed by trust and commitment of retailers to customer engagement, in influencing the customer relationship. Mathur and Samma (2010) have studied the Customer Relationship Management (CRM) practices among retailers in Udaipur city, India. The researchers have found that attraction and retention of customers is a continuous process through well managed consumer relationship. They have concluded that acting on feedback of customers and customizing their experience will result in positive outcomes. Verma and Verma (2013) have conducted a similar study in Indore city, India and have concluded that technology enabled systems and increased customer interactions can result in positive outcomes. Awasthi (2012) has done a similar study in Indore city India to analyse the effectiveness of CRM in increasing sales and profitability. Kavita and Shanmugasuriyan (2015) have conducted a similar study in the southern India, Selam city. Kumar (2014) has conducted a similar study on organized retail shopping malls of Bengaluru, India and concluded that increasing customer focus by shopping mall retailers will result in retention of customers. Sharma and Dhingra (2012) have conducted a similar study in the Delhi NCR region, India and have concluded that organizations needs more than CRM tools to bring about a change in the performance. They have stated that a concrete and unified effort from various departments is essential for positive outcomes.

Minami and Dawson (2008) have studied the effects of customer relationship management in Japan retail sector and have found that an effective CRM helps in decision making for the organizations. The study showed a positive impact on financial performance by the retail industry on implementing a customer relationship strategy. Anderson et al. (2007) have studied the literature of CRM in retail sector and have found that it was mainly used for targeted marketing, customer decision analysis and service enhancement. Sulaiman et al. (2013) have studies the customer relationship management in retail sector in Malaysia and have found that customer loyalty depends on build trust by the retailer. Cuthbertson and Laine (2003) have done an extensive study on loyalty management as part of customer relationship management in retail sector. The study emphasizes the importance of loyalty management as customer retention is essential for building a sustainable retail business. Keeping in view the importance of organized retail sector in the economy, current research has been done to measure the gap between customers’ expectations and perception in organized retail sector in Gwalior.
OBJECTIVES

- To study the customers’ perception towards the organized retail stores in Gwalior.
- To study the customers’ expectation towards the organized retail stores in Gwalior.
- To conduct the gap analysis between customers’ perception and expectations of customers towards the organized retail stores in Gwalior.

RESEARCH DESIGN

Current study was mainly based on the opinions of the customers of organized retail stores. Thus the data used in the study was primary and has been collected with the help of survey approach. Total five organized retail stores of Gwalior were surveyed during current study namely; Big Bazaar, Vishal Mega Mart, Rawaldas True Mart, Anand Stores and Gwalior Basket. From each of the five retail stores total 100 customers were personally contacted and questionnaire were got filled up. Customers’ opinions towards various other factors of retail stores have been recorded through informal discussions and through observations. Researcher has used independent sample t-test for measuring the gap between the customers’ expectations and perceptions towards the service quality of the organized retail stores. Gap has been measured as the difference between the mean value of two sets of variables namely; customers’ expectations and perceptions. If the mean value of customers’ perception is higher than the mean value of customers’ expectations then it is considered as a positive gap and which indicates the high quality of services while if the gap is negative means the mean value of customers’ perception is less than the mean value of customers’ expectations then it is considered as a negative gap and it indicates the low quality of services of organized retail stores. Further, the charts and the descriptive analysis has been used for analysis of primary data. Researcher has measured the customers’ expectations using five point scale where 5 is highly important, 4 means important, 3 means neutral, 2 means less important and 1 means not important at all. Customers’ perception has been measured using five point scale where one is very bad, 2 is bad, three is average, 4 is good and 5 is very good. Following hypothesis has been measured using the t-test.

Null Hypothesis 1 (H₀₁): There is no significant gap between the customers’ expectation and perception towards the services offered by organized retail stores in Gwalior.

Null Hypothesis 2 (H₀₂): There is no significant gap between the customers’ expectation and perception towards convenience & excellence of the services offered by organized retail stores.

