

An application of retailing service quality practices influencing customer loyalty toward retailers

Application of
RSQ practices

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Received 29 August 2016
Revised 27 September 2016
11 February 2017
12 May 2017
8 June 2017
Accepted 10 June 2017

Abstract

Purpose – Enhancing retailing service quality (RSQ) serves as a basic strategy for gaining competitive advantage in the retailing industry and enables retailers to make a loyal customer base. The purpose of this paper is to propose and empirically investigate a comprehensive mechanism for enhancing customer loyalty to retail stores via service quality practices. This study suggests information on retailers can be the antecedent of the RSQ and its dimensions, thereby proposing a comprehensive mechanism for enhancing customer loyalty to retailers.

Design/methodology/approach – The data were collected using questionnaire surveys from 2,375 customers of three main supermarkets in Sri Lanka. After testing the measurement model, two structural models were run to test hypotheses.

Findings – The findings showed that the RSQ positively influenced customer loyalty. From all the RSQ dimensions, the store's physical aspects, personal interaction and policy had a significant influence on customer loyalty. The findings also demonstrated that information on retailers contributes to enhancing a customer's favorable evaluation of the supermarket's physical aspects, personal interaction and retailing policy.

Research limitations/implications – This study was conducted with supermarket customers in one country using the cross-sectional data. Hence, the model should be replicated among retail customers in other countries with the longitudinal data.

Practical implications – Practically, this study recommends to retailers which dimensions of service quality they need to focus to enhance customer loyalty to their business. The study furthermore recommends certain dimensions that need to be emphasized while retailers design their promotional and communication programs.

Originality/value – Information on retailers has been suggested as an antecedent for enhancing supermarkets' service quality practices. Thus, this study proposes a comprehensive mechanism for enhancing customer loyalty to retailers via service quality practices.

Keywords Customer loyalty, Supermarkets, Dimensions of RSQ, Information on retailers, Retailing service quality (RSQ)

Paper type Research paper

Introduction

The concept of “retailing service quality (RSQ)” has gained a prominent place in the services marketing literature during the last decade. There are numerous entities operating in the retailing industry, so intense competition prevails there. Providing high RSQ is considered a basic retailing strategy for gaining competitive advantage in this industry (Gopalan and Satpathy, 2013; Bharti *et al.*, 2014). Karjaluoto *et al.* (2015) suggest that enhancing RSQ will enable retailers to create greater customer value which would make customers more loyal to a particular store or retailer.

“Customer loyalty” has emerged as the heart of the consumer marketing literature (Bowen and Chen McCain, 2015; Blut *et al.*, 2014; Kursunluoglu, 2014). Oliver (1999) defines customer loyalty as “a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive purchase of same-brand or same brand-set, despite situational influences and marketing efforts having the potential to

