Retailer’s Service Quality & CSR as Antecedents of Retailer Personality & Customer Reactions: A Review

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Abstract

This research paper aims to assess the influence of Retail Service Quality and CSR as antecedents of Retailer Personality and Customer Reactions. Also, reviews were done for studies which implemented Analytic Hierarchy Process (AHP). The relationships and links were identified from a rigorous literature review. A conceptual model has been developed and proposed, with Retail Service Quality and CSR Policy of retailer as antecedents and Customer Reactions as consequences of Retailer Personality. Hypotheses were formulated, recommendations and Scope for future research were discussed.

Keywords: AHP, Customer Satisfaction, Organised Retail, Retailer’s CSR Policy, Service Quality

1. Introduction

The relationship between the desire of capturing and acquiring is as old as the history of mankind on this planet. Retailing is an evolving area in the field of management research. Unorganized retailing is a primitive form of retailing which is prevalent till date.

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After the liberalization of trade in late nineties, retailing has undergone a major change. Retailing’s main foundation lies on the concepts related with consumer and related aspects. Consumer related aspects are vital for an effective retailing process. Concept of retailing thus emerged as a field which is consumer oriented. Thus, transformation of unorganized form of retailing into organized form paved several paths for research in retail with consumer as the central theme. Several key areas evolved out of the concept of retailing like behavioral perspectives which includes consumer perceptions and expectations, Corporate Social Responsibility in retail, Retailer Personality, Retail Service Quality, patronage behavior, personality, shopping motives, consumer tastes and preferences, lifestyle and attitude etc. Other key areas which emerged were those aspects which supported and moulded the central aspect of consumer behavior viz. retail store attributes, ambience, retail store layout, location, retail strategies, branding, private label brands, promotion, retail operations, retail supply chain, product assortment, product range and visual display of products.

This study deals with previous research done on various scales of perceived Retail Service Quality, perceived policy of retailer’s Corporate Social Responsibility, Retailer Personality, Customer Satisfaction, Trust and Loyalty. Various Service Quality Models and CSR Models in association with Retailer Personality and Customer Reactions have been studied in Indian and global perspectives.

Thus, a holistic assessment of customer perceptions of all aspects is required to be conducted (Campbell, 2000). Thus, retail concept existed in its latent state during the evolution. With increase in the complexity of living style of man, need for a refined and comprehensive structure of retail entities came into existence. With due course of time this structure got better than ever before, resulting into the present day framework of retail market.
2. Concept of Retail

The word ‘Retail’ is derived from a French word ‘retailer’, pertaining to divide within the context of tailoring. Retail industry grew fast because of the entry of big retail players into the market.

2.1. Objectives

The present review study aims to develop a framework for assessing Consumer Perceptions of Antecedents and Consequences of Retailer Personality. To achieve this aim, the following objectives have been set:

1) To assess the impact of perceived Retail Service Quality and Retailer’s CSR Policy on Retailer Personality.
2) To assess the impact of Retailer Personality, Retail Service Quality and Retailer’s CSR Policy on Customer Reactions (CS, CT & CL).

3. Classification of Literature Review

3.1. Studies based on Retail Service Quality Dimensions

The studies which are based on Retail Service Quality Dimensions and can be sub-divided into studies based on SERVQUAL Scale, studies based on Retail Service Quality Scale (RSQS) and studies based on other dimensions. The Literature Review Classification has been illustrated with the help of Figure No. 1.

3.2. Studies based on SERVQUAL Scale

Parasuraman A. et al. (1996) developed a scale for Retail Service Quality called as RATER scale. The scale comprised of dimensions of Retail Service Quality viz. Reliability, Assurance, Tangibles, Empathy and Responsiveness. The authors proposed a conceptual framework of influence of Retail Service Quality on customer behaviors that decided whether customers continued or discontinued to be a customer for that company. The outcomes also revealed that customer behavior was influenced by Service Quality. The results infer that there were parities in quality-intentions link in different dimensions of behavioral intentions.

Naik, C. N. K. et al. (2010) has thrown light on Service Quality dimensions that made customers satisfied and also explored those dominant dimensions which had a major impact on Customer
Satisfaction. It has been concluded that customers have highest expectations for fast service, error free transactions at cash counters, and security issues; whereas the customers’ lowest expectations were for cleanliness and ambience etc.