Null Hypothesis 3 (H₀₃): There is no significant gap between the customers’ expectation and perception towards tangibility of the organised retail stores.

Null Hypothesis 4 (H₀₄): There is no significant gap between the customers’ expectation and perception towards quality of workforce in organised retail stores.
Null Hypothesis 5 ($H_{05}$): There is no significant gap between the customers’ expectation and perception towards customer related policies of organized retail stores.

Null Hypothesis 6 ($H_{06}$): There is no significant gap between the customers’ expectation and perception towards product specific services of organized retail stores.

RESULTS OF SURVEY

This section deals with the gap analysis of customers’ expectation and customers’ perception towards the service quality of organised retail stores and supermarkets in Gwalior. Here the customers’ expectation is taken as the level of importance of each of service quality variable according to the view point of customers and customers’ perception means the actual experience of customers’ towards the service quality of retail stores or super markets which have been measured in terms of customer satisfaction.

![Graph 1: Comparative Analysis of customers’ expectation and perception towards Service Quality of organised retail stores and supermarkets](image)

**Graph 1: Comparative Analysis of customers’ expectation and perception towards Service Quality of organised retail stores and supermarkets**

**Interpretation:** Graph 1 shows the comparative analysis of customers’ expectation and customers’ perception towards service quality dimensions in organised retail stores. It can be seen from the graph 1 that customers’ expectation level is higher than customers’ perception level, in convenience & excellence, policies and product specific dimensions of service quality in organised retail stores. While it was found from the analysis that customers’ perception is higher than customers’ expectation related to tangibility/physical aspect and workforce in organised retail stores. Comparative analysis customers’ expectation and customers’ perception towards each of the service quality variables under each dimension have been given in the following section in detail.
Graph 2: Comparative Analysis of Customer Expectation and Customer Perception towards Convenience & Excellence

**Interpretation:** It can be interpreted from the graph 2 that customer expectation is higher than customer perception towards each of the nine service quality variable under the Convenience & Excellence dimension of service quality in organised retail stores. Huge difference has been found in customer expectation and customer perception related to prompt service to customers, timely respond to customers, true and genuine promises to customers, and error-free sales records etc. While retailers are trying to meet the customers’ expectations related to operating hours of the retail stores, timely update about new products or offers, safety in transactions, easiness in obtaining goods and easiness in roaming around the shelves/racks in retail stores.

Graph 3: Comparative Analysis of Customers’ Expectation and Perception towards Tangibility

**Interpretation:** It can be interpreted from the graph 3 that Customer perception is higher than customer expectation towards each of the service quality variable under the tangibility/physical aspect dimension in organised retail stores. Customers’ expectation and perception were found to be different towards the Interior/exterior of the organized retail stores. Customers are more satisfied with the interior and exterior of the retail stores than their expectations. In remaining
service quality variables such as, modern looking equipment’s, physical facilities—lighting, drinking water, parking, sitting facilities, number of billing counters, location of the store and hygiene and cleanliness, retailers have done efforts to satisfy their customers more than their expectations.

Graph 3 shows the comparative analysis of the customers’ expectation and perception of customers towards the Workforce dimension of the service quality in organised retail stores. Workforce is most important factor in retail stores, where customers need to interact with employees of the retail stores for payment, for description about the product, feedback, for complaints etc. Therefore, it becomes more important to set equal standards of workforce by the retailer as per the expectations of the customers.

Graph 4 shows the various policies of the organised retail stores such as, return and exchange policy, discount or offer policy, pricing policy, feedback policy and payment policy. Customer’s satisfaction is highly depending upon the effectiveness of all these policies of the retail stores.

