



**EVALUATION OF RETAIL SERVICE QUALITY- A STUDY OF H&L
SUPERMARKET IN TAMAN MAJMAH, KUCHING**

LINDA ANAK DANA

2008712385

**BACHELOR OF BUSINESS ADMINISTRATION
WITH HONOURS (MARKETING)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
KOTA BANGARAHAN**

DECEMBER 2011

ABSTRACT

This study aims to evaluate the retail service quality for H&L Supermarket. The study is also set out to determine what influence the customer to shop at H&L Supermarket. A Theoretical framework was adapted from Dabholkar et. al (1996). A survey of 200 respondents was conducted in supermarket in developing area and become attraction between people who not only from Taman Malihah but from outsiders. This research explores the preferred place for Taman Malihah, Matang consumers to purchase their products and foods by using H&L supermarket and their current customers as a sample.

Participants indicated that their opinions or decision based on five dimensions of retail service quality that has developed by Dabholkar at el. (1992). The five dimensions were the physical aspect, reliability, personal interaction, problem solving and policy. The reliability test is measured to represent the dimensions whereas regression test and Pearson correlation is used to answer the research questions and testing the hypotheses.

Due to the intense competition with the other retail outlets, H&L Supermarket need to upgrade and maintain their services to remain as the preferred place to shop. Consumer profiles associated with this supermarket may be used as a basis for market segmentation. Secondly, it is useful to the government in its modernization process of retail outlets, particularly in smaller towns, which should proceed slowly and with care.

<u>TABLE OF CONTENTS</u>	PAGE
LETTER OF SUBMISSION	i
ACKNOWLEDGEMENT	2
ABSTRACT	3
<u>CHAPTER ONE:</u>	
1.0 INTRODUCTION	6-7
1.1 BACKGROUND OF STUDY	8-9
1.2 PROBLEM STATEMENT	10
1.3 RESEARCH OBJECTIVES	11
1.4 RESEARCH QUESTIONS	11
1.5 SIGNIFICANCE OF THE STUDY	12
1.6 DEFINITION OF TERMS	13
1.7 LIMITATION OF STUDY	14
<u>CHAPTER TWO:</u>	
2.0 LITERATURE REVIEW	15-17
2.1 THEORITICAL FRAMEWORK	18-19
<u>CHAPTER THREE:</u>	20
3.0 RESEARCH METHODOLOGY	21
3.1 RESEARCH DESIGN	21
3.2 SAMPLING	21-22
3.3 INSTRUMENTATION AND MEASUREMENT	22-24
3.4 OPERATIONALIZATION OF VARIABLES	22-24
3.5 DATA COLLECTION	25
3.6 DATA EDITING AND CODING	26
3.7 DATA PREPARATION	26
3.8 DATA ANALYSIS	26

CHAPTER ONE

1.0 INTRODUCTION

1.0.1 Overview about retailing

Retailing refers to all activities directly related to the selling of small quantities of goods and services, at a profit, to the ultimate customers for personal consumption and non-business use (Mohd-Said, 1990). Retailing can be categorized in three groups such as convenience goods which include groceries and daily provisions, shopping goods which refers to quite more expensive items bought at less regular intervals and specialty goods which are unique items that request to customers of the higher income level (Guy, 1980).

There are two types of retailers such as small-scale retailers and large-scale retailers. Small-scale retailers include the single-proprietor stores and non-store operators such as hawkers, peddlers and market stalls. Moreover, large-scale retailers include superstore, discount store, department store, supermarket, hypermarket and shopping center (Ahmad et. al., 1996; Nik Yacob et. al., 1992; Cox, 1988). Retail stores belong to service industry, which offer a mix of goods and service, thus retail product management not only have the common characters of goods quality but also have the special characters of services quality.

1.0.2 Retail in Malaysia

The retail environment in Malaysia has undergone a continuous and marked change over the decades. New facilities ranging from supermarkets and superstores to retail warehouses and convenience stores have been added to the retail landscape, much at the expense of the traditional shophouses. Retail in Malaysia is wide-ranging; from department stores, supermarkets and mini markets, specialty shops, convenience stores, provision stores, pharmacies, medical halls, direct sale, wet market stalls to pavement shops and petrol kiosks (Seventh Malaysia Plan, 1996).

In Malaysia, the structure of food retailing has changed dramatically over the last few years, which before this the only retail formats were the traditional markets, grocery stores or mini-markets. In Malaysia, supermarkets began to emerge in the early 1990's (Wong 2007). Modern retail outlets such as supermarkets and hypermarkets are dominating the local re-tail food trade (Shamsudin and Selamat 2005). It is because of the various external forces such as customer behavior, increased number of competitor, legislative framework, technological advancement, and changes in societal status and values (Lusch, 1982).

CHAPTER TWO

2.0 LITERATURE REVIEW

2.0.1 Introduction

Dabholkar et al. (1996) have developed a validated Retail Service Quality Scale to measure retail service quality specifically. This scale is different because it is suitable for studying retail businesses that offer a mix of services and goods such as department or specialty stores (Dabholkar et al., 1996). However it has not been applied in other cultures which this study attempts to apply the Retail Service Quality Scale in H&L Supermarket as a case study. This study is very useful because it measures the effectiveness of the retail service quality on H&L Supermarket in competing with their competitors. Therefore; all of the dimension will be explained as follows:

↓ Physical Aspect

In physical aspect it emphasizes on modern looking equipment and fixtures, cleanliness and the store layout. This statement was supported by Geuens et al, 2003 which refer to the store that provides facilities such as car parking, trolleys and baskets, proximity to other shops, extended trading hours, a low level of in-store crowding, good presentation of products, signage, and the desired width and depth of the product range.

Furthermore, it is important to emphasize on physical aspect according to Yalch and Spangenberg (1990), the right use of color, lighting, sound and furnishing may stimulate perceptual and emotional responses within consumers, which eventually affects their behavior. Espinoza et al. (2004) further state that a good store atmosphere and pleasant surroundings may increase the consumers' willingness to buy.

The consumers will only choose to shop at the store if they perceive the store has the same image desired by them. However, store image or attributes cannot be determined unless the store dimension is important to the consumers and there is a noticeable difference across the chain (Seiders and Tigert, 2000).

↓ Reliability

Reliability is focusing on the availability of the merchandise, insists on error free sales transactions and records also on the time of the service. Thus, supermarket is perceived to be capable of offering a wide variety of food and non-food items for consumers. The reliability dimension is one of the important criteria for H&L Supermarket because based on Mui et al.