Sharma, A. et al. (2014) studied the SERVQUAL dimensions of Service Quality and checked whether these dimensions had an impact on Customer Satisfaction. The study considered service quality dimensions of banking services in Delhi-NCR region. Results revealed that tangibility, reliability, responsiveness, assurance and empathy can be used to measure service quality of banking services and these dimensions affect Customer Satisfaction and Loyalty.

3.3. Studies based on RSQS
Following are the studies which are based on Retail Service Quality Dimensions and can be sub-divided into studies based on SERVQUAL Scale, studies based on Retail Service Quality Scale (RSQS) and Studies based on other dimensions.

Dabholkar, P. A. et al. (1996) studied the perceptions of customers related to Retail Service Quality by the Retail Service Quality Scale (RSQS). This scale is comprised of five basic dimensions viz. Physical Aspect, Convenience, Reliability, Personal Interaction and Problem Solving. Seven stores from two department store chains in the south-eastern United States were selected for the study with a sample size of 227.

Siu, N. Y. M. & Cheung, J. T. H. (2001) determined the influence of Retail Service Quality on future consumption behavior. It was found that Physical Appearance had the most impact on overall Retail Service Quality and the dimension of Policy had greatest impact on Future Consumption Behavior.

Torlak, O. et al. (2010) studied the differences between Service Quality dimensions of supermarkets and discount stores. Results revealed that the supermarket customers perceived Physical Aspects and Store Policy dimensions at a higher level, while the customers at discount stores gave more priority to Personal Interaction dimension.
Oyeniyi, O. & Abiodun, A. J. et al. (2012) attempted to measure Retail Service Quality in Nigerian departmental stores using Dabholkar, Thorpe & Rentz (1996) RSQS scale. It was found that physical-dimension, reliability, personal-interaction and problem-solving significantly affect customer-satisfaction, while policy did not affect it significantly.

Nair, G. K. & Nair, H. K. et al. (2013) explored the dimensions that attracted customers towards organized retail sector in Trivandrum. There was a strong relationship between Returns and exchanges and sincerity in Problem Solving variables. It was found that there exists definite connections between suitable shop timings and suitable parking facilities in connection with physical elements.

Tanwar, S. et al. (2013) identified the dimensions of Retail Service Quality in apparel sector. Eight Retail Service Quality dimensions were identified viz. Convenience, Promises, Policy, Helpfulness, Appearance, Problem Solving, Doing-it-Right and Inspiring
Confidence. Convenience had a major impact among all dimensions.

Amorim, M. & Saghezchi, F. B. (2014) compared Service Quality across hypermarkets and supermarkets. It was found that by improving Reliability dimension, overall Customer Satisfaction was greatly enhanced in supermarkets, as compared to hypermarkets. Whereas by improving the ‘Personal Interaction’ dimension overall Customer Satisfaction was greatly enhanced in hypermarkets.

3.4. Studies based on other Dimensions


Huddleston, P. et al. (2009) examined the impact of Store Attributes on Satisfaction. Results found that Price, Product Assortment, Quality and Service affected the store Satisfaction of conventional and specialty stores.

Webber, S. S. et al. (2011) states that Retailer Personality-Service Quality relationship was mediated by Cognitive and Affective Trust. It was also found that the Cognitive Trust mediated the service provider service orientation-Service Quality relationship.

Tang, Y. et al. (2013) developed an instrument to measure hypermarket service quality appropriate for Chinese values. The findings of the study says that customers don’t want to waste their time and want value while they shop.

Katri, K. & Jarvinen, R. (2016) compared perceived insecurity by clients and retailers' employees while shopping. Results revealed that consumers and store employees find it difficult to judgmentally identify their own conduct. Study concluded by highlighting differences between consumers and store employees in different aspects.
Surjaatmadja, S. et al. (2018) determined direct impact of Service Quality and Store image in purchasing private label products. It was found that Service Quality and Store Image affects purchase intention of private label products.

3.5. Studies based on Retail Service Quality & Customer Reactions

Ekinci, Y. et al. (2008) examined the effect of self-congruence on Customer Satisfaction with services. They developed a framework of the antecedents and outcomes of Customer Satisfaction. Findings revealed that ideal self-congruence and desires congruence had positive impact on Customer Satisfaction.

Beneke, J. et al. (2012) studied as to which aspect of Retail Service Quality had an impact on Customer Satisfaction. It was found that Physical Aspects and Personal Interaction had a direct connection with Customer Satisfaction.