Graph 4: Comparative Analysis of Customers’ Expectation and Perception towards Workforce

**Interpretation:** It can be interpreted from the graph 4 that overall customer perception is higher than customer expectation towards workforce dimension of service quality in organised retail stores. Retailers have put huge efforts in order to increase the level of customer satisfaction which is more than customer expectations; related to helpful nature of employees, speed of personnel, knowledge and skills of employees and individual attention to customers. While customer perception is lesser than customer expectation related to effectiveness of communication channel in organised retail stores. Customer satisfaction and customer perception is almost equal related to courteous behaviour of the employees. Therefore, overall it can be interpreted that the customers are highly satisfied towards the workforce of organized retail stores than expectation of the customers in organised retail stores.
Graph 5: Comparative Analysis of Customers’ Expectation and Perception towards Policies

Interpretation: It can be interpreted from the graph 5 that customer expectation is slightly higher than customer perception towards policies of the retail stores. Huge difference has been found in the customer expectation and customer perception level related to return and exchange policy of the organised retail stores. While in other four service quality variables under the policy dimension of service quality in organised retail stores, customer expectation and customer perception is having slight difference.

Graph 5 shows the comparative analysis of the customers’ expectation and perception towards the product specific services offered by organized retail stores. As customers visits the retail stores for the purchase of goods/products only thus this dimension have greater influence over the customer satisfaction level. Accordingly, the level of customer expectation will also be high for this dimension. Therefore, retailers and customers both give more weightage to this dimension of service quality in retail stores. The expectation of customers related to the variety of products, quality of products and availability of products on right time and in right condition; need to be fulfilled by the retailers to increase the customer satisfaction towards service quality in retail stores.
Graph 6: Comparative Analysis of Customers’ Expectation and Perception towards Product Specific

**Interpretation:** It can be interpreted from the graph 6 that Customer expectation is higher than customer perception related to service quality variables under product specific dimension of service quality in organised retail stores. Huge difference has been found in customer expectation and customer perception related to quality of products. While the customer expectations towards availability of goods/products on time is fully meet by the retailers. Customer expectations are not meet by the retailers related to variety of products/goods in organised retail stores.

**GAP ANALYSIS**

Gap analysis has been done to find out the gap between customers’ expectation which shows that how much important is the particular service quality variables and customers’ perception which shows the actual quality of service provided by the organised retail stores. For the purpose of gap analysis, the mean value of each of the service quality variables for all the 500 respondents has been taken for both the customers’ expectation and customers’ perception. T-test has been conducted to find out the difference between customers’ expectation and customers’ perception. Following hypothesis have been formulated to test the gap between customers’ expectations and perception of customers towards different service quality dimensions in organised retail stores.

Null Hypothesis 1 \((H_{01})\): There is no significant gap between the customers’ expectation and perception towards the services offered by organized retail stores in Gwalior.

Null Hypothesis 2 \((H_{02})\): There is no significant gap between the customers’ expectation and perception towards convenience & excellence of the services offered by organized retail stores.

Null Hypothesis 3 \((H_{03})\): There is no significant gap between the customers’ expectation and perception towards tangibility of the organised retail stores.

Null Hypothesis 4 \((H_{04})\): There is no significant gap between the customers’ expectation and perception towards quality of workforce in organised retail stores.
Null Hypothesis 5 (H₀₅): There is no significant gap between the customers’ expectation and perception towards customer related policies of organized retail stores.

Null Hypothesis 6 (H₀₆): There is no significant gap between the customers’ expectation and perception towards product specific services of organized retail stores.

Table 1: GAP Analysis of customers’ expectation and perception towards the services towards the organized retail stores

<table>
<thead>
<tr>
<th>Dimensions of Service Quality</th>
<th>Average Value of Customers’ Expectation</th>
<th>Average Value of Customers’ Perception</th>
<th>GAP (E-P)</th>
<th>t-value</th>
<th>Hypothesis (Acceptance or Rejection)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convenience &amp; Excellence</td>
<td>4.82</td>
<td>4.46</td>
<td>0.36</td>
<td>1.294*</td>
<td>Rejected</td>
</tr>
<tr>
<td>Tangibility</td>
<td>3.36</td>
<td>4.24</td>
<td>-0.88</td>
<td>3.347**</td>
<td>Rejected</td>
</tr>
<tr>
<td>Workforce</td>
<td>4.24</td>
<td>4.28</td>
<td>-0.04</td>
<td>12.321(NS)</td>
<td>Accepted</td>
</tr>
<tr>
<td>Policies</td>
<td>4.01</td>
<td>3.84</td>
<td>0.17</td>
<td>9.873(NS)</td>
<td>Accepted</td>
</tr>
<tr>
<td>Product Specific</td>
<td>3.84</td>
<td>3.43</td>
<td>0.41</td>
<td>2.495*</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

* 99 percent confidence level or one percent significance level
** 95 percent confidence level or five percent significance level
NS Indicates not significant

Interpretation: Table 1 shows the gap analysis for customers’ expectation and perception towards the five dimensions of services offered by the organised retail stores. It can be seen from the table 1 that negative gap is found for the tangibility and workforce variable and positive gap for convenience & excellence, policies and product specific dimensions of service quality. Positive value of gap shows that customer expectation is higher than customer perception and negative value of gap shows that customer expectation is lesser than customer perception towards service quality of organised retail stores. Positive value of gap is matter of concern for the retailers while negative value of gap is an indication of higher level of satisfaction of the customers towards service quality of retail stores.

T-test has been conducted to know the significant difference in the mean value of customers’ expectation and perception towards each of the dimensions of services offered by organized retail stores. It can be seen from the table 1 that a significant difference has been found for the three dimensions of service quality such as, convenience & excellence, Tangibility, and product specific while the difference between mean value of customer expectation and customer perception was found insignificant for the Workforce and policies dimensions of the service quality in organised retail stores. Null hypothesis 1 (H₀₁) got rejected which states that there is no significant gap between customers’ expectation and perception the services offered by organized retail stores in Gwalior.
Table 2: GAP Analysis

<table>
<thead>
<tr>
<th>Service Quality Variables</th>
<th>Average Value of Customer Expectation (E)</th>
<th>Average Value of Customer Perception (P)</th>
<th>GAP (E-P)</th>
<th>t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prompt service to customers</td>
<td>4.56</td>
<td>4.21</td>
<td>0.35</td>
<td>3.33*</td>
</tr>
<tr>
<td>Timely respond to customer’s requests</td>
<td>4.64</td>
<td>4.24</td>
<td>0.40</td>
<td>1.29*</td>
</tr>
<tr>
<td>Timely update about new offers/products</td>
<td>4.78</td>
<td>4.52</td>
<td>0.26</td>
<td>1.27*</td>
</tr>
<tr>
<td>Operating hours of the store</td>
<td>4.90</td>
<td>4.68</td>
<td>0.22</td>
<td>1.45*</td>
</tr>
<tr>
<td>Safety in transaction</td>
<td>4.93</td>
<td>4.61</td>
<td>0.32</td>
<td>1.35*</td>
</tr>
<tr>
<td>True and sincere promises to customers for return, money back by certain period etc.</td>
<td>4.98</td>
<td>4.48</td>
<td>0.50</td>
<td>2.87*</td>
</tr>
<tr>
<td>Error-free sales transactions and records</td>
<td>4.84</td>
<td>4.24</td>
<td>0.60</td>
<td>3.89*</td>
</tr>
<tr>
<td>Easiness in finding goods in store</td>
<td>4.88</td>
<td>4.62</td>
<td>0.26</td>
<td>3.42*</td>
</tr>
<tr>
<td>Easiness in moving around the store</td>
<td>4.87</td>
<td>4.54</td>
<td>0.33</td>
<td>2.45*</td>
</tr>
<tr>
<td>Modern-looking equipment and fixtures in the stores</td>
<td>3.86</td>
<td>4.17</td>
<td>-0.31</td>
<td>1.35*</td>
</tr>
<tr>