Dutta, K. & Swati, S. (2014) studied promotion activity and data were collected from different organized retail stores. Customers had many expectations of getting good quality and variety of products on sale and nice behavior of staff etc. It was found that increase in quality affected Customer Satisfaction and Loyalty.

3.6 Studies based on Corporate Social Responsibility

3.6.1 Studies based on CSR in Retail

Lois, A. M. et al. (2001) studied typology of consumers’ favour for CSR activites of the companies. It was revealed that customers were favourably disposed towards the stores that practised CSR.

Sen, S. & Bhattacharya, C. B. (2001) found that two company-specific factors viz. CSR issues an organization prefers to emphasis on product quality and CSR related customers’ backing. Results also highlighted the mediating role of Customer Perceptions of CSR initiatives of retailers.

decisions about the outlets are influenced by the CSR activities promoted by the stores.

Swaen, V., & Chumpitaz, R. C. (2008) found three facets of CSR viz. admiration for environment, admiration for customers, CSR activities (three items). An organization’s CSR programs have a significant effect on confidence and integrity.

Gupta, S. & Pirsch, J. (2008) revealed that CSR motivates the customers to have good opinion about the retail outlets and customer’s perception regarding it is positive. Stanaland, A. J. S. et al. (2011) examined the backgrounds and results of perceived CSR. It was found that perceived monetary performances and perceived quality of ethics statement impact the perceived CSR.

Shaw, H. J. (2012) studied CSR initiative associated with diet and ethnicity in United Kingdom. Lower prices were offered by large supermarket chains through economies of scale but their large size became a disadvantage when CSR aspects became important because smaller retailers were more closely associated to their local community.

Oberseder, M. et al. (2013) explored Corporate Practices and Consumer Perceptions related to Corporate Social Responsibility. Ailawadi, K. L. et al. (2014) studied the impact of consumer perceptions of CSR initiatives on Customer Loyalty. It was also found that size of CSR's total impact on share of wallet was statistically significant.

Chanana, S., & Gill, P. S. (2015) found that cause related marketing was viewed as a part of Corporate Philanthropy by consumers. Results revealed that consumers considered concept of CSR marketing as an important criterion and also considered this as a part of Corporate Philanthropy.

Rivera, J. J. et al. (2017) studied the conditions under which Corporate Social Responsibility affected Customer Satisfaction by using two different studies viz. Company Based and Consumer Based. Kaur, B. P (2017) investigated the implementation of CSR policies towards consumer and society by Reliance Fresh situated in Kharar, Punjab. It was found that customers were not satisfied
with the Price, Method of Selling and Preservation of Social and Cultural values.

### 3.6.2 Studies based on CSR in other sectors

Lacey, R., & Kennett-Hensel, P. A. (2010) investigated the importance of CSR and studied its relational impact overtime. Findings reflected that Customer Trust was enhanced if the firm followed CSR and committed Customer Relationships which further improved Customer Reactions. Matute Vallejo, J. et al. (2011) explored how CSR and Price Fairness positively affected Customer Loyalty through Satisfaction and Commitment. Inoue, Y. et al. (2017) examined whether consumers' perceptions of CSR activities can predict Behavioral Loyalty.

### 3.7 Studies based on Retailer Personality

Zentes, J. et al. (2008) reconfirmed the applicability of Brand Personality Scale proposed by Aaker for retail brands in Germany. It was found that the elements of the Brand Personality influences the outlet’s image and customers’ loyalty.

Brengman, M., & Willems, K. (2009) studied Customer Perception of the main determinants of Fashion Store Personality. Results found that Store Environment and Store Design were important factors in determining Personality of Fashion Stores.

Aurier, P., & N’Goala, G. (2010) examined how service companies can affect Customer Patronage Behaviors by overall Customer Satisfaction, Trust and Relationship Building. It was found that Trust appeared to be a vital requirement for Service Relationship development and Company Profits.

Lombart, C., & Louis, D. (2012) found out the impact of Retailer Personality on Customer Satisfaction and Loyalty, measured through Attitude and Future Behavioral Intentions. Four personality traits viz. Congeniality, Originality, Conscientiousness and Preciousness had a direct or indirect effect.