<td>Physical facilities of the stores (Lighting, drinking water, sitting space, Parking Facilities etc.)</td>
<td>3.52</td>
<td>4.34</td>
<td>-0.82</td>
<td>1.26*</td>
</tr>
<tr>
<td>Quality of the materials available in retail stores such as; shopping bags, posters, pamphlets, loyalty card, and catalogues</td>
<td>3.64</td>
<td>3.94</td>
<td>-0.30</td>
<td>2.63*</td>
</tr>
<tr>
<td>Interior/Exterior of the Retail Stores</td>
<td>2.05</td>
<td>4.91</td>
<td>-2.86</td>
<td>1.67*</td>
</tr>
<tr>
<td>Number of billing counters</td>
<td>3.14</td>
<td>3.96</td>
<td>-0.82</td>
<td>2.54*</td>
</tr>
<tr>
<td>Location of the store</td>
<td>3.62</td>
<td>3.91</td>
<td>-0.29</td>
<td>1.28*</td>
</tr>
<tr>
<td>Hygiene and Cleanliness</td>
<td>3.69</td>
<td>4.45</td>
<td>-0.76</td>
<td>1.41*</td>
</tr>
<tr>
<td>Helpful nature of employees</td>
<td>4.50</td>
<td>4.84</td>
<td>-0.34</td>
<td>1.96*</td>
</tr>
<tr>
<td>Speed of personnel</td>
<td>4.21</td>
<td>4.68</td>
<td>-0.47</td>
<td>1.95*</td>
</tr>
<tr>
<td>Knowledge and skills of personnel</td>
<td>3.87</td>
<td>3.98</td>
<td>-0.11</td>
<td>3.57**</td>
</tr>
<tr>
<td>Effective communication channel</td>
<td>3.75</td>
<td>2.97</td>
<td>0.78</td>
<td>1.59*</td>
</tr>
<tr>
<td>Courteous behavior of employees on the Telephonic discussion</td>
<td>4.82</td>
<td>4.86</td>
<td>-0.04</td>
<td>12.34 (NS)</td>
</tr>
<tr>
<td>Individual Attention to the customers</td>
<td>4.29</td>
<td>4.35</td>
<td>-0.06</td>
<td>12.73 (NS)</td>
</tr>
<tr>
<td>Payment Policies (Through debit card/credit cards/cash only/Meal Pass/coupons)</td>
<td>3.99</td>
<td>3.92</td>
<td>0.07</td>
<td>11.78 (NS)</td>
</tr>
<tr>
<td>Return and Exchange policies</td>
<td>3.78</td>
<td>3.21</td>
<td>0.57</td>
<td>1.53*</td>
</tr>
<tr>
<td>Discount and cash back Policies</td>
<td>4.18</td>
<td>4.10</td>
<td>0.08</td>
<td>9.87 (NS)</td>
</tr>
<tr>
<td>Feedback policy</td>
<td>3.86</td>
<td>3.76</td>
<td>0.10</td>
<td>7.80 (NS)</td>
</tr>
<tr>
<td>Pricing Policy</td>
<td>4.24</td>
<td>4.21</td>
<td>0.03</td>
<td>8.87 (NS)</td>
</tr>
<tr>
<td>Variety of products</td>
<td>3.81</td>
<td>3.55</td>
<td>0.26</td>
<td>1.29*</td>
</tr>
<tr>
<td>Quality of Products</td>
<td>3.89</td>
<td>2.98</td>
<td>0.91</td>
<td>1.87*</td>
</tr>
<tr>
<td>Availability of goods/products on time</td>
<td>3.82</td>
<td>3.76</td>
<td>0.06</td>
<td>9.82 (NS)</td>
</tr>
</tbody>
</table>

**Interpretation**: It can be interpreted from the table 2 that there is a significant gap between customers’ expectation and perception towards the services offered by organized retail stores in
Gwalior. Out of a total of 30 statements except for seven statements the gap found between customer expectation and customer perception is significant. The highest gap is found for the interior/exterior of the retail store, where the customer perception is too high than customer expectation. Therefore, it can be said that retailers are more concerned for the tangibility or physical aspect of the retail stores while the highest value of customer expectation is recorded for the True and genuine promises by the retailers to do something, which shows that customers are more concerned for the convenience and excellence of retail stores in providing customer services.