Lombart, C., & Louis, D. (2016) focused on direct impact of two Antecedents of Retailer Personality on Customer Loyalty. It was observed that Private Brand Trust had a positive impact on Conscientiousness and Sophistication. It was found that Private Brand Trust and Private Brand Attitude had a positive effect on Agreeableness.

3.8 Studies based on Analytic Hierarchy Process (AHP)
The studies which applied AHP as analytical tool were divided into two sub-types of studies as discussed below.

3.8.1 AHP studies based on CSR criteria
Xu, L., et al. (2013) compared seven criteria for selecting best supplier in the context of CSR. Seven criteria were Underage Labor, Female Labor, Long Working Hours, Human Rights Issues, Safeguarding Mechanisms, Pollution and Organizational Legal Responsibilities. After applying AHP, highest weightage was obtained by the Organizational Legal Responsibility issue.

Stankova, S. (2014) dealt with a complex CSR evaluation of selected banking organizations functioning in the Czech Republic viz. Ceskasporitelna, a.s., Komercnbanka, a.s. and Uni Credit Bank Czech Republic, a.s.. The Ceskasporitelna, a.s. gained highest weightage scores and was found to be operating in all economic and social sub-criteria. Komercnbanka, a.s. acquired a second place and it gained highest values in Environmental Field whereas the Uni Credit Bank Czech Republic, a.s. was placed in the third position.

Shen, L. et al. (2015) compared the 12 barriers causing the hindrance of CSR implementation in textiles industry. The outcomes revealed that ‘financial constraints’ scored the highest relative weight among all barriers of CSR implementation in the Indian textiles industry.

Kheiri, J. et al. (2015) used CSR concept in selecting best practices in five star hotel brands in Tehran. Three criteria of CSR considered were Economic, Social and Environmental Responsibility. Results revealed that among five 5 star hotels in Tehran, Home Hotel took
the best CSR practices whereas Azadi Hotel was the lowest ranked one.

3.8.2 AHP studies based on other criteria

Saaty, T. L. (1987, 1990, 2008) pioneered the concept of Analytic Hierarchy Process (AHP) as a Multi Criteria Decision making method used to obtain ratio scales from paired comparisons. AHP was a theory of measurement of priority or relative pairwise comparison of expert’s judgment. AHP helped decision makers in finding the best alternative for achieving set goal. It is widely used in group decision making around the world in business, healthcare and education. AHP decomposed the process of complex decision making in a hierarchy of criteria, sub-criteria, attributes with the help of priority weights that give the relative importance of the attributes. Finally, ranking of different criteria and sub criteria was done to choose the best from given alternatives.

Chiouy, C. et al. (2011) aimed at choosing the most sustainable supplier for Taiwanese electronics industry. Three main criteria chosen were Environmental, Social and Economy aspects and 15 sub criteria were chosen. It involved prioritization and ranking different performance evaluation criteria for the sustainable supplier selection. Outcomes revealed that the main criterion ‘Environmental Performance’ and sub-criterion ‘Quality’ gained maximum priority weights in their respective categories.


Gopalan, R. S., & Satpathy, B. (2015) aimed at finding most preferred Retail Service Quality Dimensions using AHP. Five basic dimensions of Retail Service Quality Scale proposed by Dabholkar et al. (1996) were adopted.
4. Conclusion

Retail Service Quality and CSR Policy of the retailer were found to be the antecedents of Retailer Personality. Customer Satisfaction, Customer Trust and Customer Loyalty acted as consequences of Retailer Personality. Thus, by modifications in CSR Policy of the retailer and Retail Service Quality favorable Customer Reactions can be attained. Customer Reactions can be measured by the assessment of Retailer Personality. Retailer Personality acted like a connecting link between these antecedents and consequences.

The research framework consisted of two types of impact of antecedents on consequences of Retailer Personality viz. Direct and Indirect Impact. Direct impact grew from perceived Retail Service Quality and Retailer’s CSR Policy to Customer Reactions directly without the intervention of Retailer Personality, while indirect impact was directed from perceived Retail Service Quality and Retailer’s CSR Policy to Customer Reactions via Retailer Personality. After exploring these impacts, it was known that perceived Retail Service Quality exhibited direct and indirect impact whereas Retailer’s CSR Policy exhibited only indirect impact and no direct impact. In addition it was also revealed that Retail Service Quality and Retailer’s CSR Policy showed direct impact on Retailer Personality.

References