Overall it can be interpreted from the Gap analysis that there is a gap between the customer expectations for service quality of retail stores and customer perception or actual service quality experienced by the customers in organised retail stores. This gap is a matter of concern for the retailers while making strategies to increase their customer data base or to retain the existing customers, by increasing the level of satisfaction of existing customers.

FINDINGS AND CONCLUSION

Following are the major findings of the research:

1. Customers’ expectations were found to be higher than customers’ perception towards the, convenience & excellence, policies and product specific dimensions of service quality in organised retail stores.

2. Customers’ perception is higher than customers’ expectation related to tangibility/physical aspect and workforce in organised retail stores.

3. Huge difference has been found in customer expectation and customer perception related to prompt service to customers, timely respond to customers, true and genuine promises to customers, and error-free sales records etc.

4. Customers’ perception was found to be higher for operating hours of the retail stores, timely update about new products or offers, safety in transactions, easiness in obtaining goods and easiness in roaming around the shelves/racks in retail stores.

5. Customers’ expectation and perception were found to be different towards the Interior/exterior of the organized retail stores. Customers are more satisfied with the interior and exterior of the retail stores than their expectations. In remaining service quality variables such as, modern looking equipment’s, physical facilities-lighting, drinking water, parking, sitting facilities, number of billing counters, location of the store and hygiene and cleanliness, retailers have done efforts to satisfy their customers more than their expectations.
6. Customers’ perception is lesser than customer expectation related to effectiveness of communication channel in organised retail stores.

7. Customer satisfaction and customer perception is almost equal related to courteous behaviour of the employees. Therefore, overall it can be interpreted that the customers are highly satisfied towards the workforce of organized retail stores than expectation of the customers in organised retail stores.

8. There is a huge difference in the customer expectation and customer perception level related to return and exchange policy of the organised retail stores. While in other four service quality variables under the policy dimension of service quality in organised retail stores, customer expectation and customer perception is having slight difference.

9. A significant difference has been found in customer expectation and customer perception related to quality of products. While the customer expectations towards availability of goods/products on time is fully meet by the retailers. Customer expectations are not meet by the retailers related to variety of products/goods in organised retail stores.

10. A significant difference has been found for the three dimensions of service quality such as, convenience & excellence, Tangibility, and product specific while the difference between mean value of customer expectation and customer perception was found insignificant for the Workforce and policies dimensions of the service quality in organised retail stores.

11. There is a significant gap between customers’ expectation and perception towards the services offered by organized retail stores in Gwalior. Out of a total of 30 statements except for seven statements the gap found between customer expectation and customer perception is significant. The highest gap is found for the interior/exterior of the retail store, where the customer perception is too high than customer expectation.

12. Retailers are more concerned for the tangibility or physical aspect of the retail stores while the highest value of customer expectation is recorded for the True and genuine promises by the retailers to do something, which shows that customers are more concerned for the convenience and excellence of retail stores in providing customer services.

Overall, it can be said that the service quality of the organized retail stores or supermarkets of Gwalior is good but do not match to the expectations of the customers. There is a huge gap between the customers expects from the organized retail stores and what customers perceive actually.

**MANAGERIAL IMPLICATIONS**

It was found from the study that the customers’ expectations are high for services offered by the organized retail stores and the existing level of services do not match to the customers’
expectations. Research is helpful for the retailers as they can come to know about the various factors towards which customers’ expectations are high and they need to improve the service quality level for these factors in order to increase the level of customers’ satisfaction and for retaining the existing customers. Current study showed that customers give high weightage to the products specific features, and the policies related to customers thus, retailers should try to improve these two factors for improving the experience of the customers towards the services offered by the organized retail stores in Gwalior.

LIMITATIONS

The study was based on the primary data and primary data always suffer from respondents’ level of understanding, their attitude and their interest in filling the survey. Total customers who were contacted during current study were 500 which is very less if we compare it with the total number of population. Researcher has surveyed only five retail stores which is less and moreover the study was limited to the one city only i.e. Gwalior.
REFERENCES


